



Workers are seen unloading logs from a trawler before loading them onto a truck for transport to Dhaka. The labourers are paid up to Tk 1,000 for working from 7:00am to 9:00pm every day. The photo was taken recently along the Sandhya river in Nesarabad upazila of Pirojpur.

PHOTO: TITU DAS

Govt plans economic zone for fish processing industry

STAR BUSINESS REPORT

The government is planning to set up a separate economic zone for the fisheries sector in order to promote the fish processing industry, said Fisheries and Livestock Minister SM Rezaul Karim yesterday.

The minister made the comments after stakeholders of the fisheries industry called for establishing a special zone for the industry at a workshop.

The workshop, styled “Fisheries Subsidies in the Context of LDC Graduation and Way Forward”, was organised by the Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) of the Ministry of Finance at the NEC conference room in the capital, said a press release.

“The government would provide all kinds of support, including land acquisition support in setting up the economic zone,” said Karim.

“The success of such economic zones depends on spontaneous investment from private entrepreneurs.”

The minister said the government had initiated a project to encourage deep-sea fishing but at the same time, adopting a slew of strict measures to discourage overfishing.

The workshop was organised to identify the next course of action for continuing fisheries subsidies in the aftermath of Bangladesh’s graduation from the group of least-developed countries against the backdrop of the World Trade Organisation’s Agreement of Fisheries Subsidies, according to the ERD.

“There are huge untapped opportunities in the blue economy sector of the country,” said Nahid Rashid, secretary to the fisheries and livestock ministry.

She called for increased public and private investment for tapping such opportunities.

A comprehensive study needs to be

carried out on the potential impact of the withdrawal of fishery subsidies, said Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry.

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On the findings of the study, Bangladesh will be able to actively participate in the WTO negotiation and can raise the issue at the next ministerial conference, he said.

Kazi Belayet Hossain, president of the Bangladesh Frozen Food Exporters Association, called for duty waiver on the import of fisheries instruments.

He also called for further value-addition and skill enhancement in this

sector while emphasising the need for providing bonded warehouse facilities to the sector.

The government should gradually eliminate the cash incentives by 2026, said Md Hafizur Rahman, a member of the Bangladesh Competition Commission, while delivering the keynote speech.

Rahman recommended developing a reporting system of catch in a systematic way and exploring options for using innovative non-actionable subsidies in the sector.

Sharifa Khan, secretary to the ERD, recommended the formulation of a roadmap to tap the opportunities existing in the blue economy sector.

Khondokar Mahbubul Haque, director general of the department of fisheries, Sayeed Mahmood Belal Haider, chairman of the Bangladesh Fisheries Development Corporation, Md Zulfikar Ali, director of the Bangladesh Fisheries Research Institute, and Farid Aziz, project director of the SSGP, also spoke.

China imposes export curbs on critical metals

AFP, Beijing

Chinese controls on exports of two metals critical to making semiconductors came into force on Tuesday, a day after Beijing imposed curbs on the foreign sales of some drones.

The Biden administration has in recent months stepped up measures to restrict Chinese companies’ access to the most advanced semiconductors.

China, which seeks to become self-sufficient in semiconductor design, says those measures are aimed at maintaining US supremacy in the field.

From Tuesday, Chinese companies seeking to export gallium or germanium will need to obtain a licence, according to a directive from the Ministry of Commerce.

Under the new rules, they will also need to provide information on the final recipient and give details about their end use.

China accounts for 94 percent of the world’s production of gallium – used in integrated circuits, LEDs and photovoltaic panels – according to a report by the European Union published this year.

For germanium, essential for fibre optics and infrared, China makes up 83 percent of production.

The export curbs “send a clear signal that China holds all of the power in this dangerous game”, analyst James Kennedy told AFP, calling the curbs “an unambiguous message” to the United States.

Apple, Microsoft remain world’s top 2 companies by market cap

REUTERS

Tech giants Apple and Microsoft remained the top two global companies by market capitalisation at the end of July after riding this year’s rally in technology shares.

