

## Robi clocks 75% higher profit in 2023

STAR BUSINESS REPORT

Robi Axiata Ltd, the second-largest mobile phone operator in Bangladesh, made a profit of Tk 321 crore in 2023, which was an increase of 75 percent year-on-year, said a press release.

The company's earnings per share was Tk 0.61 in 2023 whereas it was Tk 0.35 in the previous year.

Its total revenue reached Tk 9,942 crore in 2023, which was an increase of 15.79 percent compared to that in the previous year.

**Robi said earnings before income tax, depreciation and amortisation stood at Tk 4,599 crore in 2023.**

Total capital expenditure investment, meaning funds used to acquire, upgrade, and maintain physical assets, reached Tk 1,903 crore at the end of 2023.

The telecom operator said the earnings before income tax, depreciation and amortisation stood at Tk 4,599 crore in 2023.

Meanwhile, revenue from data service has increased by 28.2 percent compared to that in 2022 whereas voice revenue by 9 percent.

Robi's board of directors have recommended a cash dividend of 10 percent, which represents 165.6 percent of the profit after tax for 2023.

Having added 43 lakh new subscribers in 2023, Robi's subscriber base reached 5.87 crore at the end of 2023, which was 31 percent of the country's total mobile phone subscriber base.

# Insurance yet to become favourable protection measure

People prefer banks, bonds and real estate to save for unseen financial burdens, study shows

STAR BUSINESS REPORT

Few people in Bangladesh use insurance schemes to safeguard against potential financial concerns as most prefer to keep their rainy-day funds in banks and bonds, according to a recent study.

But other than fixed deposits and government securities, people usually opt for investing in real estate as they believe such assets have lower risk compared to insurance products.

This is because difficulties in settling claims, unsatisfactory customer service, and other issues have eroded the peoples' confidence in the insurance sector, industry insiders said.

Conducted by the School of Business and Economics at North South University with the support of MetLife Bangladesh, the study featured about 1,280 participants from major cities across the country.

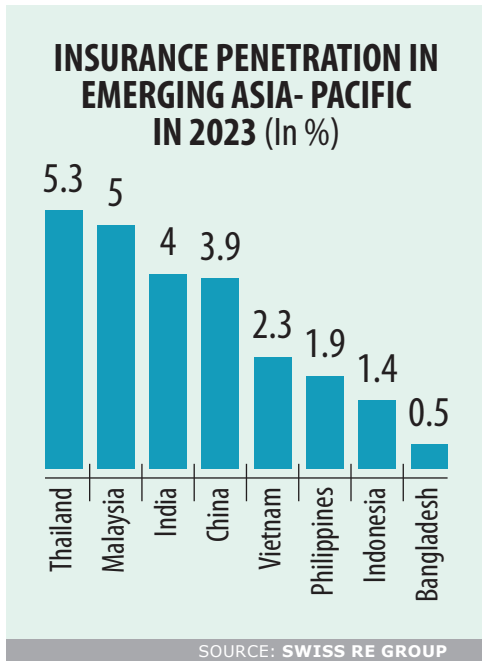
As per the findings shared at an event at the Cirdap Auditorium in Dhaka yesterday, just 22.89 percent of the respondents use insurance as a savings tool for unforeseen financial obligations.

**People lack awareness on the benefits of insurance while there have also been complaints of unsatisfactory service from agents and complexities in the claim settlement process**

It was also found that 53.06 percent of the participants use bank savings or sell their property to pay for financial emergencies, such as sudden medical conditions or property damage.

This is because some insurance providers face difficulties in settling claims on time, they added.

Styled "Unlocking the Future of Life



Insurance in Bangladesh: Insights, Challenges, and Strategies", the study shed light several important aspects of the country's insurance sector.

This includes identifying the major driving forces behind insurance purchases as well as deterrents for increasing coverage in order to improve the overall market scenario.

Nurul Kabir, chairperson of the department of accounting and finance at North South University, said one of the key reasons for the poor insurance penetration is that people are unwilling to make long-term financial commitments.

Besides, they lack awareness on the benefits of insurance while there have also been complaints of unsatisfactory service from agents and complexities in the claim settlement process, he added.

Kabir led the study carried out by a three-

man team comprising Quazi Tafsirul Islam, senior lecturer of strategy and human resources of the same university, and Nazlee Siddiqui, senior lecturer at the University of Tasmania.

The study suggested several measures for boosting insurance penetration, including raising awareness on potential benefits, digitalising insurance services, offering value-added products, diversifying distribution channels and strengthening governance within the sector.

Although insurance penetration in the country still stands at just 0.5 percent, the findings suggest there is immense potential to bring more people under coverage.

Mohammad Jainul Bari, chairman of the Insurance Development and Regulatory Authority, said just 19 of the 35 life insurers in the country pay 80-99 percent of their claims on time.

Meanwhile, another 10 companies pay more than 70 percent of their claims in timely manner.

"Some life insurers do not pay a large part of their policyholders' claims on time," Bari added while citing how this is creating a bad perception about the overall industry.

Regarding what steps have been taken to address the issue, he said they have ensured some regulatory reforms and rolled out corporate governance and policyholder protection guidelines for the sector.

