

Mercantile Bank's authorised capital to rise to Tk 2,000cr

STAR BUSINESS REPORT

Mercantile Bank PLC's authorised capital will go up to Tk 2,000 crore from Tk 1,200 crore now.

The board of directors of the private commercial bank approved the decision at a meeting on Tuesday, according to a filing on the Dhaka Stock Exchange yesterday.

The authorised capital will be divided into 200 crore ordinary shares of Tk 10 each.

Authorised share capital refers to the maximum number of shares a company is legally allowed to issue or offer based on its corporate charter.

Shares of the bank traded at Tk 12.70 yesterday, unchanged from a day earlier.

Agricultural raw material prices expected to rise

Say World Bank economists

STAR BUSINESS REPORT

The World Bank's Agriculture Raw Material Price Index increased marginally month-on-month in January, after sliding 1 percent in the fourth quarter of 2023, in response to small gains in cotton and natural rubber prices.

The index, which was 4 percent lower on average in 2023 compared to 2022, is expected to gain marginally in 2024 as demand strengthens, according to a joint write-up of John Baffes, a senior agriculture economist of the World Bank, Jeetendra Khadan, also a senior economist, and Kaltrina Temaj, a research analyst.

However, weaker-than-expected global growth remains a key risk to this forecast.

Cotton prices edged up in January, month-on-month, after declining by 4 percent in the fourth quarter of last year. Prices were 27 percent lower in 2023 compared to 2022, as global production continued to outpace demand.

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BGMEA POLLS

Forum panel to offer recovery plan for garment sector, beef up compliance

STAR BUSINESS REPORT

The Forum panel, one of the platforms that is contesting in the BGMEA polls, said it will come up with a recovery plan for the struggling garment sector, beef up compliance, and work to make businesses easier if it is elected.

The pledges came as Forum Panel Leader Faisal Samad announced the manifesto of the panel at a press conference in the capital's Hotel Holiday Inn.

"We want to develop small and medium enterprises under a smart vision if we are elected for the 2024-2026 term."

"The Forum will work to establish the accountability of buyers, urge the government to set up a separate ministry for the garment sector, develop non-traditional markets, ensure the safety of industries, establish labour rights, and protect the environment."

The biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is scheduled to be held on March 9. Apart from the Forum panel, the Sammilito Parishad is contesting in the election.

Samad said the panel would work to formulate a policy for sick industries and for a safe exit policy for them.

"The Forum will also work to brighten the image of the garment sector and overcome the challenges that the sector might face in the post-LDC era."

"We will bring more transparency and accountability to the BGMEA."

He said they are committed to



Faisal Samad

working to gain the GSP Plus status after the graduation of the country to a developing nation from the group of least-developed countries (LDCs) in 2026.

The panel promised to introduce digital identification cards for mid-level officials of factories and automate bonded warehouse management.

It will also focus on the use of the innovation centre by factory owners and developing a pool of professional designers to produce more high-end products.

"We will lobby with the government so that it does not reduce the cash incentive on export receipts and brings down the source tax to 0.50 percent," Samad said.

Last month, the government cut the export subsidy for almost all sectors to reduce the pressures on Bangladesh's coffers and bring down the rates gradually since the country can't provide such subsidies once it becomes a developing nation.

The cash assistance on the export earnings of apparel makers in all markets has halved to 0.50 percent from 1 percent. The rate,

however, has been kept unchanged at 4 percent for the shipment to emerging markets.

Launching a virtual compliance box at the BGMEA is another commitment made by the Forum panel.

"We will encourage using new technologies in production and product and market diversification," the business leader said.

Samad said the base price for garment items might be introduced in consultation with members.

"Buyers should be accountable for the prices of garment items."

He said a list of 400 invalid voters was sent to the election commission of the BGMEA. Of them, 67 were declared disqualified.

"We want a transparent BGMEA with serving members. We hope it will be a credible election and it is the responsibility of the election commission to ensure that."

M Abdus Salam, president of the Forum Panel, claimed the names of the deceased were included in the voter list.

The manifesto said it would restructure the BGMEA University of Fashion and Technology (BUFT) and introduce the global environmental index to inspire factory owners.

