

Indo-Bangla shipping secy level meet begins

STAFF CORRESPONDENT,
Ctg

A two-day meeting of shipping secretaries of Bangladesh and India started at the Intercontinental Hotel in Dhaka yesterday.

On the first day, meetings of the standing committee of the Protocol on Inland Water Transit and Trade (PIWTT) and intergovernmental committee took place, according to a press release.

Sheikh Md Sharif Uddin, additional shipping secretary of Bangladesh, and Sanjay Bandopadhyay, chairman of Inland Waterways Authority of India, led the teams of the two countries.

India had nine agendas to discuss in the intergovernmental committee meeting.

The agendas include inclusion of Sabroom via Ramgarh and vice versa as additional route under the Agreement for use of Chattogram and Mongla Ports (ACMP) on the use of Chattogram and Mongla ports, faster berthing and facilitation of vessels using the route, reducing the cost of cargo movement in the ACMP trade route, permitting movement of bulk cargo after lighterage to Bangladesh through India Bangladesh Protocol Route and movement to Northeast India through the ACMP route.

It is mentionable that four trial runs were successfully completed by December last year in order to operationalise the ACMP for movement of cargo to and from India via Bangladesh.

The shipping secretary-level meeting will be held tomorrow led by M Mustafa Kamal, senior shipping secretary, and TK Ramachandran, secretary of the ministry of ports, shipping and waterways of India.

A 31-member delegate comprising representatives of relevant ministries and agencies of Bangladesh are participating in the meetings attended by a 21-member delegation from India.



Shipra Rani Pal uses simple tools and her bare hands to create earthen jars that are used to collect winter sap from date trees and store the sugary syrup generated afterwards through heating. At wholesale, each jar sells for Tk 25. The photo was taken at Himandakathi village of Jhalakathi around a week ago.

PHOTO: TITU DAS

IDRA warns life insurers over false data

SUKANTA HALDER

The Insurance Development and Regulatory Authority (IDRA) has directed life insurance companies to provide accurate information in their reports, stating that inconsistencies were regularly found with what it later unearthed through investigations.

"...discrepancies are being found in the information or reports being sent from the life insurance companies as per the instructions of the regulator," the IDRA said in a letter sent to the companies last Sunday.

Dissimilarities are also therein "information being sent to the unified messaging platform and information the regulator found through its own investigation", it said.

This is hindering the regular forwarding of accurate information to the Prime Minister's Office alongside the Ministry of Finance, it added.

The companies regularly have to provide information to the IDRA regarding policies, premiums, insurance claims, life funds,

agents and investments, explained an IDRA official to The Daily Star.

There is a lot of discrepancy between what they claim and what was in reality, he said.

Accurate information should be shared according to the insurance act 2010, otherwise legal steps will be taken against officials concerned, such as managing directors, chief executive officers, chief financial officers and company secretaries, the letter added.

Moreover, fines of a maximum of Tk 100,000 and a minimum of Tk 50,000 can be imposed as per the law, it said.

There are some publicly listed companies that showcase fabricated reports to inflate share prices, SM Masudul Haque, director for the life insurance department at the IDRA, told The Daily Star.

Moreover, they claim to have a lower number of agents than what was in reality, for which the letter was issued, he said.

The IDRA needs to form a unit like Bangladesh Financial Intelligence Unit to solve these problems, he said.

The directive comes at a time the claims of around 10 lakh policyholders are in limbo owing to a liquidity crisis in 29 life insurance companies.

The unsettled claims involved Tk 3,050 crore in the four years to the second quarter of 2023, showed data from the IDRA.

Just a dozen or so life insurance companies resolved only 14.09 percent of the 24,605 complaints they received in the first 10 months this year.

Of them, 95 percent are related to non-settlement of claims despite policies reaching maturity, said an IDRA official.

The remaining complaints are linked to management issues, violation of rules in appointing top officials and bad investments, among others.

Currently, there are 35 life insurance companies in Bangladesh providing schemes for nearly 2 crore people.

They settled 85 percent of their claims in 2020, 58 percent in 2021 and 67 percent in 2022, according to the IDRA.

Ashraf Ahmed new president of DCCI

STAR BUSINESS REPORT

Ashraf Ahmed, chief executive officer of Riverstone Capital Ltd, has been elected as president of the Dhaka Chamber of Commerce & Industry (DCCI) for 2024, said the trade body yesterday.

Malik Talha Ismail Bari, managing director of Unimart Ltd, has been picked as the senior vice-president, and Md Junaed Ibna Ali, chairman of Hitech Steel & Plastic Industries, has been re-elected as the vice president.

The new board of directors took over the charge at the 62nd annual general meeting of the DCCI at its auditorium yesterday, according to a press release.

