Eastern Insurance fined Tk 5 lakh

SUKANTA HALDER

The Insurance Development and Regulatory Authority (IDRA) has fined Eastern Insurance Company Tk 5 lakh for not having the minimum investment required in government securities as per the Insurance Act 2010.

The company has Tk 12.50 crore invested in government securities but it should have had Tk 17.70 crore as per Non-Life Insurer's Asset Investment and Preservation Regulations 2019, reads an IDRA document.

The fine was imposed in March this year.

In response, the company's acting chief executive officer, Md Iqbal Mahmud, sent a letter to the IDRA on April 9 assuring to meet the shortfall by May and requesting IDRA Chairman Mohammad Jainul Bari to waive the fine.

The fine was imposed for not having the minimum investment required in government securities as per law

When contacted by The Daily Star yesterday, Mahmud did not comment on the reason behind the shortfall.

However, he informed that they were yet to receive a response in writing from the IDRA.

In turn, an IDRA official, on condition of anonymity, said the regulatory body had retained the fine on holding a hearing.

Eastern Insurance Company is one of the pioneers in general insurance business operating in the private sector of Bangladesh. The company website said it started operations in 1986.

Listed with Dhaka Stock Exchange and Chittagong Stock Exchange in 1994 and 1996 respectively, the company has an authorised capital of Tk 100 crore and paid-up capital of Tk 43.11 crore.

There are currently 36 life insurance and 46 non-life insurance companies in Bangladesh.

In Bangladesh, mobile internet adoption rates are 40 percent for men and only 24 percent for women, according to Mobile Gender Gap Report 2024 by the GSMA. The photo was taken from Khulna city recently.

PHOTO: HABIBUR RAHMAN

Women still lag in mobile ownership, internet adoption

MAHMUDUL HASAN

Women in Bangladesh are lagging behind men in both mobile ownership and mobile internet adoption, with gender gaps of 20 percent and 40 percent respectively, representing a significant disparity in digital access, according to a global report.

In Bangladesh, 85 percent of adult males own a mobile phone, compared to 68 percent of adult females.

Meanwhile, mobile internet adoption rates are 40 percent for men and only 24 percent for women, according to Mobile Gender Gap Report 2024 by the GSMA, which represents the interests of mobile operators worldwide.

For those who are already aware of mobile internet, the top-reported barriers to adopting it are affordability (primarily of handsets) and literacy and digital skills, it said.

Millions more women than men face these barriers because they are offline. Women also tend to experience these barriers more acutely due to social norms and structural inequalities, such as lower education and income, according to the report.

The findings of the report are based on the results of an annual GSMA Consumer Survey carried out last year, which had more than 13,600 respondents from 12 low and middle-income countries.

In 10 of the 12 countries surveyed for this report, women who use the internet are more likely than men to access it exclusively on a mobile phone.

For example, in Bangladesh, 74 percent of female internet users access it exclusively via mobile, compared to 66 percent of male users.

In most survey countries, women who use mobile internet are more likely than men to report that they would like to use it more than they currently do.

This was true for more than half of female mobile internet users in Ethiopia, Kenya, Bangladesh, India and Pakistan.

According to the survey, Bangladesh has the highest gender gap in mobile internet adoption among Asian countries at 40 percent.

In comparison, the gap is 30 percent in India, 38 percent in Pakistan, and 8 percent in Indonesia.

Although the gender gap in mobile phone ownership and internet usage in Bangladesh has slightly decreased, it remains substantial.

Gender gaps in smartphone ownership also vary across survey countries and are widest in Pakistan (49 percent), Bangladesh (43 percent) and Nigeria (38 percent).

Women in Bangladesh are also falling behind in smartphone ownership. While 40 percent of men own a smartphone, only 22 percent of women have one.

Women tend to experience the barriers more acutely due to social norms and structural inequalities, such as lower education and income

Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services (BASIS), said most women in the country still rely on men for financial support.

