

NRBC Bank sponsor to sell 96% stake

STAR BUSINESS REPORT

ABM Abdul Mannan, a sponsor of NRB Commercial Bank, wants to sell 96 percent of his stakes in the bank, as soon as the shares become sellable after the completion of the lock-in period.

Mannan will sell 4.49 crore out of his 4.7 crore shares at prevailing market price as the shares' lock-in period—when the invested amount cannot be withdrawn or sold—ended in 2023.

Yesterday, the lender shared the information through a disclosure on the website of the Dhaka Stock Exchange.

The stock of the company was traded at Tk 16.80 at the DSE yesterday and at this price Mannan will get Tk 75 crore by selling his stakes.

The Daily Star contacted the bank's company secretary, Mohammad Ahsan Habib, to know the reason of the share sell. But he did not take the phone calls.



The port city of Chattogram has significant prospects to become a manufacturing hub for all types of products, experts said.

PHOTO: STAR/FILE

Leathertech Bangladesh begins tomorrow

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The three-day Leathertech Bangladesh 2023 will begin tomorrow at International Convention City Bashundhara in Dhaka.

The ASK Trade & Exhibitions Pvt Ltd is organising the ninth edition of the international trade show on machinery, components, chemicals and accessories for leather, footwear and travel goods sector of Bangladesh.

Nearly 200 exhibitors from 10 countries, including the Council for Leather Exports and the Indian Footwear Components Manufacturers Association, the Confederation of Indian Footwear Industry from India, will take part in the event.

The local industry can benefit from the presence of global leaders at the three-day show, said Nandagopl K, director ASK Trade & Exhibitions.

The fair will exhibit various products of different sectors, including leather sector, accessories and machinery.

The Leathergoods & Footwear Manufacturers and Exporters Association is extending the lead support for the event with the support of the Bangladesh Tanners Association, Bangladesh Finished Leather, Leathergoods and Footwear Exporters Association and Bangladesh Paduka Prostutkarak Samity.

‘Political unrest a threat to revenue collection’

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Revenue collection will become very challenging this year if the ongoing political unrest prolongs, according to Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue (NBR).

“Not only is this an election year, but the country is facing a US dollar crisis. As a result, imports have dropped and business has slowed down,” he said.

“So, if the political unrest sustains in the coming months, then revenue collection will obviously be affected,” Muneem added.

He yesterday made these remarks while briefing reporters at his office in Agargaon about the month-long income tax information service for taxpayers, which starts today.

In response to a query concerning how a number of businesspeople claim they are unable to contact the

NBR chairman, he said that he does not have time to cater to each and every special request.

“How will I do other work for NBR if everyone keeps coming with special requests? So, they [businesspeople]

“If the political unrest sustains in the coming months, then revenue collection will obviously be affected,” said Abu Hena Md Rahmatul Muneem, chairman of NBR

should make it known only when they have a specific complaint,” Muneem added.

In response to another question regarding what he did in the last two terms as NBR chairman, Muneem said he could not do anything for revenue collection amid the

country's bad economic situation.

“But I did work at the policy level and tried to bring some reforms to the office management,” he added.

Declaring November as income tax service month, Muneem outlined the NBR's various initiatives to enhance tax collection in the country.

The month-long income tax information service aims to facilitate return filing by taxpayers.

He informed the NBR will not arrange the income tax fair as it had in previous years.

“Instead of holding a tax fair, one-stop or special services will be provided to taxpayers throughout the month of November in all tax zones of the country,” he said.

The services will be provided by 649 circle offices in 31 tax zones of the country.

On the other hand, the NBR will observe Income Tax Day on November 30 as usual.

Chattogram has potential to be a growth engine

Experts say

STAFF CORRESPONDENT, Chattogram

Businesses in Bangladesh said that Chattogram has the potential to become a major trading hub that acts as a vital engine for economic growth in the country and its neighbouring regions.

But to make this happen, Bangladesh has to overcome prevailing challenges in its education, environment, health and industrial sectors.

