

Star BUSINESS

REGULAR STAR
BUSINESS INSIDE

ASIAMONEY BEST
BANK AWARDS 2023:
BANGLADESH

THE DYNAMIC TRANSFORMATION OF BANGLADESH'S BANKING SECTOR

Speed, Sustainability, and Superior Service

AHSAN HABIB

Once, the banking sector was meant for physical presence in the branch, and waiting in a long queue to deposit and withdraw funds. However, it has now transformed into digital banking, so people can get almost every banking service through their mobile phones or computers.

At present, customers can send their funds digitally without footing the branch. Furthermore, they can withdraw funds, buy products, and pay utility bills through a bank account, even sitting in front of their digital devices.

Some of the banks have started lending to small entrepreneurs through mobile financial services, so small entrepreneurs are getting loans easily without facing any challenges of keeping mortgage.

At the same time, the banks are reaching the small borrowers without increasing their operating costs. So, it's a win-win situation for the banks, MFS, and small entrepreneurs.

Over the periods, the banking pattern and behavior of customers have been transformed significantly, so most of the banks are catering the services, more or less, digitally, said Ali Reza Iftekhar, Managing Director and CEO of Eastern Bank.

Once upon a time, for instance, people came to a bank branch and passed half of a day to make any pay order, and/or demand draft or withdrawing a statement only.

However, pay orders and demand drafts are almost obsolete now, and people can send funds to even far-reaching people within a minute just sitting before their computer, he cited.

Young people, especially, do not want to come to the bank branch. What is more, they seek which bank is more advanced digitally and then they chose them for their banking. Yet, senior citizens prefer to come to the

bank branch.

Though digital advancement needs an investment, but it is cost-effective because when people will take services digitally, then it reduces the operating costs of the bank in the long run.

Lower queue in a branch leads us to reduce spaces, and lower manpower, he said, adding the banks are trying to reduce the queues and it is working well.

The veteran banker went on to say that the digital banking system allows the banks to analyze data easily, so the bank can improve services on the spot with a high pace.

Digital banking is the demand of time, and it can make banking competitive, added Iftekhar, who is also the former chairman of the Association of Bankers, Bangladesh (ABB).

The internet banking transactions soared 142 percent year-on-year to Tk 49,930 crore, showed the latest Bangladesh Bank (BB) data. On a month-on-month basis, it was a growth of 12 percent. This is also threefold the amount recorded in the whole fiscal year 2014-15.

Now more than 40 banks have apps to facilitate customers in carrying out banking digitally. A good number of clients have embraced various digital transaction tools such as credit and debit cards and banking apps.

The use of both credit and debit cards has been on the rise for the last couple of years, and many people purchase goods and services through e-commerce platforms from the convenience of their homes or offices, more than in the past.

The total amount of credit card loans held by lenders stood at Tk 2,506 crore in January this year, up 17 percent year-on-year. Spending through debit cards increased by 49 percent to Tk 36,765 crore, data from the BB showed.

The number of MFS accounts stood at 19.41 crore in January, up 12 percent year-on-year. Transactions in the month increased by 18.6 percent to Tk 100,593 crore.

The transformation of banking has been done not only in the digital arena but also in their product diversification and project

The concept in the banking sector has been evolving now. At present, the bankers think twice, before lending, that where they are lending whether it is a harmful project to the society, whether it is environmentally unsafe factory etc, he said.

"The banks now realized that the business is not sustainable until it is participatory and inclusive," added Rahman.

In 2013, no one even considered giving collateral-free loans. Now, some banks are offering collateral-free loans to SMEs.

The landscape of SME financing began to change after the Bangladesh Bank (BB), the central bank, intervened and directed lenders to increase their SME financing portfolios by 1 percent every year.

Furthermore, there is some relaxation in financing for the SME sector from banks. As a result, there has been positive growth in loan disbursement over the past 10 years.

Today, the total financing to SMEs stands at around Tk 220,500 crore, which was Tk 85,323 crore a decade ago, according to the BB data.

M Jamal Uddin, CEO, and MD of IDLC Finance, said SMEs now occupy an important position in the national economy, as they account for about 80 percent of industrial employment.

"We believe that through financing SMEs, we can make a significant contribution to national economic growth and employment generation, which is the key motivation behind our focus on this sector."

However, in the case of financing SMEs, the lenders have to understand their business dynamics, nature of commitment, cash flow,

business growth plan, and fund utilization plan in the absence of audited financials and collateral in most cases.

IDLC has played a pivotal role in the growth of the SME sector in Bangladesh since 2006. In the past 17 years, it has developed various products considering their requirements, serving more than 45,000 SMEs in Bangladesh, he said.

Since banks stand as an ideal model and safety net for social and economic development, they have the responsibility to contribute back to society, said Arif Quadri, Managing Director & CEO of United Commercial Bank.

With this essence, banks are now more concentrated on CSR and environmental issues.

Over the years, it was considered that the banking business was only involved in monetary transactions. However, recently many changes have occurred, and banks are not solely involved in activities connected to making a profit, he said.

United Commercial Bank PLC is keen on adopting and supporting initiatives, activities, and programs that deliver a positive and sustainable impact on the communities, which have become an integral part of its CSR strategy, he added.

Hassan O Rashid, Managing Director and CEO of Prime Bank, said the inclusion of the ESG perspective in Bangladesh's banking sector has created a sense of awareness and an urge to act more responsibly towards the development of a sustainable future.

This has certainly helped the industry focus more towards driving sustainable initiatives. Such initiatives will surely have a meaningful impact in the overall development of the economy while preserving the environment, he cited. "We want to ensure reduction of carbon footprint and optimal usage of natural resources," he added.





Redefining

Banking Excellence
with Unparalleled Services



Eastern Bank

2023
Best Domestic Bank
in Bangladesh





EBL wins Asiamoney Best Domestic Bank for three consecutive years from 2021-2023







YOUR UNWAVERING TRUST HELPS US FOSTER BOUNDLESS OPPORTUNITIES AND ACHIEVE NEW HEIGHTS

IDLC has been awarded
'The Best Bank for SMEs in Bangladesh'
by Asiamoney for the 5th consecutive year



financing happiness



Ali Reza Iftakhar

Managing Director & CEO
Eastern Bank Limited



At EBL, we prioritize international best practices in corporate governance. I believe in investing in people today for a better tomorrow. Placing the right individuals in the right places involves hiring candidates, and ensuring that they have a passion for job. By fostering a work environment that inspires dedication, commitment, and passion, employees are motivated to perform at their best. My drive has always been to foster a culture of innovation and creativity at EBL. I have encouraged employees to think outside the box, take calculated risks, and experiment with new ideas and approaches. I have implemented processes and structures to support innovation, and I took risk on my people.



Eastern Bank Limited Bangladesh's Best Domestic Bank 2023

TOP 3 INITIATIVES

- » Introduced Project Rupantor, the fastest Core Banking System (CBS) migration project.
- » Implemented automation for at least 14 information technology processes.
- » Pioneered the opening of a Japan business desk, positioning itself as a one-stop shop for Japanese investors and companies. In 2023, opened China and India Business desk.

TOP 3 ACHIEVEMENTS

- » Net profits rose by 9.75%, year on year, in 2022 as assets jumped by 17.28%, and Tier 1 capital increased by 14.56%.
- » Successfully raised Tk 1,224 million (\$11.4 million) through issuing Zero Coupon Bonds to support disenfranchised women in rural Bangladesh.
- » EBL Skypay witnessed a remarkable 29% surge in transactional volumes, securing 81% market share of all e-payments by the end of 2022.