Samad claimed: "Currently, BUFT is not an asset of the BGMEA and it is now run by a trustee board. The university needs to be brought back under the fold of the BGMEA."

The Forum also said it is committed to installing the enterprise resource planning, a type of business management software, at cheaper rates at factories if it wins the election.

Demystifying the essence of corporate leadership

KAMRAN BAKR

All of us remain enamoured by principled political leaders like Bangabandhu, Mandela, and Gandhi, who we respect and admire and are willing to follow due to their sacrifices for upholding principles. However, this write-up is about a different type of leaders, namely corporate leaders.

To help aspiring corporate leaders realise their dreams, I have tried to capture in this article the key qualities and behaviours demonstrated by successful corporate leaders I have seen and worked with over the years.

In my experience, the human side of leadership is far more crucial than the analytical aspect (e.g. strategy, problem-solving, decision-making) of leadership, which the younger generation appears to prioritise over the human aspect. Results are important as people do not like to be led by "losers". Neither are they enamoured by poor performance. However, in my experience, it is the human aspect which usually makes or breaks leaders.

The essence of true leadership lies in courage, confidence and sacrifice amid adversity and uncertainty. Integrity, honesty and ethics form its foundation, fostering trust and psychological safety.

True leaders embody humility, respect for others, compassion and excel in building meaningful relationships. They demonstrate empathy as well as a keen understanding and support for team members' diverse desires, motivations, fears, strengths and weaknesses. I found this latter human skill to be absolutely essential for fostering collaboration, influencing others and achieving results.

The most successful leaders I have worked with exercised influence by clarifying and inculcating values and purpose to create a meaningful context, fostering a compelling vision and mobilising everyone.

They engaged hearts with the "why", heads with the "what" and hands with the "how", energising mindsets and behaviours.

They effectively communicated, often through story-telling, inspiring and informing with clarity and empathy, while modelling the way. Such leaders brought out the best in others by developing the necessary skills and uniting people for collaboration, simplifying processes and leveraging relationships. They also focused positively on recovery from failure by crediting successes to others, while taking responsibility for failures.

Yet, they remain ambitious, constantly challenging status quo, calm in adversity and adapt swiftly to leverage uncertainty, navigate conflicts and seize opportunities. They ensure accountability with tact and "tough love," firmly addressing issues while offering support.

Effective leadership prioritises goals with an unflinching focus on results and decisive action, often seeking innovative solutions. Leaders also possess a hunger for knowledge and a growth mindset, striving for excellence in all endeavours.

In conclusion, as a note of caution, I also offer a contrasting perspective on business leadership, acknowledging leaders' human nature driven by self-interest.

Slogans and declarations by leaders prioritising customers, employees and society are often a facade, as it only holds as long as it aligns with self and shareholders' interests. While few exemplify genuine selflessness (e.g. Warren Buffet, Ratan Tata, Azim Premji), many are highly political and cultivate a ruse of "servant" or "authentic" leadership to obscure dubious deeds.

These so-called 'revered' corporate leaders are born by stepping on the shoulders of other stakeholders. Some are exposed and fall off the pedestal, while others maintain acclaim with people trying to emulate what they say in speeches or interviews or their autobiographies.

Yet others cover up their tracks and buy their way into stardom through large-scale philanthropic activities. Thus, in this nuanced landscape, shades of grey prevail, with rare examples of authentic leadership shining through.

The author is a former chairman and managing director of Unilever Bangladesh Ltd

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Investment instruments that most Bangladeshi savers consider safe

SUKANTA HALDER

Around 53 percent of the respondents of a survey in Bangladesh said they prefer making investment in deposit pension scheme (DPS) to set aside funds for rainy days.