Ala Ahmad, chief executive officer of MetLife Bangladesh, said people would be the main beneficiaries of growth in the insurance sector as they would be able to enjoy a more secured future.

"The research identifies immense potential for insurance, and we are delighted to support this research as it opens another avenue for all stakeholders to work together in strengthening the insurance sector," he added.

## Govt to promote value-added products for post-LDC era

NBR chairman says

MOHAMMAD SUMAN, Ctg

The government is considering further incentives while emphasising ICT and advanced technology in order to increase the production of value-added products as part of preparations for graduation from least developed country (LDC) status, Chairman of the National Board of Revenue (NBR) Abu Hena Md Rahmatul Muneem said yesterday.

"The IT sector and car manufacturing sector benefited last year and more opportunities will be given in the future. The work of the government is to create the environment, but you have to implement it," he said.

Muneem made the comments while addressing as chief guest a pre-budget meeting, organised by the Chittagong Chamber of Commerce and Industry (CCCI) at the Bangabandhu Conference Hall of the World Trade Centre in Chattogram's Agrabad area.

He also said that the industries of the country must become self-sufficient and proficient in order to confront the obstacles that come with transitioning from LDC status to the developing country status.

To this end, he emphasised the need for industries to become capable of not only confronting tax and VAT challenges, but also various other obstacles in order to compete in the global market.

He added that the nation would be unable to overcome these challenges if industries which require assistance through tax and value added tax (VAT) rebates were not adequately supported.

He also urged to move into more advanced sectors, saying: "Now is the time to turn our attention to the shipbuilding sector instead of the shipbreaking industry. Bangladesh cannot be the destination of foreign waste."

The CCCI earlier submitted around 12 proposals for the NBR for consideration in the next national budget.

CCCI President Omar Hazzaz, who chaired the meeting, proposed to raise the tax-free income limit for individual taxpayers from Tk 3.5 lakh to Tk 4 lakh considering the current global situation and persistent inflation.

He also proposed to reduce VAT on different goods from 15 percent to 8 percent since businesses and the general public are suffering due to the dollar crisis and inflation.



**Syed Shafiqul Hassan, chief operating officer of Genex Infrastructure, and Imran Zaman Khan, divisional director of Rancon Motors, pose for photographs while signing a memorandum of understanding on setting up EV charging stations across the country at Mercedes-Benz showroom in Rangs Babylonia Tower in the Tejgaon industrial area of Dhaka recently. Story on B1**

PHOTO: RANCON MOTORS

## Air Arabia encouraged

FROM PAGE B4

He said when the economy of a country grows at a quick pace, more airlines come and the frequency of flights also increases, which is a win-win situation for everybody.

At present, Air Arabia is operating 57 non-stop flights to and from Bangladesh per week.

Abdullah said Air Arabia had managed to change the way air travel was perceived in the Arab world by opening it up to all segments of the community and putting

air travel within everyone's reach.

He also said the airline owns and operates a total fleet of 73 Airbus A320 and A321.

It is amongst the world's best-performing airlines in terms of operational efficiency and profitability.

Abdullah added that Air Arabia was a multi-hub operator. "With seven strategic hubs located in UAE, Morocco, Egypt, Armenia and Pakistan, the airline serves more than 190 international and domestic routes in more

than 50 countries," he also said.

When asked if Air Arabia intended to establish a hub in Bangladesh, Abdullah said they were not thinking about that right now.

Asked about reducing airfare for the country's migrant workers, Abdullah said that people from Bangladesh could visit their families once every three years in the past.

However, due to low fares charged by Air Arabia, Bangladeshi people can now visit their country thrice in one year.

## Rancon teams up

FROM PAGE B1

Kumar Paul, senior manager (solution and R&D), and Ghalib Mohammad Karim, assistant manager (business engagement), were present.

According to Hasan, sales of EVs had started just recently in Bangladesh and till now around 80 units of EVs, including of brands Audi, Tesla and BMW, had been registered with Bangladesh Road Transport Authority (BRTA).

He said Rancon would be the third company to officially declare plans to establish charging stations at different parts of the country as they understand that gradually EVs would grab the automobile market of the country.

The EVs are the future of the market not only globally but also in Bangladesh as they do not require as much servicing as do fossil fuel-run vehicles, he said.

Besides, the import tax is only 90 percent for EVs while for fossil fuel-run ones it is 143 percent to 350 percent depending on the cubic capacity (cc) of the engine, said Hasan.

Regarding the charging stations, he said ultimately the EV charging stations would replace existing fuel refilling stations in the country.

"We will not charge our customers for around one

year but customers of other vehicle brands can charge their cars at a reasonable cost," he noted.

According to him, all EVs vehicles from Mercedes-Benz have an advertised range of over 450 kilometres to 650 kilometres per charge.

For this, the 21 charging stations would cover premium hotels, tourist destinations, highway restaurants, shopping malls, and critical commercial areas, he said.

Through this move, Rancon Motors is reinforcing its commitment to environmental stewardship and bringing cutting-edge electric mobility to customers in Bangladesh, he said.