"Typically, if there is a smartphone or laptop in the house, it is mainly controlled by male members. Additionally, parents sometimes restrict girls from using devices or the internet due to social reasons in the still very male-dominated society," he added.

Against this backdrop, he said widespread adoption of the internet by women will remain difficult unless their financial independence is ensured.

Still, women in Bangladesh have seen the strongest growth in mobile internet awareness since 2022, from 64 percent to 74 percent.

For the first time since the GSMA started tracking it, women's awareness in Bangladesh is close to that of men (76 percent), highlighting the progress that has been made.

The report said once women start to use mobile internet, they tend to use it less frequently than men and for a narrower range of services.

At the same time, in most of the survey countries, female mobile internet users are more likely than men to report that they would like to use mobile internet more than they currently do.

This was especially the case for more than half of female mobile internet users in Kenya, India, Pakistan, Bangladesh and Ethiopia.

Affordability is another top barrier to further mobile internet use for both male and female mobile internet users in survey countries.

In most countries, affordability of data is more of a barrier than the affordability of handsets.

Data costs are a particular issue for mobile internet users in Kenya, Nigeria, Uganda and Bangladesh, where it is the top individual barrier to further use for both men and women.

For example, in Bangladesh, 24 percent of women and 15 percent of men who use mobile internet reported data costs as their top barrier to further use.

Overall, women's rate of mobile internet adoption increased over the past year.

There are now more women using mobile internet in low and middle-income countries than ever before: 66 percent.

By comparison, 78 percent of men now use mobile internet, but their rate of adoption slowed in 2023.

The gender gap in mobile internet adoption across low and middle-income countries has narrowed for the first time since 2020 due to women adopting it at a faster rate than men.

This reduction was driven primarily by South Asia and brings the overall mobile internet gender gap back to where it was in 2020.

This gender gap also narrowed slightly in Sub-Saharan Africa for the first time in five years, the report said.

What brought us here may not take us there

MAMUN RASHID

Thanks to HSBC Bangladesh, I was privy to a presentation on Asia economic outlook with a special focus on Bangladesh. I must say the Asia chief economist very eloquently pointed out Bangladesh's core competencies in per capita GDP rise and cheap labour vis-à-vis similar emerging and Asia economies.

However, I would politely draw his attention towards the Bangladeshi taka losing more than 30 percent value against the US dollar in recent times and its possible resultant effect on our per capita GDP in USD terms.

I also firmly believe the cheap cost of labour may not help large off-takers to be glued on to Bangladesh for a longer time unless per capita efficiency gradually gets to the centre of the table. Cheap labour in a high inflation-inflicted country may invite a lot of controversies as it goes against the ethos of equality and sustainability of growth.

Issues such as per capita productivity and return per employee are taking lead roles even in redefining national competitiveness.

Then what really helped Bangladesh to come to a level where it stands today? Of course, our liberation war made us an independent country. Several factors that have contributed to our economic growth include the rise of Bangladeshi private entrepreneurship, women entrepreneurs in rural areas, conducive domestic and global policy regimes, and integration of the economy with major global markets, and the competitiveness in the global apparel supply chain.

Other factors are more migration of blue-collar workers to the Gulf, Far East and Europe, increased inward remittances through them, a forward-looking bureaucracy with so many North America-educated freedom fighter civil servants delineating the policy regime of the independent country and subsequently helping it to take more market-friendly direction.

Various incentives and subsidies provided to the local entrepreneurs, higher entry of women to the workforce, reaping the LDC-linked trade benefits and to some extent, the demographic dividend, contributed to the steady economic expansion.

Government and NGOs have also worked successfully in lifting millions out of poverty, creating synergy at the 'bottom of the pyramid' by extending micro-credit and building up rural health and education infrastructure. Success through poverty reduction and per capita income increase have also helped growth.

Why may things be different going forward? Bangladesh is going to be graduating to a developing country by 2026. It aspires to be a higher-middle-income country by 2031 and a developed country by 2041.