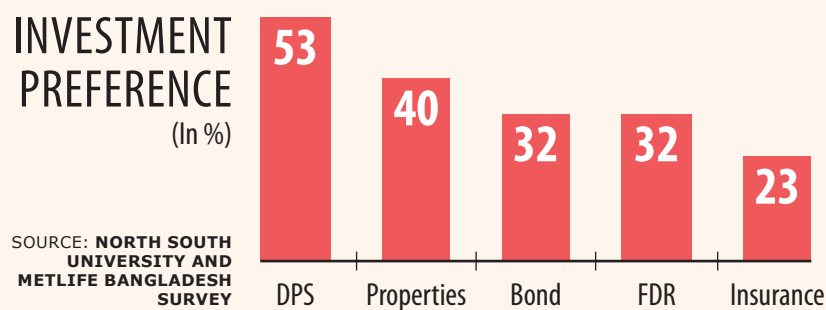
Investment in properties with 39.8 percent of the votes has been marked as the second most-preferred option after DPS.

Bonds became the third most-favoured option with 31.96 percent of the votes and fixed deposit fourth with 31.81 percent.

The 1,280 participants who featured in the study from major cities across the country voted investment in insurance products as the fifth best option for future.

Here, stock market and startups stood sixth and seventh with 7.76 percent and 2.95 percent of the votes.

The School of Business and Economics



SOURCE: NORTH SOUTH UNIVERSITY AND METLIFE BANGLADESH SURVEY

of the North South University (NSU) conducted the survey with the support of MetLife Bangladesh.

Nurul Kabir, chairperson of the department of accounting and finance at North South University, led the study carried out by a three-member team comprising Quazi Tafsirul

Islam, senior lecturer of strategy and human resources of the NSU, and Nazlee Siddiqui, senior lecturer at the University of Tasmania.

The deposit pension scheme as an investment avenue is justified by its potentially higher rate of return and maturity flexibility, Islam said.

The DPS often offers more competitive interest rates compared to traditional savings plans, which can significantly enhance the growth of one's savings over time, he said.

Moreover, DPS allows investors to choose a tenure that best aligns with their financial goals and timelines, whether it is for short, medium, or long term savings, he said.

Kabir, the leader of the study team, said choosing DPS as an investment tool can be attributed to several compelling reasons.

Primarily, DPS offers greater liquidity, allowing investors to access their funds with relative ease compared to the typically longer lock-in periods associated with other investments, he said.

The option for easy foreclosure further enhances its appeal, offering flexibility to discontinue the scheme without significant penalties, Kabir added.

US consumer confidence dips sharply as political worry grows

AFP, Washington

US consumer confidence fell much more than expected in February, according to survey data published Tuesday, as respondents voiced concern about the US political environment ahead of high-stakes elections this year.

The fall in consumer confidence could cause concern for President Joe Biden's administration, which has been looking to highlight US economic strength ahead of the Democrat's likely rematch in November against Republican Donald Trump.

Despite data showing falling inflation, strong growth and a surprisingly resilient labor market, public perception on the economy has proven to be an ongoing challenge.

Consumer confidence slipped to 106.7 in February, the Conference Board said in a statement, while last month's figure was reduced to 110.9.

The February data was well below market expectations of 114.6, according to Briefing.com.

The survey responses "revealed that while overall inflation remained the main preoccupation of consumers, they are now a bit less concerned about food and gas prices," Conference Board chief economist Dana Peterson said in a statement.

"But they are more concerned about the labor market situation and the US political environment," she added.

The drop in consumer confidence was broad-based, affecting most income groups, as well as among people under 35 years old and those aged 55 and over, according to Peterson.



Shoppers at the King of Prussia shopping mall in King of Prussia, Pennsylvania, US. Consumer confidence slipped to 106.7 in February, the Conference Board said in a statement, while last month's figure was reduced to 110.9.

PHOTO: REUTERS/FILE

Global LNG demand seen rising in 2024 from China, Europe

REUTERS, Kuala Lumpur

Global liquefied natural gas (LNG) demand will grow in 2024 with top buyer China back in the market and consumption in Europe rising, a TotalEnergies executive said on Wednesday.

"LNG has continued to grow, with China being back in the market but not yet at the level of 2021," Senior Vice President Asia Pacific Exploration & Production Thomas Maurisse said at an industry conference.

"With Europe ... it's a new and big market, this demand will still continue to grow. At the same time, new capabilities will not be on stream in this very short term, so will continue to put bit of pressure on prices and volatility."

Last week, Asia spot

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