

Prime Bank Investment unveils four products

STAR BUSINESS REPORT

Prime Bank Investment unveils four new products for investment in the capital market in Shariah, Women, Probashi and Youth segments to cater for diverse investor segments under the brand name of "PrimeInvest- discretionary product suit".

The shariah based segment introduced a suite of Shariah-compliant capital market investment solutions tailored for the broader Muslim community, under the supervision of a dedicated Shariah board to ensure adherence to international Shariah screening standards.

PrimeInvest Probashi is a unique initiative offering investment opportunities for individuals living abroad. The product will help remittance earners make online investment in the capital market with just a few clicks.

PrimeInvest Women is committed to empowering women in finance, encouraging their active engagement in the capital market.

PrimeInvest Youth is a specially crafted investment scheme designed to empower youths aged between 18-25.

For young earners, this monthly investment plan can be the best way to fulfil their long-term financial goals through a more disciplined approach.

The products were launched through a programme at the Westin Dhaka on Sunday where Prof Shaikh Shamsuddin Ahmed, a commissioner of the Bangladesh Securities and Exchange Commission (BSEC), was the chief guest.

Tanjil Chowdhury, chairman of Prime Bank PLC; Azam J Chowdhury, director and CQK Mustaq Ahmed, chairman of Prime Bank Investment Ltd, were also present.

Syed M Omar Tayub, managing director of Prime Bank Investment, gave a power point presentation in the event.



Rezaul has been chopping firewood for a living for the past 17 years or so by simply using his brute strength and an axe. Currently he gets paid Tk 50 for each maund (around 40 kilogrammes) and can go through 10 maunds to 12 maunds in a day. Each kilogramme costs Tk 12 at this wood yard in Goalkhali Mor at Khalishpur of Khulna city. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Garment exports hit historic high in January

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Bangladesh made the highest amount of garment shipment in a single month in January riding on the rebounding global economy and revival of the export.

In fact, January 2024 stands unique for its highest export turnover in a single month in the country's history, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The country shipped \$4.97 billion worth of garments in January, posting a 12.45 percent year-on-year growth, according to data from the Export Promotion Bureau (EPB) compiled by the BGMEA.

After a depressing October-December quarter of 2023, the

export growth curve has taken a positive shift.

In January, knitwear export grew by 17.32 percent year on year while woven rebounded by posting a 7.16 percent growth.

"This is a huge milestone and the reflection of our continued expansion," BGMEA President Faruque Hassan said in a statement.

"This is also a reflection of how we are diversifying our product and market base, and moving up in the ladder of value addition."

"We have seen retail sales growth in our major markets where the figures of the USA and the UK markets hit records during holiday seasons last year," the BGMEA chief said.

Hassan said the burden of excess

inventory at the buyers' end is now relaxed and new orders are expected to come.

The pressure on major economies caused by high inflation and interest rate is also getting reduced, Hassan said.

Therefore, it is expected that 2024 will be a year of come back in terms of trade and growth.

"However, we should not be overwhelmed by the instant response of the market."

"Particularly we need to be careful while planning new capacity and expansion, cause we cannot add more vulnerability to our existing overcapacity situation. So, quality investment, especially in backward linkage will be crucial for us for the next 5 years," Hassan said.

M&A transactions

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Bangladesh Ltd for an undisclosed amount in 2005.

The report added that the most significant M&A transaction before 2018 involved BRAC Bank, which acquired a 51 percent stake in Equity Partners Ltd and Equity Partners Securities Ltd for \$300 million.

It said Bangladesh's M&A investment landscape showcases a dynamic trajectory with an increasing trend in cumulative funds from 2018 onwards, signalling increasing recognition and investor interest.

M&A activities peaked in 2018, bolstered by the acquisition of Akij Group's United Dhaka Tobacco by Japan Tobacco for \$1.47 billion, the report said.

This signalled a substantial shift in the ecosystem, the report added.

It said since 2020, the M&A landscape has witnessed noteworthy acquisitions of startups, including investments from Chaldal and Shikho.

"These developments have added a new dimension to the ecosystem," it said.

Going forward, Asif Khan, chief executive officer at EDGE Research, said 2024 would be very interesting as the general elections were over.