Emranul Huq

Managing Director & CEO
Dhaka Bank Limited



We can identify "Being Excellent" as our driving force as our slogan says – "Excellence in Banking". We have been trying to build our capacities over time to ensure the most premium services for all our customers addressing their financial needs. There is a sweetly tuned harmony in our operation among all the relevant stakeholders, which ensures the best quality corporate governance. We are now planning a more wholesome business drive combining all our business avenues. Besides, in line with the directives of the regulators, we are targeting to cover more unbanked population of the country by spreading our network in suitable areas.



Dhaka Bank Limited Bangladesh's Best Corporate Bank 2023

TOP 3 INITIATIVES

- » Launched e-Rin, an AI-based instant loan disbursement platform aimed at the rapid digital processing of small-scale personal loans.
- » Launched Nano Deposit Schemes, with collaboration with bKash targeting the unbanked lower income community as a part of Financial Inclusion.
- » Upgraded Dhaka Bank C Solution, empowering corporate groups to manage cash flows efficiently.

TOP 3 ACHIEVEMENTS

- » Recorded a 109 m USD increase in total assets with a growth rate of 3.34% over 2021, with loans and advances surging by 247 m USD (YoY Growth Rate 11.24%), and deposits growing by 133 m USD in 2022 (YoY Growth Rate 5.65%).
- » Reduced non-performing loans to 2.68% from 3.32% in 2021.
- » Successfully arranged a \$50 million syndicated term loan for Ananta Real Estate, the nation's first LEED Platinum Certified gated community.

ASIAMONEY AWARDS

Elevating Bangladesh's Banking Sector on the Global Stage

MD ABU TALHA SARKER

The Asiamoney Awards, like the Euromoney Awards, are highly regarded in the global banking sector due to their unbiased, independent, and rigorous selection process in recognizing prestigious accolades. These awards are presented annually by the publication Asiamoney to acknowledge excellence in the financial services sector across Europe and Asia.

What are the Asiamoney Awards? Asiamoney is a quarterly financial publication established in 1989, and it is part of the London-based Delinian Group, a global B2B information services business registered in England and Wales under the name Delinian Limited. Delinian has a vast customer base in over 140 countries, with more than 2,200 employees located in North America, South America, Europe, and Asia. In November 2022, Euromoney Institutional Investor PLC rebranded as Delinian Limited. Asiamoney provides reports and analysis on financial and investment markets for capital issuers, borrowers, institutional investors, and senior corporate and government monetary decision-makers with business interests in the Asia Pacific region.

How are award decisions made? The award committee sends letters to respective banks, non-bank financial institutions, and mobile financial service providers, inviting them to apply for the awards. Each bank, NBFIs, or MFS then submits their application along with financial statements, major initiatives, business and non-business deals, and agreements.

The committee conducts assessments and reassessments based on these documents, even conducting interviews with high-ranking officials from the organizations. Additionally, they scrutinize and analyze other aspects of the banks, such as non-performing loans and growth.

Asiamoney's award decisions are made by a team of senior journalists who carefully review

detailed submissions from market participants, conducting research into the banking and capital markets with the support of their editorial committee.

About the Best Bank Awards Each issue of Asiamoney features in-depth reports and banking awards in up to eight markets in Asia. The aim is to identify banks in each market that have excelled across various core banking activities over the past 12 months.

The categories under consideration include the best domestic bank, best international bank, best investment bank, best corporate bank, best bank for SMEs, best bank for digital solutions, best Islamic bank, best bank for ESG, best bank for CSR, and best bank for diversity and inclusion.

Asiamoney's award decisions are made by a team of senior journalists after receiving detailed submissions from market participants, in conjunction with research into the banking and capital markets by its editorial committee.

What bankers said about awards? Ali Reza Iftakhar, managing director and CEO of Eastern Bank Limited, said the Euromoney and Asiamoney awards hold significant value for banks across Asia and Europe due to their prestige, competitive advantage, and positive impact on attracting investors, customers, and talent.

"For Bangladesh's banking sector, the recognition from these awards can lead to a surge in foreign investment. The increased confidence in the recognized banks' capabilities and integrity can stimulate interest from international investors seeking to capitalize on the country's growing

financial potential," he added.

Hassan O Rashid, managing director and CEO of Prime Bank Limited, said the awards are given to financial institutions through independent research, considering the financial and initiative-based performance of each bank in their respective markets.

"Hence, they allow relevant stakeholders, investor groups, and industry players to gain clarity on the overall performance of each bank in the financial sector. Such recognition helps the bank become more strategically aligned towards global practices and enhances a sense of competitiveness to improve and move beyond the standards."

M Jamal Uddin, CEO, and managing director of IDLC Finance Limited, said, "For banks in Bangladesh, receiving such esteemed awards is of immense significance. It demonstrates our capability to compete at an international level and sets us apart as a top performer among our peers." "Additionally, it helps boost employee morale and motivation, driving us to maintain high standards of performance," he added.

Akhlaqur Rahman, deputy managing director (corporate banking) of Dhaka Bank Limited, said Asiamoney's in-depth analytical report on the banking sector has been assisting all the banks in this region to set their course of action in case of international business.

"Thus, the foreign banks can have confidence in local banks, and establishing RMA with them can be easier, which ultimately boosts their international business," Rahman said about awards' advantages.

Ashique Iqbal, group head of the research and development department at Mutual Trust Bank Limited, agrees, saying, "A bank in Bangladesh receiving a Euromoney or Asiamoney award gains international recognition, which can help attract foreign clients and investors. It enhances the bank's reputation globally and can open doors to new business opportunities abroad."

**BEST BANK
DIVERSITY AND INCLUSION
BANGLADESH 2023**



ASIAMONEY
Best Bank Awards 2023
Bangladesh



এই সময়ের ব্যাংকিং



M Jamal Uddin

CEO & Managing Director
IDLC Finance Limited



IDLC's astounding success can be attributed to its product innovation efforts and a focus on streamlining operational efficiency. Continuous process enhancements while maintaining the same number of distribution channels, optimizing resources, and curbing operational expenses has notably contributed to IDLC's success. Overall, IDLC's outstanding performance in SME financing, dedication to delivering top-notch financial services, and commitment to empowering SMEs has solidified its position in the industry. Looking ahead, we plan to continue IDLC's impressive growth by embracing technological advancements. IDLC is already working on leveraging machine learning to make future activities faster and more efficient.



financing happiness

IDLC Finance Limited

Bangladesh's
Best Bank for
SMEs 2023

TOP 3 INITIATIVES

- » Field-level SME sales force conducted targeted workshops and seminars to educate proprietors about financial products and services.
- » Partnered with Delivery Tiger to bridge the gap between rural areas and larger urban consumer bases.
- » Conducted a women entrepreneur program in Jashore district, disseminating information on domestic and global developments.

TOP 3 ACHIEVEMENTS

- » Achieved its highest-ever net disbursement of \$103.7 million in the first quarter, with a record-breaking \$38 million in January alone.
- » The SME department demonstrated a return on assets of 1.11% and maintained a low non-performing loan ratio of 3.5%.
- » Emerged as Bangladesh's pioneering financial institution in using artificial intelligence to enhance customer experience and optimize operations.



Syed Mahbubur Rahman

Managing Director & CEO
Mutual Trust Bank Limited (MTB)



MTB owes its remarkable success to the forward-thinking Visionary Board, customer-centric approach and the drive to ensure financial inclusion for all, women empowerment and a supportive workplace. The bank showcases social responsibility through impactful initiatives and support for underprivileged groups. Our collaborative partnerships, particularly with Bangladesh Bank, drive financial literacy and inclusion for a sustainable future. With this winning combination of a Visionary Board passionately committed to cultivating diversity, equality, fear-free innovation, and rewarding experiences, MTB envisions to revolutionize the way we serve our customers.



Mutual Trust Bank Limited

Bangladesh's
Best Bank for
Diversity and
Inclusion 2023

TOP 3 INITIATIVES

- » The MTB Women's Forum, Aparajita, helps the bank's female employees and broader community by sharing knowledge and building their capacity and skills.
- » MTB's student banking program offers special banking services to students.
- » Provided savings account facilities at schools and colleges to promote financial education.