Besides, there is a need for taking planned and strategic infrastructure development projects keeping economic sustainability in mind, they added.

They also urged for the formation of an organised development forum for Chattogram comprising businesses, academia and policy makers, and a roadmap for planned industrialisation in the area.

To unfold this vision, local businesses leaders, administration and visionaries have to work together and drive economic change, they said at a dialogue on “Advancing Economic Sustainability in Chattogram”.

The discussion was held on the sidelines of “BSRM Presents Lead Speak Chattogram” at the Radisson Blu Chattogram Bay View on Monday.

Valor of Bangladesh, an information management platform dedicated to policy analysis and forecasting, organised the event sponsored by BSRM, Seven Rings Cement, Maslin Capital and Eastern Bank.

The panel discussion was moderated by Suraiya Zannath, the lead governance specialist (financial management) for South Asia of World Bank.

She opined that a lot has been achieved in terms of infrastructural development in Chattogram.

However, the subsequent economic benefits may not be felt in the near future as the cost-cutting impact of the development was not thought through, Zannath said.

With this backdrop, Aameir Alihussain, managing director of BSRM Group, emphasised on ensuring integrated thinking and solutions for infrastructure projects.

He then pointed out how auxiliary infrastructure needs to be included in any development plan.

For example, the Bangabandhu Sheikh Mujibur Rahman Tunnel will take time to provide the expected benefit as nearby economic zones and the road to Matarbari and Cox's Bazar are not yet complete.

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STOCKS	
DSEX ▲	CASPI ▼
0.30%	0.05%
6,278.65	18,599.86

COMMODITIES	
Gold ▲	Oil ▲
\$1,997.49 (per ounce)	\$82.93 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.11%	▲ 0.53%	▲ 0.14%	▼ 0.92%
64,041.09	30,858.85	3,068.72	3,018.77

Prime Bank posts 23% rise in profit

STAR BUSINESS REPORT

Prime Bank recorded a 23 percent year-on-year increase in profit to Tk 345 crore in the January-September period of 2023.

Its earnings per share increased to Tk 3.05 as of September 30 this year, up from Tk 2.47 last year, according to the financial statements of the company.

The bank attributed the growth in profit to incomes from net interest and investment.

Its profit for the three months period of July-September stood at Tk 126 crore, up 27 percent from the previous year's Tk 99 crore.

The bank also saw its net operating cash flow per share to increase year-on-year to Tk 4.47 from Tk 1.09 the year before.

Govt's interest expenses jump

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The total debt-to-GDP ratio was 36.34 percent based on the gross domestic product projection for FY23 by the Bangladesh Bureau of Statistics and is significantly lower than the International Monetary Fund's threshold of 55 percent.

The gap between the debt from the banking source and the borrowing from the non-bank source has decreased, said the bulletin. However, the debt to GDP ratio continues to rise. In 2021-22, it was 33.79 percent.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the interest expenditure of the government increased due to three

factors: the rising interest rate, the sharp depreciation of the taka, and the increased borrowing.

“The interest expenditure of the government is increasing faster than the revenue growth, which is a challenge,” said the economist, adding that the total debt is four times the total revenue collection.

In FY23, the government borrowed Tk 1,72,285 crore from both domestic and external sources, down 4.04 percent from Tk 1,79,550 crore a year ago.

Of the loans, Tk 101,714 crore came from the local source and Tk 70,572 crore from the external source.

However, borrowing from the sales of NSCs contracted, with the net borrowing being negative at Tk 3,296

crore.

Various reform initiatives such as the online issuance process, a logical investment limit, and the introduction of multiple interest rates have contributed to the decline of the net sales of the savings instruments, said the bulletin.

The government has set an annual borrowing target of Tk 20,000 crore through the sales of NSCs.

According to the document, the government's external borrowing was 15.80 percent lower than the target of Tk 83,819 crore in the last financial year.

The government owes Tk 507,763 crore to the banking sector and Tk 436,572 crore to the non-banking source.