"We are seeing foreign interest in Bangladesh. Many global companies are showing an interest for acquisitions in Bangladesh in various sectors," he said citing the readymade garments and service sectors.

"I think investor appetite will persist even after 2024 because the economy of Bangladesh is big. Our market will be attractive as our income rises. Besides, many factories are eager to relocate from China," he said.

He added that many businesses in Bangladesh would face difficulties running their firms because of rising interest rates and tight availability of liquidity. Consequently, they may show interest in selling their entities, Khan.

Islam said many factories were relocating from China because of the US-China trade war.

"Bangladesh might be a potential area, mainly for the garments sector,"

he added.

Islam also said the country was facing some short-term challenges. "But for the long term, it is positive; macro vitals are still there."

The report said M&A investments constituted 0.02 percent of Bangladesh's GDP in 2022, reflecting a developing market with room for growth.

However, in comparison to regional counterparts such as China, India, Thailand and Singapore, Bangladesh's M&A activities were relatively modest, underscoring both the country's potential for expansion and the need for increased strategic investments to align with its economic development goals, it added.

The study said the current economic resurgence offers a compelling environment for new investments, particularly through M&A investments.

CHALLENGES

However, Bangladesh's M&A landscape is not devoid of challenges. "Investors engaging in M&A grapple with regulatory intricacies, logistical constraints and the imperative need for strategic

alignment. Political and economic stability, coupled with potential legal disputes, pose additional hurdles," the report said.

The report, based on responses to challenges faced by investors in terms of M&A investments in Bangladesh, found 83 percent said there were complexities in financial regulations and reporting, and infrastructural and logistical constraints.

Global investors involved in M&A activities in Bangladesh identified currency exchange risks, cross-border due diligence challenges and regulatory complexities, according to the report.

Besides, the paper said foreign companies navigating M&A deals in Bangladesh encounter challenges in repatriating funds due to stringent government restrictions, adding intricacies to the exit process.

"The complexities are heightened by the unpredictable nature of arbitrary pricing decisions made by the Bangladesh Bank, introducing uncertainties and delays for entities seeking to move significant sums of foreign currency out of the country," it added.

Shwapno aims

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in the unorganised retail market if discounts and other offers are considered, Nasir said.

"I think we are cheaper in the fast-moving consumer goods sector even if you consider VAT."

He pointed out that the prices of fresh products such as rice, fish and meat are cheaper because they are sourced directly from producers.

Around 23 percent of the items up for grabs at Shwapno outlets come from direct sourcing.

Shwapno is also working to boost online sales with a view to catapulting it to a stronger position in the next four to five years.

"We are installing the omni-channel infrastructure. From June 2024, we will see strong growth in the online market."

Introduced during the peak of the Covid-19 pandemic, home delivery has turned out as an important driver for the company and it currently accounts for 2.3 percent of the sales.

"Online sales will generate 10 percent of the total revenue in the next seven years," he said.

Shwapno is the first retailer in Southeast Asia to receive the global good agriculture practice (GAP) certification -- a recognition of its efforts aimed at ensuring product quality.

"We are the only retailer in the super-chain industry in Bangladesh to get a hazard analysis and critical control points certification. We have a strong lab where we test our products."

"We have a large quality assurance team. We are one of the best quality retail chains in Bangladesh."

Regulatory nod a must for foreign travel of insurance officials

STAR BUSINESS REPORT

Insurance companies have been asked to take prior regulatory approval in case of financing foreign travels of its officials.

Moreover, every insurer has to explain how any company sponsored foreign travel of an official will benefit the company, estimated spending and short history of the traveller's last five years' overseas visit.

The Insurance Development and Regulatory Authority (IDRA) made the call through a circular yesterday as part of efforts to reduce management and ancillary spending of insurance companies.

The IDRA came up with such an initiative as it found an increased tendency of some insurers to spend more than their management cost limit set by the insurance watchdog.

The directors and other officials of the insurer are spending a huge amount of money by participating in various events like conferences and seminars at home and abroad, it said in the circular.

Such violation adversely hurts the insurer's financial capacity, the circular read.