TOP 3 ACHIEVEMENTS

- » By 2022, 15% of MTB's top positions were held by women.
- » Established five designated centers for the student banking unit to provide customized banking solutions for students pursuing higher education abroad.
- » MTB's 10 Taka account provides financial support to the underprivileged people.

**PRIME BANK WON
ASIAMONEY
BEST BANK
2023**

**in the Environmental, Social
& Corporate Governance
(ESG) category**



Mashrur Arefin

Managing Director & CEO
City Bank Limited



At City Bank, we focused more on enhancing our earning capacity than cost control over the last four years. Right now, we are a bank that can take pride in one-third of its income coming as fee revenue. This is a testament to people loving this bank not only for loans but for its many services too. We also take pride in the fact that out of the 40,000 crore taka loan book, 10,000 crore belongs to the retail portfolio, our main driving force consisting of the general citizens of this country. Our popularity to them means that the masses trust and value us. Another great thing is that, most of our customers use Citytouch, which is our digital banking app. Last year some 40,000 crore taka were transacted in Citytouch alone. These are the driving forces behind our success.



City Bank Limited

Bangladesh's Best Bank for Premium Services 2023

TOP 3 INITIATIVES

- » An exclusive partnership with American Express has strengthened City Bank's position in providing a premium service experience.
- » Investing in CBL Money Transfer, expanding the global footprint.
- » Implementing a cutting-edge ATM network accepting inward foreign currency remittances.

TOP 3 ACHIEVEMENTS

- » Impressive financial performance, with a 22% increase in total assets in 2022.
- » Small and medium-sized enterprise businesses generated a 31% growth in loans and advances.
- » The overall deposit book increased by 17.5%, while operating costs reduced by 12%.



Hassan O. Rashid

Managing Director and CEO
Prime Bank Limited



The driving force behind our achievements lies in our dedication to integrate sustainability into every aspect of our business. We have adopted a holistic approach that not only emphasizes financial performance but also measures the positive impact we create for the environment, society and all stakeholders. Being a NZBA member from Bangladesh, we remain committed towards our ESG initiatives and sustaining our achievements. By taking small but impactful steps, we want to introduce innovative solutions to minimize our ecological footprint and drive positive social change. We would also like to create more ESG awareness in the financial sector by actively promoting sustainable practices and lead other institutions by example.



Prime Bank Limited

Bangladesh's Best Bank for ESG 2023

TOP 3 INITIATIVES

- » Promote the circular economy by inspiring employees for internal energy and product reuse.
- » Encourage employee engagement in training programs to facilitate continuous learning.
- » Excludes companies not meeting ESG criteria from providing financing, setting an industry standard.

TOP 3 ACHIEVEMENTS

- » Arranged \$27 million for sustainable investments in low-carbon machinery and energy-efficient equipment.
- » Prime Bank's green finance portfolio reached \$54 million by the end of 2022.
- » Conducted 15 sustainability training programs covering 262 employees to boost the bank's capacity for financing green projects.



Arif Quadri

Managing Director & CEO
United Commercial Bank PLC



Our human resource is our ultimate asset, which drives the Bank relentlessly forward. UCB is a very customer-centric bank, committed to the sustainable development of society, environment and community. Our effort is not limited to green and eco-friendly financing, we are also committed to reducing our consumption of energy, water and other assets like stationary, paper etc., donating to charities, promoting gender equality, combating domestic violence, and supporting healthcare institutions and enabling them with modern equipment for better treatment. We also distribute blankets during winter. Recently we've taken a CSR project "Voroshar Notun Janala" through which we are providing farmers throughout the country with training, seed and fertilizer.



United Commercial Bank PLC

Bangladesh's Best Bank for CSR 2023

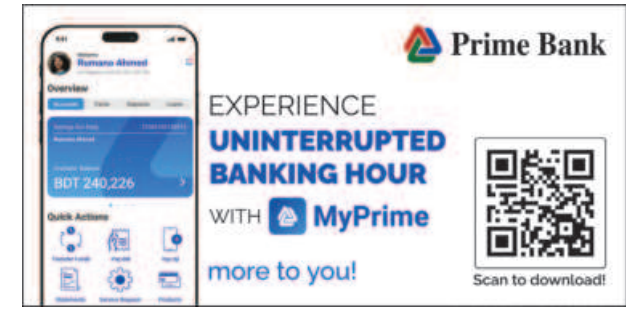
TOP 3 INITIATIVES

- » Provided financial assistance to health institutions and rehabilitation centers.
- » Actively engaged in environmental protection and disaster mitigation.
- » Funded programs to promote renewable energy.

TOP 3 ACHIEVEMENTS

- » Successfully raised public awareness about climate change and environmental degradation.
- » Made a positive impact on child health, disability awareness, and poverty alleviation.
- » Facilitate access to quality education for underprivileged students through educational initiatives and scholarships.

Star BUSINESS



Bangladesh now has 25 lakh jobless people: BBS

STAR BUSINESS REPORT

The number of unemployed people in Bangladesh decreased by 3.47 percent or 90,000 in the April-June quarter compared to the previous quarter this year, according to data of the Bangladesh Bureau of Statistics (BBS).

Bangladesh had 25.9 lakh unemployed people in the January-March quarter of 2023, which came down to 25 lakh in the April-June quarter.

Moreover, the April-June quarter's number is also 2.34 percent lower than the same period of the previous year's 25.6 lakh, according to the second quarterly Labour Force Survey 2023 of BBS.

The number of unemployed men decreased by 2.34 percent to 16.7 lakh in the April-June quarter of 2023 compared to the previous three months.

DIGITAL BANK Application deadline extended to Aug 17

STAR BUSINESS REPORT

The application deadline for digital bank licences has been extended to August 17 this year, according to an official of Bangladesh Bank.

Md Sarwar Hossain, assistant spokesperson of Bangladesh Bank, yesterday told The Daily Star that they extended the deadline to give entrepreneurs more time to prepare detailed and quality applications with all the necessary documents.

The central bank invited applications for forming digital banks from June 21 this year and the deadline was set to end on August 1.

As per the central bank's rule, investors willing to set up a digital bank will have to have a minimum paid-up capital of Tk 125 crore and the capital will have to come from sponsors.

Any entity willing to set up a digital bank must be a public limited company. The minimum shareholding stake of each sponsor shall be Tk 50 lakh, it said.

READ MORE ON B3

WHY THE FISHES BECAME POPULAR?

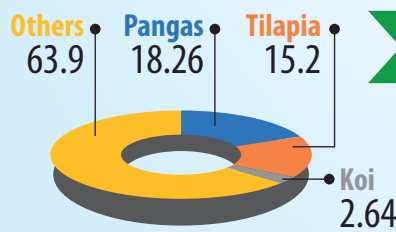
- Availability of fries
- Ability to survive on artificial foods
- Higher survival rate of broods
- Higher market demand
- Adaptability to domestic environment
- Lower price

BENEFITS OF CULTIVATION

- Created huge employments
- Became a major source of protein for low-income people

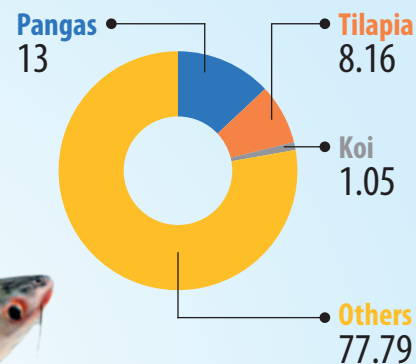
FISH FARMING IN FY22

Share of varieties in %; SOURCE: DOF



FISH FARMING IN FY11

Share of varieties in % SOURCE: DOF



TOTAL FISH PRODUCTION

47.59 lakh tonnes in FY22

30.62 lakh tonnes in FY11

Availability of fries, intake of artificial foods and market demands have driven the farming of the three varieties of fish.