Other elected directors are Md Salem Sulaiman, Md Siam Al-Ddin Malik, Mohammad Saifur Rahman Saif, Nayeemur Rahman, and Saif Uddowlah.

Ashraf Ahmed, a graduate of the Institute of Business Administration at the University of Dhaka, currently heads the merchant bank. Previously, he served multinational banks in Bangladesh such as ANZ, Grindlays, Standard Chartered and HSBC, before entering into business.

He is the youngest son of Nuruddin Ahmed, a former president of the Federation of Bangladesh Chambers of Commerce and Industry, the DCCI and Dhaka Club.

Bari, who completed bachelor in business management from King's College London of the United Kingdom and master's in finance from the University of New South Wales in Australia, is also the director of United Enterprises, United Power Generation & Distribution, United Anwara Power, IPCO Developments, United Property Solution, and United Hospital.

Junaed Ibna Ali is also the chairman of Zaber Steel and proprietor of JN Corporation and Trade Land International, the press release added.

Rupee falls

REUTERS, Mumbai

The Indian rupee declined on Tuesday as its failure to hold above a key level prompted renewed dollar buying interest, while forward premiums inched lower after more Federal Reserve officials pushed back on interest rate cut expectations.

The rupee was at 83.1875 to the US dollar at 10:44 am IST, compared to its previous close of 83.06.

The currency had on Monday managed to strengthen past 83 but failed to hold the level.

Its looks like "the breakdown" below 83 on USD/INR "was a false one" and we are back to the "range of 83 to 83.40 that has held for what seems forever", an FX trader at a bank said.

"We are seeing good (dollar) bids, and it could be that RBI (Reserve Bank of India) is in action again."

Eight US congress

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not even meet the rising cost of living, have led to extended mass protests. Police have responded with violence against protesters and trade union leaders, resulting in at least four deaths, numerous injuries, and a wave of unjust arrests, detentions, and indefinite factory shutdowns.

"We agree with the Biden administration's call for the government of Bangladesh to respect and protect workers' rights to organise, protest peacefully, and collectively bargain without fear of retaliation, violence, or intimidation."

"US brands must use their influence and stand together with workers by immediately demanding better wages and rights for Bangladeshi working families."

Bangladesh falls

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it said, adding that data on non-resident deposit schemes are not readily available, but such schemes are widespread among countries across developing country regions.

Bangladesh is expected to receive \$23 billion in remittances in 2023, up 8 percent year on year.

The report did not provide details about Bangladesh's initiatives to attract investment and deposits from NRs.

The government has offered investment schemes -- the US Dollar Investment Bond (USDIB), the US Dollar Premium Bond (USDPB) and the Wage Earner Development Bond (WEDB) -- to attract NRs.

The USDIB is issued against the foreign remittance in the foreign currency accounts. One can repatriate the principal as well as interest from the investment. Invested funds and earned interests are also tax-exempted, according to the Bangladesh Bank.

This letter echoes the sentiments of local worker organisations, international trade unions, and the US government to revisit the minimum wage decision and respect worker rights, including the freedom of association.

The letter is endorsed by the Academics Stand Against Poverty, the Asian Pacific American Labour Alliance (APALA affiliate), the IndustriALL Global Union, the Institute for Policy Studies - Global Economy Project, the Labour Behind the Label, the Oxfam America, and the Workers United (SEIU affiliate), it said.

The lawmakers urged the AAFA to pressure the government and garment manufacturers of Bangladesh to improve the wage-setting process and accept workers' minimum demand of \$208 per month to align with the real cost of living.

Investors will get a 5 percent interest at maturity after three years against investments of \$1 lakh.

The USDPB is issued in favour of foreign currency account holders who hold foreign remittances in their accounts. Investors can repatriate the principal amount after maturity but the interest against the invested amount is only payable in the taka.

Investors will receive a 5.5 percent interest after the maturity of the three-year bond. Invested funds and earned interests are also tax-exempted.

The WEDB is another diaspora bond issued only in the taka against remittances. The earned profits are payable in the local currency and the invested funds and interests are tax-exempted.

The taka-denominated five-year bond offers a 12 percent interest after maturity. Any amount up to Tk 1 crore can be converted against foreign remittance.

Tax predictability

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"We should not be asked for the late fees of 25 years for the mistakes that could have been identified 25 years ago. That was our request to the authorities, and I think we have a fair request in that regard," he added.

Last month, Banglalink announced the sale of 2,000 of its towers to Summit Towers Ltd, a company of Summit Communications Group.

Asked if the audit claim of the regulator prompted Banglalink's decision to sell the towers, Terzioğlu said he believes towers should be owned by independent tower companies as they possess superior expertise in their management.

"We sold off a third of our towers. And you will see that in the future, we will continue doing that. Why do we do that? We believe we have to invest. And those funds that we generate from tower sales will be invested in digital services."