Apple last month became the first company in the world to reach a market value of \$3 trillion, buoyed by hopes over its expansion in new markets and expectations for more moderate US interest rate hikes. Strong quarterly earnings from companies such as Alphabet, Meta Platforms, chipmaker Intel and chip equipment maker Lam Research lifted overall market sentiment last month.

Facebook owner Meta’s market cap jumped more than 10 percent in July, thanks to the company’s rosy revenue forecast and robust ad revenue growth in the second quarter.

Microsoft also beat Wall Street estimates for its fiscal fourth-quarter revenue, driven by growth in its cloud computing and office software businesses, although its share price slipped back 1.4 percent in July after it also laid out an aggressive spending plan to meet demand for artificial intelligence services.

Poor performers

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With this backdrop, the IDRA appointed observers in four life insurance companies last June.

The companies are Progressive Life Insurance Company Limited, Sunlife Insurance Company Limited, Padma Islami Life Insurance Limited, and Golden Life Insurance Limited.

In 2021, the Bangladesh Securities and Exchange Commission reconstructed the board of Fareast Islami Life Insurance to protect investors’ funds after finding that the company’s directors had embezzled funds.

The regulator found through an audit that Fareast’s former chairman and directors committed serial financial crimes and siphoned off policyholders’ funds worth more than Tk 2,100 crore between 2010 and 2020.

Sheikh Kabir Hossain, chairman of the reconstructed board of Fareast Islami Life Insurance, told the Daily Star last month that the company is “sick” as it owes a lot of money while

INSURERS WITH LOW CLAIM SETTLEMENT In %

Name	Claim settlement ratio
Baira	1.83
Fareast	21.29
Sunflower	24.6
Golden	37.7
Progressive	39.11

SOURCE: IDRA

its owners are in jail.

The government had set up a new board of directors to restore Fareast Islami to its previous position, but they have not made much progress so far.

“And due to this sickness, it is not possible to pay back debts at the required rate,” Hossain added.

Top officials of the Baira, Sunflower, and Golden life insurance companies could not be reached for a comment by the time this report was filed.

Insurance claim settlement

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that failed to settle claims despite having sufficient funds.”

In addition, the Idra should work to minimise the risky investments made by insurers, he said.

Sheikh Kabir Hossain, president of the Bangladesh Insurance Association (BIA), said several companies are currently unable to settle claims due to bad investment and non-compliance.

“The Idra and the BIA are working on how to increase the rate of settlement.”

The association has asked companies to settle claims as soon as policies mature, he said.

Hossain, also the chairman of Sonar Bangla Insurance, thinks the Idra has instructed insurance companies to digitalise their operations. “Once that happens, this

will improve the situation.”

He said the claim settlement ratio is much better now than in the past thanks to a number of steps taken by the Idra.

“If Idra’s monitoring becomes robust and digitalisation completes, the rate of claim settlement will increase further.”

Seventeen companies’ claim settlement ratio was more than 95 percent. Of them, nine companies settled claims worth less than Tk 100 crore.

There were eight companies whose claim settlement ratio was above 95 per cent and settled claims worth more than Tk 100 crore. They are Guardian Life Insurance, Meghna Life Insurance, MetLife Bangladesh, Popular Life Insurance, Pragati Life Insurance, Prime Islami Life Insurance, Sandhani Life Insurance, and Rupali Life Insurance.

Ala Ahmad, chief executive officer of MetLife Bangladesh, the lone foreign insurance company in the country, says when customers purchase policies, they expect to see their claims settled without any hassle or delay.

“But if insurers can’t meet this expectation, it creates mistrust between policyholders and the insurance industry.”

MetLife Bangladesh settled 92.28 percent of its total claims in 2020, 95.38 percent in 2021 and 96.02 percent in 2022.

Ahmad said MetLife has always put special emphasis on making customers’ claim experiences smooth and satisfactory. “Over the years, we have invested in technology and people to modernise the claims settlement process.”