Mohammad Mahfujul Haque Professor of aquaculture Bangladesh Agriculture University

MAJOR CULTIVATION AREAS

MYMENSINGH, CUMILLA, BOGURA, JOYPUKHAT, NARSINGDI, JASHORE.

SOURCE: DEPARTMENT OF FISHERIES (DOF)

Three fish varieties that revolutionised aquaculture

Farming of pangas, tilapia, koi rockets, lifting overall output

MD ASADUZ ZAMAN and AMINUL ISLAM

Bangladesh witnessed a massive growth in fish production in the last 12 years through aquaculture driven by a surge in yield of three fish varieties, namely pangas, tilapia and climbing fish (koi).

Increased farming has made the three varieties a major source of protein for low-income families while creating jobs and income opportunities for thousands of people in rural and suburban areas.

The annual production of cultured pangas was 1.55 lakh tonnes in 2010-11 and it rose by two and a half times to 3.95 lakh tonnes in the 2021-22 fiscal year, according to the Department of Fisheries.

Similarly, the output of tilapia surged 3.36 times to 3.29 lakh tonnes from 97,909 tonnes and climbing fish production jumped 350 percent to 57,244 tonnes during the period.

Thus, overall fish production using cultured processes has almost doubled in Bangladesh, increasing from 11.99 lakh tonnes to 21.66 lakh tonnes between FY11 and FY22.

Fish culture is the process of raising species of fish in captivity

and managing them and their environment to improve growth and reproduction.

"The availability of fish fries, intake of artificial foods and market demands have driven the farming of the three varieties of

The survival rate of pangas fries is almost 100 percent, which has attracted farmers in various regions of the country, including Mymensingh, Cumilla, Bogura, Joypurhat, Narsingdi and Jashore.

agricultural economist, says the cultivation of the three fish varieties has expanded in the local areas as it is easy to produce and growers can farm them in ponds while end-consumer can buy them cheaply.

"Had farming technologies not expanded, fish would not have reached the plates of the poor at such a lower price."

The farming of pangas, tilapia and climbing fish has contributed immensely to raising the total output of the key protein source in the last decade.

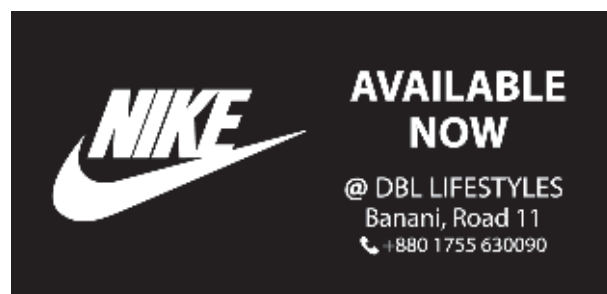
Fish production totalled 47.59 lakh tonnes in FY22, up more than 55 per cent from 30.62 lakh tonnes in FY11. This gave cultured fish a share of about 45 per cent in the overall output.

Led by the farming of pangas, tilapia and climbing fish, output is growing at more than 8 percent annually.

Abu Raihan, a fish farmer in Trishal of Mymensingh, has been cultivating pangas for eight years and the business is now more profitable than in the previous years.

The price of fish, including pangas, has increased in recent months

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fish," said Mohammad Mahfujul Haque, a professor of aquaculture at the Bangladesh Agriculture University.

The Bangladesh Fisheries Research Institute (BFRI) introduced pangas in the country in the 1990s after bringing their fries from abroad. Gradually, the fish became popular among the middle- and lower-income groups across the country as well as the urban poor.

"It has become a great source of animal protein," Haque said.

For example, there are 1.12 lakh fish farmers in Mymensingh, mostly in Trishal, Gouripur, Phulpur, Tarakanda, Bhaluka and Muktagacha upazilas, according to Dilip Kumar Saha, district fisheries officer.

Among all the agricultural sectors, fish farming has created the most jobs, said Mahfujul Haque.

"In every step of fish farming and marketing, a huge manpower is involved."

Jahangir Alam Khan, an

LC opening slumped 26% in FY23

STAR BUSINESS REPORT

Bangladesh's imports fell sharply in the immediate past fiscal year as reflected by the slide in the opening of letters of credit (LCs) driven by a shortage of US dollars and restrictions on the purchase of non-essential items from external sources.

Private and public entities opened LCs of \$69.36 billion in 2022-23, down 26 percent year-on-year from \$94.26 billion a year ago, according to data from the Bangladesh Bank.

"The overall import cost declined because of the proper monitoring of prices by the central bank," said Md Sarwar Hossain, assistant spokesperson of the BB.

In the face of rising pressure on the country's foreign exchange reserves and volatility in the exchange market as imports were higher than exports and remittances, the central bank started tightening measures to discourage imports.

It asked banks to take up to 100 percent of import payments in advances from businesses and started monitoring imports amounting to \$3 million and above before allowing businesses to open LCs, with a view to stopping the depletion of the reserves.

Still, the country's reserves fell 25 percent year-on-year to \$29 billion on July 26 from a year ago, BB data showed.

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FBCCI polls today

STAR BUSINESS REPORT

The biennial election of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) is going to be held today to elect the new board of directors for the 2023-25 tenure.

Of the total 80 posts of the directors, 34 (17 from chamber group and 17 from association group) are nominated and 46 are elected (23 from chamber group and 23 from association group).

This year 16 directors from chamber group and 16 directors from association group have been nominated as two directors from each group was disqualified for different reasons.

Moreover, the election of the chamber group will not take place as four out of 27 valid candidates withdrew their candidacy and 23 directors have been elected unopposed.

The election will take place only in the

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STOCKS	
DSEX ▼	CASPI ▼
0.08%	0.08%
6,333.85	18,701.34

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$1,959.24	\$80.72	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.16%	▼ 0.40%	▲ 1.01%	▲ 1.84%	
66,160.20	32,759.23	3,371.17	3,275.93	



Farmers in Bangladesh are struggling to grow paddy during the ongoing Aman season as rain remains elusive even though 15 days have passed since the monsoons were set to arrive. Here, paddy is seen sticking out of parched land in absence of proper irrigation. The picture was taken yesterday from Boali union in Gaibandha sadar upazila.

PHOTO: MOSTAFA SHABUJ

Local startups ripe for drawing investment

Speakers say at Bangladesh Startup Summit 2023

STAR BUSINESS REPORT

Global investors can pour funds into Bangladesh's burgeoning startups as the country has a large pool of internet users, a growing middle class and an entrepreneurial spirit among its youth.

This is how local and foreign speakers showed their optimism at the Bangladesh Startup Summit 2023, which is a first-of-its-kind, largest congregation of the country's startup ecosystem.

The two-day event, which ended yesterday, was hosted by Startup Bangladesh Limited, the flagship venture capital company of the Information and Communication Technology Division of the Government of Bangladesh.

The summit brought together startups, enterprises, venture capitalists, angel investors, regulators, think-tanks and experts from both local and international markets to chart the way for collaborations, opportunities and innovation in the country.

The event featured more than 34 presentations, workshops, and panel discussions on various eminent sectors and industries, as well as insights from key players in the ecosystem.

Key sectors highlighted through presentations and panel discussions include fintech, logistics and mobility,

READ MORE ON B3

Rules relaxed for Best Holdings' IPO

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has relaxed the initial public offering (IPO) rules for Best Holdings on three conditions to help the owning entity of Le Meridien Dhaka raise fund from the public.

The stock market watchdog delayed approving Best's Tk 350 crore IPO application submitted in October of 2022, as the company converted its Tk 125 crore bond invested by Agrani Bank into shares in June that year.

The rules of the BSEC did not allow a company to apply for an IPO after raising paid-up capital through cash.