He also said the company is continuously assessing the right time to go public in Bangladesh.

"We believe the upcoming election is important because after that, the market will have more visibility and we will continue exploring that opportunity."

According to Terzioğlu, the BTRC's directive to discontinue the popular three-day data package, chosen by most customers, cost Banglalink a 5 percent reduction in revenue.

"If we lose 5 percent of the revenue, the government loses 5 percent taxes. Is this a good thing? I don't think so."

Terzioğlu, a Turkish national, assumed the role of CEO for VEON Group in June 2021, overseeing operations in six markets.

Unlike other CEOs of telecom groups, Terzioğlu often visits Bangladesh.

"Every time I come to Bangladesh, I see significant development. I mean, last time I was here, I had the chance to see the Padma Bridge and this time I saw the elevated expressway and the new airport terminal."

"I think these are all signs of Bangladesh consistently moving forward, developing its economy, and creating prosperity for its people."

Cement makers slash output

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have been facing one obstacle after another.

"If we solve one problem, then another arises, which is hampering the sector's growth," he added.

Haque also said other than low sales, cement mills were suffering from having to open LCs at Tk 111 per US dollar while settling them at Tk 123 to Tk 124.

"Earlier, we would blame the central bank but now, private banks are creating problems in opening LCs citing a US dollar shortage," he added.

Against this backdrop, Haque emphasised that they would face severe losses if the situation continues for the next four months.

"But even though we are facing a tough situation, we do not have any plans to cut jobs and will instead work to absorb the shock," he said.

Echoing the same, Asadul Haque Safyani, chief operating officer of Bengal Cement Limited, said the market situation was quite dull despite it being the peak season.

"This is because demand declined

drastically as people are gripped by panic amid the ongoing economic vulnerability and political unrest," he added.

Preferring not to be named, a senior official of Shah Cement, a concern of Abul Khair Group, said their four manufacturing units have a daily production capacity of about 31,000 tonnes.

However, they are currently producing just 9,000 tonnes of cement each day as demand from public and private construction projects has fallen, the official added.

"The cement market witnessed negative growth throughout the year. The negative growth was slightly higher in November and the situation will persist in December," said Md Alamgir Kabir, president of Bangladesh Cement Manufacturers Association.

The government scaled down large-scale infrastructure development works in the country by almost 65 percent this year compared to 2022 and 2021, he said.

Similarly, private sector industrial

development has fallen to almost zero, impacting sales of construction materials such as cement, he said.

"For example, there has been a huge decline in the construction of houses in the private sector. So, the use of cement is decreasing," he added.

Kabir, also vice-chairman of Crown Cement PLC, noted that the country's current economic condition, especially considering the forex crisis and subsequent devaluation of taka, has led to the requirement of additional working capital while hampering sales.

Besides, production costs increased due to the hike in bank interest rates, transportation and power costs alongside additional taxation, he said.

He explained that even if there was no profit, advance tax deduction at source was a liability.

There are 37 active cement factories in Bangladesh with a combined annual production capacity of 5.8 crore tonnes against local demand of 3.6 crore tonnes.

Luxury hotels log higher revenue

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The profit jumped mainly because of extraordinary gains from the selling of its shares in a power plant. The company recorded a capital gain of Tk 112 crore by selling 11.76 percent shares in Unique Meghnaghat Power to Nebras Power.

The revenue from the sales of food items is also higher than that of accommodation for Pan Pacific Sonargaon.

"Room rents account for 60 percent of our revenues while the food and beverage sales constitute the rest," said Mohammed Nafeuzzaman, public relations manager of the hotel.

All types of events typically organised by corporates and the government are held at the hotel, he said. The occupancy rate is 45

percent to 50 percent.

The official says the hotel business has rebounded following the easing of coronavirus restrictions. Blockades, however, have impacted the business as the movement of guests is restricted to some extent.

In the port city, Peninsula Chittagong incurred a loss of Tk 4 crore in FY23, reversing from a Tk 2.24 crore profit a year ago.

The company saw a revenue of Tk 20 crore from food and beverage sales. Rooms generated Tk 15 crore in revenue.

The profit of Sea Pearl Cox's Bazar Beach Resort & Spa surged to Tk 70 crore from Tk 16 crore, on the back of a Tk 73 crore revenue from the food and beverage segment and Tk 31 crore from room rents.

"There is no way to raise the revenue until the number of rooms goes up or the rate increases. However, there is huge potential to earn more revenues from food sales by giving special offers," said Md Azaharul Mamun, company secretary.

"We are looking at all potentials." The hotel has opened a new restaurant that offers dishes similar to those popular among locals. The price is also reasonable, Mamun said.

"Some people who come to visit our water park also eat at our restaurants."

"Moreover, many events are organised on the beach and the organisers buy food from us. The food delivery business is bringing additional revenues."