



A third of NBFIs running without MDs

MD MEHEDI HASAN

Twelve non-bank financial institutions (NBFIs) in Bangladesh are running without a regular managing director or chief executive officer and a majority of them have had their top post vacant for more than three months in a clear breach of laws.

The absence of the top executives is a latest blow for a sector reeling from scams, irregularities and a liquidity crunch.

The 12 companies are Bangladesh Industrial Finance Company (BIFC), Union Capital, FAS Finance, UAE-Bangladesh Investment Company (UBICO), GSP Finance Company (Bangladesh), Aviva Finance, Bay Leasing, First Finance, Phoenix Finance, Strategic Finance, IPDC Finance, and Agrani SME Finance.

Currently, additional managing directors (AMDs), deputy managing directors (DMDs), and other senior officials are running the companies as acting MD or CEO, with some acting for more than two years.

running without a managing director by taking permission from the central bank.

Status of 12 NBFIs

BIFC became a hotbed of financial irregularities between 2005 and 2014 and fund embezzlement took place during the period. As of September, bad loans stood at Tk 743 crore.

Md Anwarullah Sadeq, a senior vice-president of BIFC, has served as the acting MD since July last year.

He said the process of appointing the MD is underway. "The new shareholders have taken charge of the board and arranged just a single meeting."

Union Capital was known as a reputed financial institution till 2017. Since then, it has been struggling to repay depositors despite the funds reaching maturity.

It hit the headlines in 2021 after it failed to repay the deposit of Tk 100 crore to British American Tobacco Bangladesh. The company had a bad loan ratio of 43.12 percent in September, BB data showed.

ANM Golam Shabbir, DMD of Union Capital, has been working as the acting

62% young women not in jobs, education

Shows BBS data of 2022; experts call it a blow to demographic dividend potential

MD ASADUZ ZAMAN

Three out of five young women in Bangladesh were considered NEETs (not in employment, education, or training) in 2022, a waste of the workforce in a country looking to thrive riding on the demographic dividend, official figures showed.

The NEETs are a group of population aged 15-24.

The share of women who are recognised as NEETs rose 2.53 percentage points in 2022 to 61.71 percent, according to the Bangladesh Sample Vital Statistics 2022 of the Bangladesh Bureau of Statistics (BBS).

The overall share of population in the NEET category stood at 40.67 percent in the same year compared to 39.61 percent in 2021.

Globally, 21.7 percent population were considered NEETs in 2023, according to the International Labour Organization (ILO).

Bangladesh has 3.15 crore people aged between 15 and 24, with around 1.28 crore falling under the NEET category, BBS data showed.

"This is a bad situation as it is a huge waste of the country's demographic dividend potential," said Rushidan Islam Rahman, executive chairperson of the Centre for Development and Employment Research.

"This is a total loss for both the individuals and the nation," said Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue.

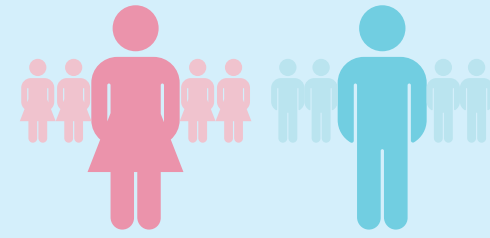
"First, a huge share of the workforce has remained under-utilised and underrated. Second, it leads to social discontent, unrest and domestic violence."

Rizwanul Islam, a former special adviser for employment at the International Labour Office in Geneva, said the rising number of young women under NEET is consistent with their declining participation in the workforce in urban areas.

He said opportunities for women's employment are limited in terms of demand.

What is NEET?

Young people aged between 15 years and 24 years who are 'not in education, employment or training' (NEET)



NEET POPULATION

- Total population in Bangladesh is **16.98cr**
- Number of total young people who are NEET: **1.28cr**
- NEET youth in % of 15-24 age group: **40.67%**

Female NEET

In 2022: 61.71%
In 2021: 59.18%

Male NEET

In 2022: 18.59%
In 2021: 19.94%

Why the number of female NEET on the rise?

- Lack of suitable jobs
- Lack of technical and vocational training
- Higher rate of female drop-outs in post-pandemic era
- Low investment in education
- Lack of social and economic security

KEY POINTS

- Post of an MD cannot remain vacant for more than **3 months**
- Some of the NBFIs have acting MDs for more than **2 years**
- Skilled officials are not interested in the sector as it faces an **image crisis**
- Most of the non-banks not appointing MDs as part of **cost-cutting measures**
- BB is working to form a panel to appoint MDs

However, the top job of a finance company can't remain vacant for more than three consecutive months, as per the Finance Companies Act 2023.

If the post is not filled within the period, the Bangladesh Bank will be able to appoint an administrator. However, the central bank has yet to install any administrator even if the deadline has passed for more than half a dozen NBFIs.

Contacted, BB Executive Director and Spokesperson Md Mezbaul Haque told The Daily Star that the companies were

MD since January 2022.

He also said the process of appointing a new MD is going on.