However, in a gazette published on July 27, the commission relaxed the rules for Best Holdings on three conditions.

The first condition is all shares of Best issued before the company's IPO

READ MORE ON B3

Prime Bank partners with Adventure Dhaka

STAR BUSINESS DESK

Prime Bank has recently signed a "Prime Payroll" agreement with Adventure Dhaka Ltd, a subsidiary of Adventure Incorporation, an online travel agency in Japan.

Shigeyuki Hamamoto, managing director of Adventure Dhaka Ltd, and Mamur Ahmed, head of consumer sales of the bank, inked the deal, said a press release.

Under the agreement, the employees of Adventure Dhaka will be eligible for privileged rates on consumer loans and credit cards while enjoying exciting payroll benefits from the other consumer banking products of the bank.

Among others, Faisal Rahman, chief business operation and assistant managing director of the bank, Nazeem A Choudhury, deputy managing director, and Mahub Mursalin, head of Japan desk, along with officials from both the organisations were present.



Shigeyuki Hamamoto, managing director of Adventure Dhaka, and Nazeem A Choudhury, deputy managing director of Prime Bank, exchanged signed documents of a payroll agreement in Dhaka recently. PHOTO: PRIME BANK

Ardashir Kabir re-elected BEF president

STAR BUSINESS DESK

Ardashir Kabir has been re-elected as the president of Bangladesh Employers' Federation (BEF) for a two-year term (2023-2025) at its 25th annual general meeting held recently.

Kabir previously served the BEF as its president and vice-president during the period of 2021-2023 and 2017-2019, said a press release.

He is a director of Kedarpur Tea Company Ltd, managing director of Sathgao Tea Estate, Laboni Corporation Ltd, a company involved in elevator and escalator business, Ironside that deals with metal trading from ship breaking, and Sathgao Agro Farms. He was the chairman of the Bangladesh Tea Association, and a director of the Bangladesh Tea Board.

Kabir obtained his bachelor's and master's degrees in history and law. He was educated at Mayo College, India, the King's School Canterbury, Cambridge University and the London School of Economics in the UK.

Tahmid Ahmed has been elected as vice-president of the federation.

Ahmed is the director of the Bengal Glass Works Ltd. He previously served the federation as a committee member for several years.

He obtained his bachelor's degree from Dhaka College and did an MBA from the Institute of Business Administration (IBA) at the University of Dhaka.

Japan presses Sri Lanka to expedite debt restructuring

AFP, Colombo

Japan pressed bankrupt Sri Lanka on Saturday to expedite its debt restructuring, including with its biggest creditor China, to stabilise the island nation's economy after an unprecedented crisis.

Tokyo's foreign minister Yoshimasa Hayashi welcomed economic reforms under the auspices of an International Monetary Fund bailout but said Sri Lanka needed to pick up the pace in its negotiations with creditors.

"I conveyed my expectations for further progress in the debt restructuring process," Hayashi told reporters after his one-day visit.

China holds about 52 per cent of Sri Lanka's bilateral credit, with Japan and India the next biggest lenders.

All bilateral creditors except China have pledged to support a plan to delay repayments on loans.

Beijing has been reluctant to agree to a debt deferral and instead initially offered more loans to pay off older debt, a move unacceptable under IMF bailout rules.



AFM Shahinul Islam, executive director of Bangladesh Financial Intelligence Unit, attends a training workshop on "Prevention of Money Laundering & Combating the Financing of Terrorism" at Hotel The Cox Today in Cox's Bazar recently. PHOTO: UNITED COMMERCIAL BANK

United Commercial Bank, BFIU organise workshop

STAR BUSINESS DESK

United Commercial Bank and Bangladesh Financial Intelligence Unit (BFIU) jointly organised a training workshop on "Prevention of Money Laundering & Combating the Financing of Terrorism" at Hotel The Cox Today in Cox's Bazar recently.

A total of 150 officials of different banks working in Cox's Bazar took part in the workshop, said a press release.

AFM Shahinul Islam, executive director of BFIU, as the chief guest attended the workshop chaired by Kazi Aktarul Islam, an anti-money laundering expert and chief anti-money laundering compliance officer of the bank.

Md Rokan-uz-Zaman and Mohammad Ismail Pradhan, joint directors of BFIU, and Md Mahmudul Haque Bhuiyan, deputy director, were present as resource people of the workshop, where Saidur Rahman, deputy chief anti-money laundering compliance officer and senior vice-president of the bank, was present.

House Building Finance holds managers' confce

STAR BUSINESS DESK

Bangladesh House Building Finance Corporation (BHBFC) organised a "Managerial Conference-2023" at Bidyut Bhaban in the capital on Saturday.

A total of 94 field office managers of the organisation participated in the conference, said a press release.

Sheikh Mohammad Salim Ullah, secretary of the financial institutions division of the finance ministry, attended the opening ceremony of the conference as the chief guest. Md Abdul Mannan, managing director of the organisation, presided over the opening ceremony, where Prof Md Salim Uddin, chairman of the board of directors of the BHBFC, was present as the special guest.



Sheikh Mohammad Salim Ullah, secretary of the financial institutions division of the ministry of finance, attends a "Managerial Conference-2023" organised by Bangladesh House Building Finance Corporation at Bidyut Bhaban in Dhaka on Saturday. PHOTO: BHBFC



Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, poses for photographs with participants of the "Southeast Bank Agent Banking Half Yearly Conference-2023" for Dhaka division in the capital recently. PHOTO: SOUTHEAST BANK

Southeast Bank holds agent banking confce

STAR BUSINESS DESK

Southeast Bank Ltd recently organised the "Southeast Bank Agent Banking Half Yearly Conference-2023" for Dhaka division.

Nuruddin Md Sadeque Hossain, managing director of the bank, inaugurated the conference as the

chief guest, said a press release.

All the partners of agent outlets of Southeast Bank's agent banking in Dhaka division and other officials of the bank participated in the conference.

The conference reviewed the overall progress of Southeast Bank's agent banking activities in the first half of the year and then discussed

various policies to achieve the business goals for the remaining half of the year.

Southeast Bank launched its agent banking unit "Shagotom" on March 7, 2021 with an objective to expand banking services for the unbanked people, especially for farmers and small entrepreneurs.



Anwer Hossain Khan, director of Shahjalal Islami Bank, cuts a ribbon to inaugurate a sub-branch at Anwer Khan Modern Medical College & Hospital Bhaban on Road No 8 in Dhanmondi, Dhaka yesterday. Among others, Mosleh Uddin Ahmed, managing director of the bank, Abdul Aziz and M Akhter Hossain, additional managing directors, Imtiaz Uddin Ahmed and MM Saiful Islam, deputy managing directors, and Major General (ret'd) Ashraf Abdullah Yussuf, adviser of Modern Health Group, were present. PHOTO: SHAHJALAL ISLAMI BANK

Three fish varieties

FROM PAGE B1

Now pangas is being sold at Tk 130 to Tk 150 a kilogramme in the wholesale market in Mymensingh. The retail price is Tk 200 to Tk 230.

Raihan, the owner of Taposi Agro Complex in Dhanikhola, says since tilapia cultivation is completely dependent on floating feed, farmers sometimes face higher costs when prices go up.

Farmers want hassle-free cultivation and a desired profit, so they usually go for pangas instead of tilapia, said Sumon Miah, proprietor of Sumon Fisheries in Boiler of Trishal.

"Pangas, tilapia and climbing fish are also called the "meat for the poor" owing to their availability at comparatively lower prices," said

Shankar Chandra Mandal, associate professor at the Fisheries Department of the University of Dhaka.

He also credited local fisheries officers for the expansion of the varieties of fish in the remotest parts of Bangladesh.

"When I can afford, I purchase pangas as it is cheaper than other varieties," said Abdur Rahman, a rickshaw-puller at Mymensingh's Mechhua Bazar, a kitchen market for fish.