Banks devalue taka further

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have to sell 10 percent of their previous month's remittance earnings in the interbank market, where the rate will be Tk 114 per US dollar.

Meanwhile, the credit card settlement and student banking rates will be as per the cash selling rate.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said this is a good decision as it will boost the flow of US dollars in the banking sector.

On October 21, the Bafeda and ABB decided to provide as much as 2.50 percent as an additional incentive apart from the government's existing cash support for collecting remittance through formal channels.

The volatility in the global market driven by the Russia-Ukraine war has sent commodity prices higher, hitting the forex reserves of import-dependent countries such as Bangladesh, experts previously said.

RMG makers to implement

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every day because of the ongoing labour unrest.

If the situation prevails for some more days, owners will be compelled to close factories under the labour laws that also stipulate “no work no pay”.

He could not give the number of the factories that have been shut owing to the latest flurry of unrest.

“Owners are trying hard to run factories despite the unrest,” he said, adding that two workers have died during the unrest.

The BGMEA chief sought cooperation from the government and law enforcing agencies to save industries from the unrest.

Many owners have been compelled to discontinue production as outsiders are instigating workers and they are coming out of factories, he said.

Former BGMEA President Anwarul Alam Chowdhury Parvez echoed Hassan.

“Genuine workers are behaving responsibly and they are continuing to work. But there is a section that is trying to take advantage of political unrest.”

The apparel industry, the second largest in the world, is passing through a bad patch because of the

fallout of the Covid-19 pandemic and the Russia-Ukraine war, he said, adding that the Middle East crisis may also hurt the sector.

AK Azad, chairman and chief executive officer of Ha-Meem Group, one of the top apparel exporters, said the new wage structure will come into effect on December 1.

He also said outsiders are instigating workers Ashulia and Mouchak and they, along with a section of workers, are vandalising factories.

The minimum wage board will sit for another meeting today.

The unrest comes at a time when garment shipment from Bangladesh is on the decline owing to the US dollar shortage, an elevated level of consumer prices in the export destinations, and higher cost of production and energy shortages at home, among other factors.

Garment export to the US, the single largest export country for Bangladesh, declined 21.77 percent year-on-year in terms of value in the January-August period of 2023. In terms of volume, it declined 29.10 percent, according to the BGMEA chief.

The sales in the European Union fell 13.71 percent in value and 15.07 percent in volume.

BB eases rules

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“It has now been decided that delayed export proceeds are allowed to be encashed in the prevailing exchange rate. This flexibility shall remain valid till December 31, 2023,” the BB said in the notice.

Md Sarwar Hossain, assistant spokesperson of BB, said the decision was taken to encourage exporters.

The move comes at a time when Bangladesh is suffering from falling forex reserves and the realisation of export proceeds has fallen below the export figures released by the Export Promotion Bureau.

Exporters were demanding that authorities offer the prevailing market rate for dollar in case of encashment of receipts.

Mohammed Monsur, general secretary of the Bangladesh Fruits Vegetables & Allied Products Exporters' Association (BFVAPEA), welcomed the BB decision.

“It is a good decision. This will encourage exporters who are yet to do so to bring their proceeds,” he said while adding that the central bank should reimburse exporters who were not allowed to encash export earnings at the market rate.

Meta to offer ad-free plans in Europe

REUTERS

Meta Platforms said on Monday it will offer users in Europe a subscription plan to use Facebook and Instagram without advertisements to comply with the European Union regulations.

The monthly subscription plans for users in the EU, European Economic Area and Switzerland, will cost 9.99 euros (\$10.58) for web users, while iOS and Android users will have to shell out 12.99 euros a month.

The EU regulations threaten to curb Meta's ability to personalize ads for users without their consent and hurt its major revenue source.

The world's most popular social media network has been under antitrust pressure in the EU. In July, it lost its fight against a German data curb order as Europe's top court backed the German antitrust watchdog's power to also investigate privacy breaches.