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Star BUSINESS

Nagad hikes cash-out charges, adds new fees

STAR BUSINESS REPORT

Mobile financial service provider Nagad has announced an increase in charges for cash-outs while introducing new fees for fund transfers.

The rates and fees came into effect from September 8, according to a company official.

Nagad has introduced a Tk 5 fee for money sent through its app, which was previously offered free of charge.

Additionally, it has raised the cash-out charge from Tk 11.49 to Tk 12.50 per Tk 1,000 for mobile app transactions and from Tk 14.94 to Tk 15 for those using the USSD code service.

Furthermore, Nagad has implemented a 1.50 percent fee per Tk 1,000 transfers to banks.

In a statement, Nagad explained that these adjustments were part of a long-term business strategy aimed at improving the customer experience and promoting digital services.

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"Nagad always works to ensure improved customer service at the lowest cost," it said in a statement yesterday.

From the outset, it charged the lowest when compared to existing market rates.

Nevertheless, Nagad still maintains the market's lowest charges for cash-out, sending money or any other service. Furthermore, most of the services are still free of charge like before, the statement added.

The new charge comes less than six months after Nagad Managing Director Tanvir A Mishuk told The Daily Star that they would offer free-of-charge cash withdrawal services to its account-holders by this year in order to accelerate Bangladesh's financial inclusion drive.

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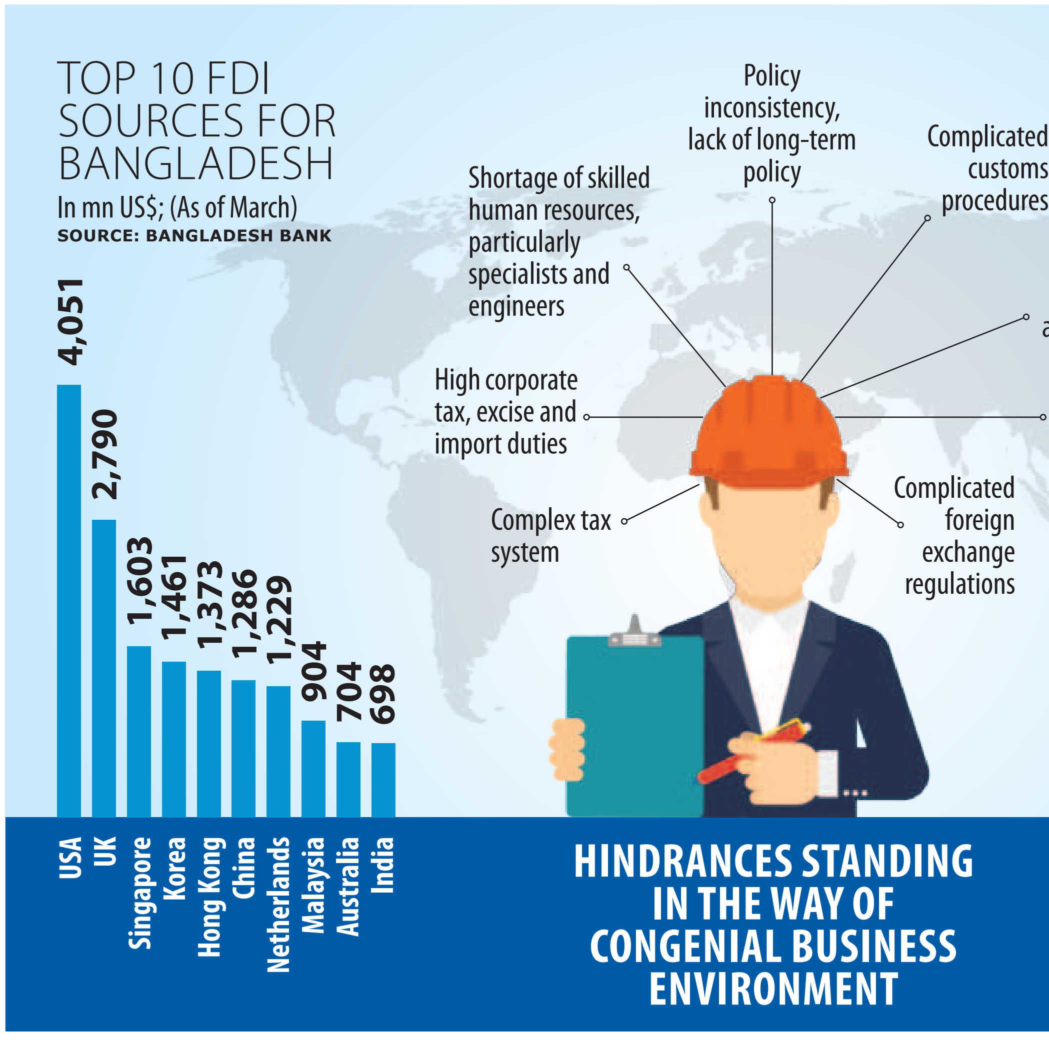