During a visit to the capital's Agargaon kitchen market on Thursday, Abdul Kaiyum, a fish trader, said he usually brings pangas and tilapia from Cumilla and his customers are mostly low-income people.

"Although I have brought some other fish such as rui and butterfish,

the demand for pangas is high."

Recently, the prices of tilapia have increased to Tk 250 from Tk 200 several weeks ago, sending its demand to fall, he said.

Yahia Mahmud, director general of the BFRI, said Bangladesh has the potential to make pangas value-added produce and export.

So, the state-run institute introduced "white pangas" seven years ago and it is attracting the attention of farmers, he said, adding that white pangas has higher demand in other countries.

According to Mahmud, Vietnam is the export leader in pangas but Bangladesh can easily make a foray into the market while expanding cultivation and creating employment opportunities.

US chipmaker to invest

FROM PAGE B4

Unlike its top rival Intel, AMD outsources production of chips it designs to third-party manufacturers like Taiwan's TSMC.

TSMC and the South Korea's Samsung are among the elite few chipmakers globally to have mastered cutting-edge chipmaking, a technology many nations are now vying for to avoid supply chain shocks, such as faced during the pandemic.

India in 2021 unveiled a \$10 billion incentive programme for the chip sector, but the plan has floundered as no company has so far managed to get clearance for setting up a fabrication plant, the centerpiece to Modi's ambitions.

Other investments in India include a multi-year \$400 million plan by US chip equipment maker Applied Materials in June to set up an engineering center, and chipmaker Micron's \$825 million investment in a semiconductor testing and packaging unit in Gujarat.

Key US inflation gauge

FROM PAGE B4

"The economy's main growth engine continues to hum," said Oren Klachkin, lead US economist at Oxford Economics.

"Rising incomes, complemented with lingering excess savings, gave consumers the purchasing power to continue spending in June," he added, although warning that their ability to spend is not limitless.

With cost-of-living pressures escalating in the past year, the Fed lifted interest rates rapidly to tamp down demand and rein in prices -- and the effects have been rippling through the world's biggest economy. Inflation has come down from a peak and retail sales has weakened with consumers pressured by higher borrowing costs and still-elevated prices.

"We believe the confluence of weaker incomes, tighter lending standards, and elevated interest rates will eventually leave consumers with little choice but to cut back," said Klachkin.

"We see these conditions materializing toward the end of the year," he added.

For now, the labor market has remained strong with historically low unemployment, fueling hopes that the US economy can achieve a "soft landing" in which inflation eases as rates rise, without triggering a major downturn.

In June, prices for goods were seen slipping even as the costs of services picked up from a year ago, said the Commerce Department on Friday.

While the direction in which inflation is headed is positive news for policymakers, the figure remains above the Fed's two percent target, raising the risk that officials may take more action. Excluding the volatile food and energy components, the PCE price index rose 4.1 per cent from a year ago last month, easing from May's 4.6 per cent rate.

Meanwhile, a measure of underlying services inflation excluding housing remains subdued, said Kieran Clancy, senior US economist at Pantheon Macroeconomics.

If this continues to ease and there are no sudden inflation surges in areas like healthcare services, "it will be hard for the Fed to justify another hike in September," he said.

Pathao gets
‘Employment
Catalyst Award’

STAR BUSINESS REPORT

Pathao, the largest digital services company of Bangladesh, was awarded the “Employment Catalyst Award” by Prime Minister Sheikh Hasina on Saturday for its outstanding contributions to job creation, particularly in the youth segment.

Fahim Ahmed, managing director and chief executive officer of Pathao, received the award from the prime minister at the inauguration ceremony of the “Bangladesh Startup Summit 2023” at the InterContinental Dhaka.

“Pathao is a homegrown champion of technology and innovation that has catalysed self employment opportunities for the youth of Bangladesh. We are honoured to receive this award, as a recognition of our efforts towards empowering people as they strive to improve their lives,” said Fahim Ahmed.

Since its inception in 2015, Pathao has created more than 500,000 jobs in Bangladesh through its market-leading ride-hailing, food delivery and e-commerce logistics businesses.

With operations in Nepal and Bangladesh, Pathao is currently serving more than 10 million consumers, daily earners and small businesses.



A hawker is seen selling handcrafted flowers to students in front of Boyra Metro Police Line School in Khulna city. The flowers made of cloth, paper and plastic earn him about Tk 10 per piece. The picture was taken recently. PHOTO: HABIBUR RAHMAN

Stabilisation fund invests
Tk 270cr to support ailing
stock market

STAR BUSINESS REPORT

The Capital Market Stabilisation Fund (CMSF) has invested Tk 270 crore since its inception in 2021 with a view to supporting the ailing stock market.

The fund has been invested through the Investment Corporation of Bangladesh, said Md Nojibur Rahman, chairman of the CMSF.

He shared the information during a speech at CMJF Talk organised by the Capital Market Journalists’ Forum (CMJF) at the latter’s office in the capital.

The Bangladesh Securities and Exchange Commission (BSEC) has formed the CMSF as a custodian of undistributed cash and stock dividends, non-refunded public subscription money and unallotted rights shares from the issuer of listed securities.

Cash and stocks in the fund are returned following claims by the shareholders or investors at any time in the indefinite perpetuity.

The move from the regulator came after it

Currently, the size of the fund is Tk 1,270 crore. Of the sum, Tk 560 crore came from undistributed cash dividends and Tk 710 crore in the form of stock dividends

decided to use undistributed and unclaimed dividends of listed companies. It ordered listed companies to deposit their undistributed dividends to the fund.

Currently, the size of the fund is Tk 1,270 crore. Of the sum, Tk 560 crore came from undistributed cash dividends and Tk 710 crore in the form of stock dividends, said Rahman, also a former chairman of the National Board of Revenue.

The former principal secretary to the prime minister said many investors did not receive

dividends properly in the past for several reasons. “About 1,200 investors have got back their dividends with the help of CMSF.”

“The fund has given a boost to investors’ confidence, so we are trying to enlarge the size of the fund.”

In future, he said, the CMSF will provide dividend distribution services. “Currently, dividends are disbursed through banks. The BSEC is going to give us the task in the future.”

According to Rahman, the stock market has the potential to grow, so people should get disappointed even if they do not get success immediately by investing in the market.

The BSEC has issued a directive, saying if a listed company fails to deposit undistributed dividends to the CMSF, it will be fined.

On top of that, the regulator announced recently that it will run special audits into companies to see whether they hold any undistributed dividends.

CMJF President Ziur Rahman and General Secretary Abu Ali also spoke.

Beef to be Tk
50/kg cheaper
in capital

STAR BUSINESS REPORT

The Bangladesh Dairy Farmers Association (B DFA) yesterday announced that its members would sell beef at a price that will be Tk 50 per kilogramme lower than the current rate.

The reduced rate will be applicable in the capital city and comes into effect today.

The association shared the information at a seminar on how to bring the price of meat within the purchasing power of consumers. The event was organised by the Directorate of National Consumers’ Right Protection at the National Press Club.

Beef was sold at Tk 750 to Tk 780 per kg yesterday, according to the state-run Trading Corporation of Bangladesh.

But the B DFA said it is possible to sell the meat at Tk 500 to Tk 550 per kg if the government provides some policy support, including reducing the lease rate of cattle markets and setting up farmers’ markets.

Imran Hossain, president of the association, said “We want to bring the price of beef within the reach of consumers. As part of the effort, growers will sell beef at Tk 50 lower rate.”

The B DFA has 17,000 members. He said milk, meat and other products produced at the farm level change three to four hands before they reach end-consumers.

“But if the products reach consumers directly from farmers, it will be possible to remove two to three middlemen. That will reduce prices further.”