Abdul Majid, director of law at the IDRA, signed the directive and sent it to the CEOs and managing directors of all insurance companies.

Eighteen non-life insurance companies spent more in 2022 on management expenses than allowed, leaving a negative impact on their overall business and eroding their capacity to settle claims, according to a report of The Daily Star published yesterday.

Stocks fall for sixth straight day

STAR BUSINESS DESK

The benchmark index of the Dhaka Stock Exchange (DSE) dropped again for the sixth consecutive day yesterday amid low investor participation.

The DSEX, the benchmark index of the country's premier bourse, declined 0.38 percent from the previous trading session to settle at 6,258 points.

Likewise, the DSES, which represents shariah-based companies, dipped by 0.54 percent to close the day at 1,361 points.

On the other hand, the DS30, an index comprising blue chip stocks, rose 0.09 percent to 2,131 points.

A top official of a brokerage firm said the stock market is facing a challenging situation as some large marginable companies' shares fell massively, many merchant banks and brokers had to execute forced selling.

When marginable share prices drop massively, then the margin loan provider can sell-off shares to secure their margin loans.

But due to the forced selling, the index is returning to the red, he said.

On top of that, institutional investors

are still on the sidelines. As a result, the stock market is not getting any support, the official added.

The turnover, an indicator of the volume of shares traded, fell 11 percent to stand at Tk 818 crore at the end of the day. It was lowest turnover in the last one month.

Esquire Knit Manufacturing was the top gainer, rising 9.78 percent.

Meanwhile, Monno Fabrics soared 9 percent, AFC Agro Biotech Ltd increased 8 percent, EBL First Mutual Fund advanced 6.5 percent and BD Finance grew 6.2 percent.

Bangladesh Monopool Paper Manufacturing saw the biggest slide of the day with 31 percent while Paper Processing and Packaging dropped 21 percent.

Similarly, Safko Spinning Mills fell 10 percent, Khulna Printing and Packaging edged down 9 percent and Central Pharmaceuticals decreased 8 percent.

From the major sectors, insurance dropped massively with a fall of 1.6 percent followed by engineering with a decrease of 1.4 percent and telecom with a decline of 1 percent.

Regulator to audit

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company. The BTRC has wide scope for work as it still has a sense of independence," he said.

He added that it was important not only to provide connectivity to citizens, but also deliver quality and uninterrupted services.

The BTRC chairman also emphasised the importance of providing information to the media. He pledged to provide updates on the issue once a new policy is drafted prior to its implementation.

Brig Gen Mohammad Khalil-Ur-Rahman, director general for the systems and services division at the BTRC, said the regulator had made it a priority to shut down betting sites, betting apps and porn sites.

BTRC Commissioners Sheikh Reaz Ahmed and Musfiq Mannan Choudhury, and Director Generals Brig Gen Mohammad Moniruzzaman Jewel, Brig Gen Kazi Mustafizur Rahman, Abdulla Al Mamun, and Ashis Kumar Kundu, were among those present.

Md Nurul Hafiz, commission secretary, moderated the event.

Bangladesh

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"So, the loan is a safe and lucrative one for the financiers."

The tenure of the loan is a maximum of seven years, the official said.

Zahir said it needs a large parcel of land to construct a gigantic project. However, such a large area of land is not available in Gulshan and Baridhara.

"So, we have selected Madani Avenue. We have designed the project to provide a world-class residential facility to dwellers."

The price of flats will be at least Tk 10,000 per square foot lower than those in Baridhara and Gulshan, he noted.

In Bangladesh, the LEED certification is mostly linked with the garment industry. The country now has 207 green apparel factories.

IDRA rolls out

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No idea or assurance shall be given to the customer, verbally, in writing, or otherwise, which is not in the insurance plan, it added.

It also mentioned that the suitable insurance plan or product must be presented to the customer in the context of the customer's needs or demands. Additionally, no insurance scheme or product shall be forcibly

sold to customers. Customers should also be informed of any restrictions or penalties in case of policy maturity or withdrawal and any investment or other risks associated with insurance policies.

In line with the guidelines, no changes can be made to the insurance contract without the written consent of the insured, the IDRA said.

Islam said many factories were relocating from China because of the US-China trade war.

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