"We are all working together to achieve the goal of Smart Bangladesh," said Imran Zaman Khan.

"Our aim is to work towards increasing the penetration of electric vehicles in Bangladesh and ensure a seamless and convenient experience for our customers through charging stations," he said.

"As more people start using electric vehicles, the demand for charging stations will increase. Our skilled and dedicated team is ready to complete the project properly for a seamless customer experience," said Mahmudul Hasan Loranice.

## Biman to return on Dhaka-Rome

FROM PAGE B1

The flight will leave Rome at 10:45am and land in Dhaka at 11:45pm.

The minimum one-way fare on the economy class on the Dhaka-Rome route, including all taxes, will start at Tk 64,355 and the round-trip will cost Tk 104,568. The business class ticket will be priced at Tk 144,105 and Tk 258,568 for the one-way trip and the round trip, respectively.

On the Rome-Dhaka route, the minimum one-way economy class fare will start from Tk 48,788 and Tk 89,852 for the round trip.

The one-way and round-trip fares for the business class will start at Tk 122,663 and Tk 222,236, respectively, the press release said.

Currently, Biman is offering special discounts on the occasion of the resumption of flights on the route. The flight will be operated with a Boeing 787 Dreamliner.

Biman's began to fly to Rome in 1981 and it was discontinued in 2015 due to persisting losses.

## BB introduces currency swap

FROM PAGE B1

The swap deal will be executed within the counterparty limit to be set by the Forex Reserve and Treasury Management Department of the central bank.

Each deal will be in multiples of one million of foreign currency, starting from a minimum value of five million and equivalent taka with a tenure of seven days to 90 days.

The rollover may be allowed by applying the prevailing rates, the notice said.

"It seems that the central bank opened an alternative window to raise the foreign exchange reserve without buying dollars from commercial banks," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

According to the IMF's conditions, the central bank was supposed to keep a net forex reserve of \$17.78 billion in December. However, there was a \$58 million shortfall despite the central bank buying over \$300 million from several commercial banks.

The reserve must stand at \$19.27 billion by next March and \$20.11 billion

by June as part of the loan programme. However, the net reserve is still below the targets.

Hussain says if a bank had excess or idle dollars, there was previously no provision to keep it in the central bank. So, they had no interest income from it.

"Now, an option has been created to keep those idle dollars with the central bank in exchange for interest if the banks do not need it."

On the other hand, if a bank has excess dollars but a shortage of the taka, it can raise its liquidity in the form of the local currency through a currency swap.

At present, many banks have no excess dollars. On top of that, the demand for the currency is high.

However, there are questions about whether banks will be interested in engaging in currency swaps with the central bank as they can only avail the official rate exchange rate, which is much lower than the actual market rate, according to Hussain.

Banks also have the option to go for currency swaps between themselves and the rate is market-driven.

## Garment makers seek policy

FROM PAGE B1

It also underscores the virtual marketplace's potential to serve as a central hub for stock lots, streamlining connections among local producers, traders, and international buyers in emerging markets, he said.

"I hope the policymakers and entrepreneurs will make the most of it to get to the next step, and it may require further studies on specific issues including logistics and distribution, branding, and foreign

exchange and revenue policies," he added.

"If we want to maintain our position in the global competition, we need to develop a comprehensive business model," said Hassan.

Earlier, at a press conference on January 25, the BGMEA unveiled the findings of a study on virtual marketplaces. Hassan called on the government to take steps focusing on the study's findings.

The study said the

idea of fast fashion is to very quickly design, manufacture, and produce high volumes of clothing, replicating any ongoing trend and constantly updating the shelves of retail stores.

Across most apparel categories, consumers are now wearing each clothing article for only half the duration they did 20 years ago, it said.

Now, fast fashion clothing items are updated weekly by brands such as Zara, H&M, and

Topshop, among others, it added.

Before the widespread adoption of fast fashion, clothing was produced on a seasonal basis. New clothes were released in fall, winter, spring and summer, said the study.

In contrast to fast fashion, seasonal clothing takes about a year to go from a concept to the hands of a customer. It takes about 6 to 8 months to conceptualise a design and prepare the clothing articles for production, it

said.

Then, it takes another 2 to 3 months for the finished clothing to reach the hands of a customer. This one-year lead time is inefficient for today's consumers, as fast fashion requires trendy clothes to reach customers within weeks, it added.

Hence, cost-efficiency is not the only requirement anymore. Faster production and shorter lead times are needed to stay competitive in the industry, said the study.

### Statement from BRAC Bank PLC. regarding recent media report

BRAC Bank PLC. has taken notice of a recent media report titled 'IPDC Finance Limited to merge with BRAC Bank PLC'. The management of BRAC Bank wishes to clarify that this report is entirely unfounded and speculative. Additionally, the assertion that Bangladesh Bank has given preliminary consent to such a plan is inaccurate.

BRAC Bank expresses deep disappointment at the publication of this speculative report, as it has adversely affected the bank's reputation among our valued customers, regulators, local and international investors, and stakeholders.

BRAC Bank categorically denies the validity of the information presented in the report, emphasizing that it is entirely erroneous.

**BRAC BANK**

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