Mastercard
Experience Centre
brings the future of
commerce to life

STAR BUSINESS DESK

Making payments using solar credits, enjoying a football match in a virtual reality stadium, scanning a product to understand the ethics of its supply chain – these are just some of the next-generation technology propositions on display at the revamped Mastercard Experience Centre (MEC) in Singapore.

The refreshed facility serves the company’s clients and partners across the Asia Pacific region.

Mastercard has six MECs globally. They are located in London, Stockholm, Dubai, Mexico City and New York City beside Singapore.

The revitalisation of the Singapore innovation space coincides with the release of Mastercard’s Future of Payments report which highlights three broad trends that have the potential to collectively expand prosperity and inclusion in the digital economy.

“The Mastercard Experience Centre is designed as a portal to that future, a place where customers and partners can virtually experience that future today, and where we’re only limited by the power of our collective imaginations,” said Sandeep Malhotra, executive vice-president (products and innovation) for Asia Pacific at Mastercard.

US oil giants
report lower
profits

AFP, New York

ExxonMobil and Chevron reported profits Friday that were much lower than last year’s due a drop in commodity prices, but still lofty enough to enable increased shareholder distributions.

The two US oil giants joined European rivals Shell and Total in seeing steep declines in their bottom-line results compared with the heady year-ago period when Russia’s invasion of Ukraine sent crude and natural gas prices sky bound.

bKash wins
‘Fintech
Pioneer Award’

STAR BUSINESS REPORT

Leading mobile financial service provider bKash has won “Fintech Pioneer Award” at the Bangladesh Startup Summit 2023 for playing a pioneering role in the fintech sector.

Prime Minister Sheikh Hasina handed over an award to bKash Founder and CEO Kamal Quadir in the inaugural ceremony of the summit organised by the Startup Bangladesh at InterContinental Dhaka on Saturday, MFS provider said in a press release.

“The award came as a recognition of bKash’s 12-year-long endeavours of making peoples’ daily transactions convenient and secure through financial inclusion. Receiving the “Fintech Pioneer Award” from the Prime Minister will greatly inspire us and further accelerate our journey,” said Quadir.



Kamal Quadir, founder and CEO of bKash, receives a trophy of “Fintech Pioneer Award” from Prime Minister Sheikh Hasina at the inaugural ceremony of the “Bangladesh Startup Summit-2023” at InterContinental Dhaka on Saturday. PHOTO: BKASH



Wahida Akter, secretary to the ministry of agriculture, attends an “Internal Research, Review & Planning Workshop-2023” organised by Bangladesh Agricultural Research Institute at the institute’s Kazi Badrudduza Auditorium in Gazipur yesterday. PHOTO: BARI

BARI organises
workshop

STAR BUSINESS DESK

Bangladesh Agricultural Research Institute (BARI) organised the “Internal Research Review & Planning Workshop-2023” for evaluating all the research programmes undertaken in 2022-2023 and formulating the research programme for 2023-2024 at the institute’s Kazi Badrudduza Auditorium in Gazipur yesterday.

Wahida Akter, secretary to the ministry of agriculture, inaugurated the workshop, said a press release.

BARI is currently conducting research activities on 211 crops. A total of 1,290 technologies, including 650 high yielding, disease resistant and various adverse environment resistant varieties, and 640 other production technologies have been developed by the institute.

LC opening slumped

FROM PAGE B1

Hossain linked the drop in the reserves to the requirement of payments for LCs opened earlier.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, blamed the non-availability of adequate dollars for the slide in LCs opening.

“Besides, the value of overall LCs was lower in FY23 than the previous year because of a decline in the prices of commodities, including petroleum in the international market. There was a lot of unmet demand.”

A detailed breakdown of the category-wise LC opening for the entire FY23 was not available yesterday. But data for the July-May period of the fiscal year showed that the opening of LCs for capital machinery nosedived.

During the 11-month period,

businesses opened \$2.69 billion worth of LCs to import capital machinery, which was 55 per cent lower year-on-year.

The LC opening for the import of industrial raw materials slumped 30 per cent to \$21.17 billion. The ratio of decline was 24 per cent for intermediate goods, according to the BB.

Overall, businesses opened 18 percent lower LCs at \$7.14 billion in July-May.

Mansur, also a former economist at the International Monetary Fund, said the decline in imports along with higher inflation has caused a slowdown in the economy.

“We saw a decrease in imports of capital machinery and industrial raw materials. The fall in capital machinery imports indicates a drop in investment.”

Local startups ripe

FROM PAGE B1

e-commerce and retail, education, software-as-a-service (SaaS), artificial intelligence, agriculture and food, and healthcare.

In addition, the summit featured engagements on broader topics encompassing gender lens investing, impact investment, venture capital, innovation, and insider startup insights.

The summit also brought together 100+ global and local venture capital firms and investors, featuring 100+ national and international speakers,

and engaging 600+ startups across the country beyond networking opportunities and startup-focused lessons.

Besides, 50+ startups pitched their ideas to investors at the event.

The speakers also said Bangladesh boasts over 2,500 active startups, from the idea to implementation stages, which generate more than 1.5 million jobs to support the economy.

Since 2010, homegrown startups have raised over \$900 million in funds and are projected to cross the \$1 billion mark by next year.

FBCCI polls today

FROM PAGE B1

withdrew their candidacy and 23 directors have been elected unopposed.

The election will take place only in the association group to elect 23 directors at the Bangabandhu International Conference Centre in Dhaka today.

In the election, Mahbul Alam, the representative of the Chittagong Chamber of Commerce and Industry,

is contesting from the panel named Sammitito Oikko Parishad and Mir Nizam Uddin Ahmed, a representative of the Bangladesh Electrical Association, is contesting from a panel named Sammitito Baboshayee Parishad.

As per the rules of the FBCCI, the next president will come from the chamber group. Mahbul Alam is representing from the chamber group. There are 2,500 voters this year.

Application

FROM PAGE B1

The central bank said the sponsors or directors must qualify for the Fit and Proper Test (FPT) criteria applicable to the proposed directors of digital banks.

In its guideline issued earlier, Bangladesh Bank said digital banks will not be allowed to provide any service to clients directly through physical counters and cannot issue any physical instruments.

Likewise, digital banks would not be permitted to give out loans to carry out foreign trade or term loans for medium and large industries.

The guideline says a digital bank must go public within five years after getting the licence from the central bank. The amount of capital to be raised through initial public offerings cannot be less than the paid-up capital amount.

The rule bars loan-defaulting companies, persons and their family members from becoming sponsor shareholders of digital banks.

No sponsor shareholder will be able to transfer shares without the prior approval of the central bank within five years of operation. The guideline has kept the number of members from the same family who will be given permission to sit on the board in line with the Bank Company Act.

Rules relaxed

FROM PAGE B1

will remain locked in for a period of three years from the date of first trading in the stock exchanges.

The second condition is the company will not be allowed to issue shares further from the date of application—October 26 of 2022—until the issuance of shares under the IPO.

And the last condition is the company has to duly comply with the provisions of all other relevant laws, including the securities laws, in applying for the IPO.

The regulator exempted the rules on several conditions against the company’s urge to relax it, BSEC Spokesperson Mohammad Rezaul Karim told The Daily Star.

“I think, the company will have to submit the IPO application again complying with all other rules and regulations.”