FDI STOCK IN BANGLADESH: TOP FIVE SECTORS
As of March
SOURCE: BANGLADESH BANK

Sectors	Total FDI stock (in mn $)
Textile	3,886
Gas and petroleum	3,845
Banking	2,810
Power	2,381
Telecommunication	1,415

Local firms equally dissatisfied with business climate

Echo challenges highlighted recently by foreign firms operating in Bangladesh

JAGARAN CHAKMA

Like Japanese and Chinese companies operating in Bangladesh, domestic firms as well as those from other countries are not happy with the overall business climate in the country, said a number of entrepreneurs, heads of chambers and experts.

Policy inconsistency, complicated customs procedures, shipment delays, lack of service-oriented attitudes among government officials, and prevalence of informal payments aimed at ensuring quick services from regulators and facilitating agencies are all blamed for the poor business environment.

Their concerns, which have lingered for a long time, reflected the challenges recently cited by Japanese and Chinese businesses that have a presence in Bangladesh.

For example, a survey of the Japan External Trade Organisation (Jetro) released on August 30 said 71 percent of Japanese companies are dissatisfied with the general business environment in the country.

On Saturday, Chinese investors pointed to the challenges they face while doing business, starting from difficulties in securing visas and work permits to opening and settling of letters of credit (LCs). They sought improved services alongside remedies to the hurdles.

The challenges faced by Japanese and Chinese investors are also applicable to all domestic and foreign companies, said Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry.

He said due to slower-than-expected clearance of customs, importers are sometimes compelled to pay more in demurrages and imported raw materials and goods might even be found to be damaged.

As a result, entrepreneurs face cost consequences at home as well as challenges in the international market from a competitive perspective.

Businesses have to wait 11 days and six hours to have their cargo released after their arrival at seaports, according to the Time Release Study 2022 of the National Board of Revenue.

Nihad Kabir, chairperson of the Business Initiative Leading Development, a think-tank, said it is true to some extent that Japanese companies and some domestic and foreign companies don't receive government incentives because of inefficiencies and red-tapism.

She said automation in customs procedures is not fully in place and the NBR needs to complete the process as soon as possible.

"Businesses want transparency, accountability and predictability in the regulatory framework."

Nihad said there has to be a relentless drive to carry out required regulatory reforms in a bid to reduce the burden on businesses so that Bangladesh can attract a higher volume of foreign direct investments and domestic businesses can contribute more to the economic growth.

"A more efficient customs process will lead to an improved country branding for Bangladesh."

Citing the Jetro survey, Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, Dhaka, said although there is dissatisfaction over the business environment, 66 percent of existing Japanese companies showed interest in expanding their operations in Bangladesh.

"Japanese investors stressed faster customs clearance and faster settlement of LCs."

Mohammed Amirul Haque, managing director of Premier Cement, cited bureaucratic complexity and unfavourable policies as the main obstacles standing in the way of attracting a higher volume of FDIs.

He added inefficient port handling and complicated procedure of customs lead to slower clearance of raw materials, inflicting losses on investors.

Haque, however, lauded the intention of the government aimed at securing more FDIs and making it easier to do business in a bid to accelerate economic growth.

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Diversification to secure more of EU market: study

STAR BUSINESS REPORT

Bangladesh has the potential to grab a bigger market share in the European Union (EU), even in case of garments, on the condition that there is product diversification.

For instance, Bangladesh's share of cotton fibre garments sold in the EU is 34.7 percent while China's share is only 14.9 percent.