“As a result, our customers can apply for claim settlement online from anywhere in Bangladesh and receive funds in just three to five working days. We have completely eliminated the necessity to come to our offices to

submit paper documents needed to initiate a claim settlement process.”

Ahmad said his company has strong customer fund management and investment practices, which help maintain a strong financial position to settle claims without any difficulty.

Another element MetLife is focusing on is quality sales.

“This is because when we understand the needs and prevailing situations of our customers, we can suggest the most appropriate products to them,” said Ahmad.

“When insurance policies are sold with a proper understanding of customer needs and situations, the process of claims settlement can be smooth and without any surprises for customers.”

Sadman Tanvir, head of marketing at Guardian life insurance, said if a company settles claims and provides services properly to policyholders, it is good for both insurers and customers.

Guardian’s claim settlement was 96.85 percent, 97.36 percent and 98.31 percent in 2020, 2021 and 2022, respectively.

Tanvir says his company settles claims within three to five days of the expiration of a policy.

He added that sometimes policyholders can’t submit papers on time. “In such cases, settlement takes time.”

Azizul Islam urged the regulator to find out why insurance companies are failing to settle claims properly.

“The directors of the insurance companies should be brought under the scanner to figure out whether they were responsible for bad investments.”

If needed, the regulator should force insurance companies to sell their assets and pay back people’s money, added Islam, also a former chairman of the Bangladesh Securities and Exchange Commission.

Banglalink to apply

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In Bangladesh, Toffee was an example of how great feats could be achieved in entertainment, said Terzioğlu, adding that MyBanglalink is a super app that addresses education and healthcare.

“Time is right for us to be active in digital financial services. There are 1,440 minutes in a day and we want to be at our customers’ service every single minute.”

The company is planning to utilise its existing customer base as a strategic asset to enhance its position in the digital banking market and bring innovation.

“We already have 4.2 crore customers and if they come to digital banking, it would be great for the country,” said Banglalink’s Chief Corporate & Regulatory Affairs Officer Taimur Rahman.

According to him, another strength of telecommunication companies is their strong distribution channel, which will pave the way for building a solid ecosystem for a digital bank.

“Now, we need a partner.”

In June, the BB invited applications from entrepreneurs interested in establishing digital banks.

It opened a portal for applications to this effect and said it would accept applications until August 1 this year. Later, the deadline was extended to August 17.

Banglalink is the lone telecom operator that has so far applied for a digital banking licence.

Grameenphone and Robi, the two top operators, are yet to receive a green signal from their respective parent companies Telenor and Axiata about whether they would apply for a digital banking licence, according to officials of both operators.

Bank Asia, bKash, Pragati Life Insurance, ACI Ltd, Padma Bank and Crystal Insurance are among the companies that have applied for digital banking licences and some companies are expected to follow suit.

Low rainfall forces farmers

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(minor irrigation) of the Bangladesh Agricultural Development Corporation (BADC), said nearly one-third of the roughly 17 lakh irrigation pumps available, including state sponsored and private ones, have been started to provide supplementary irrigation.

He said they have given instruction to field offices to keep irrigation pumps ready so that fields can be watered if needed.

“We will keep our irrigation pumps on,” he said. “Aman cultivation will not be affected.”

To discuss the issue of ensuring supplementary irrigation to ensure a good yield from the Aman season, the agriculture ministry yesterday held a meeting with representatives

of BADC, the Barind Multipurpose Development Authority and Bangladesh Rural Electrification Board.

Rabindra Sri Barua, additional secretary in charge of the extension wing at the agriculture ministry, said they held the meeting to ensure coordinated steps are taken.

“Supplementary irrigation will be provided whenever and wherever it is necessary. We had a bumper harvest of Aman paddy in the previous season, and we are well prepared to ensure that this time too,” he added.

Md Omar Faruq, a meteorologist at the BMD, said there had been several heat waves in the country in July.

“There is possibility of heat waves in August too. But we expect normal rainfall this month,” he added.