Bank Asia's profits almost double in Q2

STAR BUSINESS REPORT

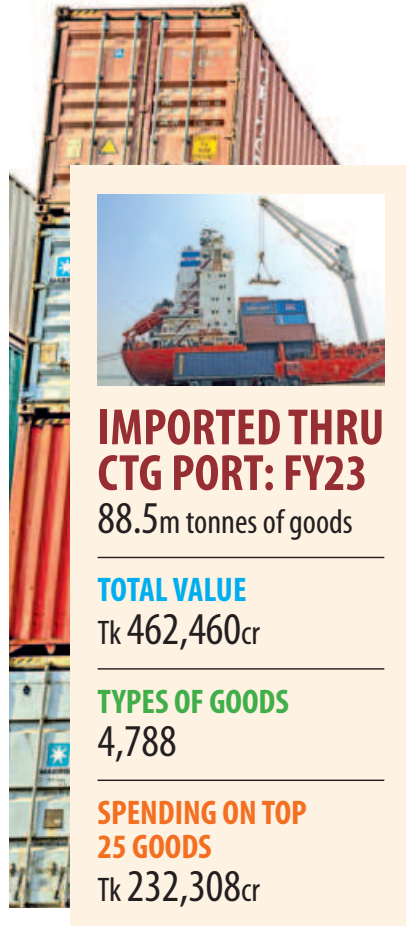
Bank Asia saw its profits almost double in the April-June period of the current calendar year, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website.

The lender's earnings per share soared 92.5 per cent year-on-year to Tk 1.81 during the second quarter compared to Tk 0.94 in the same period of the previous year.

Bank Asia's earnings per share stood at Tk 2.88 in the first half of the year while it was Tk 2 during the January-June period of 2022, DSE data shows.

Stocks of Bank Asia traded at Tk 20.20 yesterday. The A category stock was listed with the stock exchange in 2004.

The bank provided 15 per cent cash dividend for its shareholders for the year 2022.



HIGHEST SPENDING

Tk 40,082cr spent on importing cotton

REVENUE

Govt received a revenue of Tk 21,690cr from 14 products

MAJOR IMPORT PRODUCTS

Cotton, diesel, old ships and scrap, furnace oil, palm oil, cement clinker, wheat, crude oil, fertiliser, soybean seed, lentils, iron or steel structure, broken or crushed stone and peas

Most of the import cost is for fuel, edible oil and foods, constructions materials and export-oriented raw materials to meet the local demand. It has positive aspects for the economy.

Mahbubul Alam
President of CCCI

Berger Paints sees profits rise 5% in Q1

STAR BUSINESS REPORT

Berger Paints, the lone listed multinational paint producer in Bangladesh, saw 5 per cent higher profits in the first quarter (April-June) of 2023.

The company registered profits of Tk 97 crore in the April-June period, up from Tk 92 crore in the same quarter of the previous year.

Berger's net asset value per share rose to Tk 300 up from previous year's Tk 279 at the same time.

After news of the higher profits broke, stocks of the company advanced 1.04 per cent to Tk 1,771 at the Dhaka Stock Exchange yesterday.

Berger provided 400 per cent cash dividend for its shareholders for the year 2022.

German inflation slows

AFP, Berlin

German inflation slowed in July after rising in June, official data showed Friday, but remained at levels that could trouble policymakers at the European Central Bank as they battle stubbornly high prices.

The annual inflation rate in Europe's largest economy fell to 6.2 per cent, down from 6.4 per cent in June, federal statistics office Destatis said in preliminary figures.

US chipmaker to invest \$400m in India by 2028

REUTERS, Gandhinagar, India

US chipmaker Advanced Micro Devices said on Friday it will invest around \$400 million in India over the next five years and will build its largest design center in the tech hub of Bengaluru.

AMD's announcement was made by its Chief Technology Officer Mark Papermaster at an annual semiconductor conference that started Friday in Prime Minister Narendra Modi's home state of Gujarat. Other speakers at the flagship event include Foxconn Chairman Young Liu and Micron CEO Sanjay Mehrotra.

Despite being a late entrant, the Modi government has been courting investments into India's nascent chip sector to establish its credentials as a chipmaking hub.

AMD said it will open its new design centre campus in Bengaluru by end of this year and create 3,000 new engineering roles within five years.

"Our India teams will continue to play a pivotal role in delivering the high-performance and adaptive solutions that support AMD customers worldwide," Papermaster said.

The new 500,000 square foot (55,555 square yards) campus will increase AMD's office footprint in India to 10 locations. It already has more than 6,500 employees in the country.

From personal computers to data centers, AMD chips are used in a wide range of devices. The Santa Clara, California-based firm is also working on an artificial intelligence chip that will take on market leader Nvidia Corp.

READ MORE ON B2



People walk by a food cart in Manhattan, New York City. Excluding the volatile food and energy components, the PCE price index of the US rose 4.1 percent from a year ago last month, easing from May's 4.6 percent rate.

PHOTO: AFP

Reforming revenue administration

MAMUN RASHID

The government is consistently failing to meet its tax collection targets. In 2022-23, its target fell short by Tk 44,728 crore. This phenomenon has been going on for the last 11 consecutive fiscal years. Clearly, our existing taxation system is not efficient enough, so something needs to change and change fast.

No doubt, the last three years have been difficult economy-wise. The fallout from the pandemic and the war in Ukraine caused shocks in the global economy, the ripples of which were felt strongly in Bangladesh.

Bangladesh's tax-GDP ratio was 7.5 per cent in 2021-22, the lowest in South Asia, and one of the lowest in the world. Given the rate at which our economy has grown, such an abysmally low ratio is unacceptable.

But the ratio is not much different from the previous years too. It is safe to assume that the core issues that are hindering tax collection are not being addressed appropriately by the government.

Bangladesh is reportedly losing \$361 million a year due to multinational companies shifting profit to tax havens and \$26 million a year due to individuals evading tax. This amount is equal to one-third of the country's health budget, so the implications are not negligible.

For most countries in the world, the most important source of government revenue is income tax. However, in Bangladesh among more than 8 million taxpayer's identification number holders, 2.4 million submit returns.

Owing to individuals' reluctance to pay income taxes coupled with an ambitious budget, the government might opt for more indirect taxes like increased VAT and import duty. A further increase in indirect tax is not ideal for Bangladesh as it is imposed equally on all income groups from a day labourer to a millionaire.

To address these issues, experts have long been suggesting an overhaul of our taxation system. Malpractice related to tax payments and collection takes place at several levels. There are instances of businesses either not collecting VAT to keep product prices low or collecting the VAT but not reporting it to the government.

There is room for tax collection agents to collude with taxpayers to not collect tax following prescribed procedures. There is also a considerable portion of the economy that is still outside the formal financial system and there is no record of their income.

The media as well as think-tanks published several analyses explaining why and how the system should be reformed. To this end, several recommendations have been made, such as expansion of the tax net, modernisation, and capacity-building of the National Board of Revenue (NBR), crackdown on tax evasion, further rationalisation of tax rates, reducing dependency on indirect taxes, and finding new sources of tax revenue.

There is a crying need to stop malpractices by tax collection agents and taxpayers as well. Anti-collusion policies should be put in place and enforced strongly. Reform is also crucial to meet the conditionalities set by the International Monetary Fund for the \$4.7 billion it is lending to Bangladesh. There is no point in delaying the reform that must happen if we want to improve our revenue growth and domestic resource mobilisation.

Since the government has set an ambitious tax collection target of Tk 430,000 crore for the NBR for FY2024, it must introduce systematic changes in our taxation process as soon as possible to achieve the goal. The institutional capacity of the NBR should be enhanced and there can be no margin of error in terms of transparency, diligence and enforcement of best practices.

The author is an economic analyst

Key US inflation gauge cools further

AFP, Washington

A key indicator of US inflation cooled in June to the lowest annual rate in over two years, although this remains above the central bank's target, according to government data released Friday.

The Federal Reserve's preferred gauge of inflation, the personal consumption expenditures (PCE) price index, rose 3.0 per cent last month from June 2022, down from a 3.8 per cent jump in May, said the Commerce Department.

From May to June, the PCE price index ticked up 0.2 per cent, a touch above the 0.1 per cent rate in the prior month.

But spending climbed 0.5 per cent between May and June, up from 0.2 per cent previously, the report said, although growth in personal income slowed.

READ MORE ON B2