On the other hand, China's share of non-cotton garments sold in the EU is 41.2 percent whereas Bangladesh accounts for only 12.2 percent.

So, Bangladesh can explore its potential here, said Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development (RAPID) Bangladesh, a private think tank.

He was presenting a study titled "Exploring Export Diversification Opportunities in the European Union" at a seminar organised by RAPID in collaboration with Friedrich-Ebert-Stiftung Bangladesh at the Six Seasons Hotel in Dhaka.

Bangladesh's apparel exports to the EU are projected to rise from $25 billion to $60 billion by 2030, said the study.

Diversification of sourcing away from China may help Bangladesh's garment export growth.

Moving towards manmade fibres can be greatly facilitated through the extension of the EU preferences beyond Bangladesh's status graduation from a least developed country (LDC) to a developing nation.

Estimates are based on current supply-side capacities and market access conditions.

Non-apparel products with high export potential include footwear, leather goods, home textiles and fish and shrimp.

With LDC graduation imminent, the urgency for export diversification has never been more pronounced, the study said.

The EU market, with its vast consumer base and historical trade ties with Bangladesh, can act as a catalyst.

However, along with the dominant role of the garment sector in Bangladesh's exports, its potential for expansion remains vast, especially as China's share in the global market, including in the EU, dwindles, said the study.

Bangladesh is diversifying its exports but the garment sector still dominates, said Senior Commerce Secretary Tapan Kanti Ghosh. Bangladesh has already done a lot regarding compliance at the factory level, he added.

EU Ambassador to Bangladesh Charles Whitely also spoke at the event.

STOCKS

DSEX ▼	CASPI ▼
0.02%	0.02%
6,283.85	18,590.96

COMMODITIES

Gold ▲	Oil ▼
$1,928.63 (per ounce)	$87.17 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.79%	▼ 0.43%	▲ 0.33%	▲ 0.84%
67,127.08	32,467.76	3,218.28	3,142.78

BB sits with Padma Bank, SBAC CEOs

They reportedly resigned recently

STAR BUSINESS REPORT

The Bangladesh Bank yesterday sat with the managing directors of Padma Bank and South Bangla Agriculture and Commerce (SBAC) Bank to know about the reasons for the reported resignation.

Habibur Rahman, managing director of SBAC Bank, and Tarek Reaz Khan, managing director of Padma Bank, stepped down last week citing personal reasons.

The duo met separately with central bank Governor Abdur Rouf Talukder and Deputy Governor Abu Farah Md Nasser, said a senior official of the BB seeking anonymity.

The official said the governor wanted to know the actual reason for their resignations and asked them to inform the BB if they had come under any pressure from the board of directors.

In 2014, the central bank said if a managing director wants to resign before the end of their term, he or she would have to submit an application to the chairman of the bank and the BB a month before and explain the reasons.

In recent months, CEOs of some private banks, particularly the problem-hit lenders, have resigned. And it comes at a time when the banking sector is facing challenges, including soaring non-performing loans and lack of good governance.

Contacted, Tarek Reaz Khan told The Daily Star yesterday that it was good that the governor had met the MDs who resigned.

"The central bank called me and I met with the governor and the deputy governor."

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Bikash Das has spent around a decade making and repairing the tabla, a percussion instrument used in classical music of the Indian subcontinent. Originally associated with courtesan dance traditions, the tabla has now made its way into a variety of music genres and styles. The two drums that make up the tabla are fashioned out of wood, copper and skins. New ones can cost anywhere from Tk 4,000 to Tk 10,000 depending on the quality. Repairs are much cheaper, ranging from Tk 500 to Tk 1,200. The photo was taken from Love Lane in Chattogram last week.

PHOTO: RAJIB RAIHAN

Online pharmacy MedEasy raises $750,000

STAR BUSINESS REPORT

MedEasy, a Dhaka-based online pharmacy startup, has managed to raise $750,000 in seed funding to expand services.

"The funds will allow refining operations, enhancing features and boosting customer acquisition alongside research and development," said Co-founder and CEO Arefin Zaman.

The startup's future plan is to introduce subscription-based features, a digital vital sign monitoring system and an appointment-booking marketplace, according to a press release.

The seed funding round was led by Seedstars International Ventures, Doha Tech Angels, Startup Bangladesh Limited,

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