"We are going through a bad time, so experienced officials don't want to come to join our company. As a result, we are not finding any suitable candidate."

The NBFIs are going to merge with Prime Bank as soon as the central bank approves the proposal.

FAS Finance, one of the victims of the gross irregularities committed by Prashanta Kumar Halder, widely known as PK Halder, and people associated with him as they swindled thousands of crore money from at least four NBFIs, including FAS Finance.

The Bangladesh Securities and Exchange Commission (BSEC) restructured the board of the company in May 2021.

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Turkey's CCI completes acquisition of Coca-Cola Bangladesh

STAR BUSINESS REPORT

Turkish beverage company Coca-Cola Iseeck (CCI) said it had completed a deal to acquire Coca-Cola Bangladesh Beverages Ltd (CCBB) for \$130 million on Tuesday.

The deal was finalised following the registration of the share transfer by the relevant Bangladeshi authorities, the CCI said in a press release posted on its website.

"The equity value will be subject to adjustments on the pre-agreed enterprise value based on closing audit findings," it said, adding that CCI now, directly and indirectly, owns a 100 percent stake in CCBB after the completion of the deal.

The Istanbul-based Coke products bottler completed the acquisition five days after it – together with wholly-owned subsidiary CCI International Holland BV and a subsidiary of The Coca-Cola Company – announced a share purchase agreement to fully acquire CCBB.

CCBB was established by International Beverages Private Ltd (IBPL), Bangladesh, a subsidiary of The Coca-Cola Company, in 2017, in Bhaluka of Mymensingh for bottling and distribution of Coke products in certain parts of Bangladesh.

Local firm Abdul Monem Ltd is another bottler of Coca-Cola beverages in Bangladesh, where the non-alcoholic ready-to-drink market registered a 10 percent compound annual growth rate in three years to 2022.

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Essential food prices to show daily on commerce ministry website



PHOTO: RAJIB RAIHAN

Regular monitoring of prices of essential food commodities and making the information publicly available can help reduce chances of rapid fluctuations as people will be more aware of the market situation. The photo was taken from Chattogram city yesterday.

STAR BUSINESS REPORT

The commerce ministry will start sharing retail and wholesale prices of essential food commodities prevailing in markets on its website every day from the first week of March for the benefit of consumers.

The relevant ministries such as that of food, agricultural, fisheries and livestock will first collect the prices from the markets and forward it to the commerce ministry.

The commerce ministry will "review" the prices and any deemed to be too high

will be revised and the new price posted on the website, said a senior commerce ministry official seeking anonymity.

Under the control of essential commodities act, the commerce ministry has the authority to "control the prices" of essential commodities if it deems that the prices are too high, said the official.

The law, formulated around 80 years ago, enlists 34 types of products as essential commodities, including "foodstuffs" such as "edible oilseeds and oils".

Around a decade ago the commerce ministry had announced 17 food items

as essential commodities – onion, garlic, lentil, gram, red chilli, cinnamon, clove, cardamom, coriander seeds, cumin seeds, ginger, turmeric, bay leaves, soybean oil, palm oil, sugar and salt.

The official shared the information after a task force meeting of the commerce ministry was held at the ministry in Dhaka yesterday chaired by State Minister for Commerce Ahsanul Islam Titu.

Responding to a query from The Daily Star, Senior Commerce Secretary Tapan Kanti Ghosh said the commerce ministry has not taken any decision to fix the prices of the 17 essential commodities.

Korea opens fisheries, construction sectors to Bangladeshi workers

DIPLOMATIC CORRESPONDENT

For the first time, South Korea has opened its fisheries and construction sectors to migrant Bangladeshi workers, creating new avenues for employment in a country known for fair labour practices.

Korea has declared quotas for 7,500 Bangladeshis in manufacturing, 304 in shipbuilding, 1,877 in fisheries, and 1,095 in construction this year.

Presently, Bangladeshis in Korea are employed only in the manufacturing and shipbuilding sectors, the South Korean embassy said in a statement on Tuesday.

Park Young sik, South Korea's ambassador to Bangladesh, said the embassy yesterday began accepting applications for the 11th Employment Permit System (EPS) General Korean Language Test for workers wishing to be hired in South Korea on a first-come, first-served basis.

State-owned recruiting agency Bangladesh Overseas Employment Services Ltd (BOESL) will announce the draw for the test and the application process.

The Korean Language Proficiency Test allows 30,000 people to participate each year. When applying for the language test, each applicant can only apply for one of the

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| STOCKS | |
|----------|-----------|
| DSEX ▼ | CASPI ▼ |
| 0.04% | 0.22% |
| 6,256.12 | 17,950.25 |

| COMMODITIES | |
|-------------|--------------|
| Gold ▲ | Oil ▼ |
| \$2,027.61 | \$76.57 |
| (per ounce) | (per barrel) |

| ASIAN MARKETS | | | |
|---------------|-----------|-----------|----------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| ▼ 0.59% | ▼ 0.26% | ▼ 0.83% | ▲ 0.97% |
| 72,623.09 | 38,262.16 | 3,217.11 | 2,950.96 |