With LDC graduation, the country will lose many preferential benefits from the developed world and multilateral agencies. In the meantime, geopolitics has changed, and more and more emerging nations are competing to grab a bigger pie of global trade and have greater access to capital.

We would all agree that with learning from the North American meltdown, the Middle Eastern crisis, and difficulties in the Far East, the rules of the game are changing fast. This change is also being driven by the change in the technological world. Our poor-quality education and multi-streams of educational systems (Bangla, English and madrasa mediums) are not helping us reap the benefit of 'one nation'.

Above and beyond comes the quality of human resources in public and private sectors, including political parties. Increasing outbound migration is further widening the talent gap.

Growing political and social intolerance, along with policy paralysis and institutional failures, is creating several road cracks towards the highway.

High inflation, volatility in the exchange rate and interest rate regime, ad-hoc decisions on the overall financial management with a fragile banking sector and under-developed capital market, weak project management and failure to take strong actions against large groups, crony capitalism, corruption, random capital flight and tax evasion may rather jeopardise our future journey.

The author is an economic analyst.

Indian spice exports may drop 40% for pesticide scrutiny

Trade group says

REUTERS, *Ahmedabad*

An Indian spice trade group said on Friday that spice exports could drop by 40 percent after two major brands were hit with contamination allegations over the use of a pesticide the group considers safe but others say causes cancer in the event of long-term exposure.

India is the world's biggest exporter, consumer and producer of spices, and its spice exports came to \$4 billion in the year from April 2022 to March 2023.

But the Federation of Indian Spice Stakeholders (FISS) said the industry has already seen buyers put some export orders on hold amid international scrutiny of two popular Indian brands - MDH and Everest. The exports regulator, the Spices Board, did not respond to a request for comment.

Hong Kong last month suspended sales of three MDH spice blends and one from Everest citing high levels of the pesticide ethylene oxide, or ETO - a cancer risk in the event of long exposure. The two companies both say their products, hugely popular in India and exported globally, are safe for consumption.

"If other countries also start taking a similar stand, our spices exports could fall by 40 percent," said Tejus Gandhi, the secretary of FISS, which represents 600 spice makers and exporters around the country.

Already, Britain's food regulator has applied extra checks for all spice imports from India and the US, New Zealand and Australia are looking into the matter."Many countries are questioning... Lot of spices exporters have orders. They have been halted," Gandhi said at a press briefing in Ahmedabad city in western India.

Higher US food prices lead to a shift in shopping habits

AFP, *Falls Church*

"I don't really shop for groceries as often as I used to," said Jasmine Reed, 32, outside a store in northern Virginia, as she explained the impact of higher food prices on her shopping habits.

Consumer inflation data published Thursday showed that food prices rose by 2.2 percent in the 12 months to April -- masking some sharp differences between items.

Eggs have plummeted by nine percent, according to the Department of Labor data, while the cost of butter jumped by 3.5 percent. Milk prices have also fallen by more than one percent and the cost of bread has ticked higher.

Inflation and the cost of essential items like food and gas will likely play an important role in November's presidential rematch between Joe Biden and his Republican rival Donald Trump, as both candidates have looked to talk up their economic records in office.

Outside a grocery store in Falls Church, Virginia, on Friday, shoppers told AFP they had noticed an increase in the cost of everyday items in recent years -- causing some to change their buying habits. "If the groceries were cheaper, then I would definitely cook more," said Reed, who says she now eats out at restaurants much more.

"For me it's the same, so I'd rather not waste time cooking," added Reed, who works as a teacher in nearby Fairfax.

People shop in the food section of a retail store in Rosemead, California. US consumer inflation data published Thursday showed that food prices rose by 2.2 percent in the 12 months to April.

PHOTO: AFP/FILE

"I keep hearing some things are coming down but I haven't seen it," Mary Joe, 66, told AFP.

"Things have been expensive in general for a while now," said Gavi, a professional DJ and former US Marine Corps employee, who declined to give his last name.

Gavi, who is vegan, says he has seen his weekly shop double, from around \$100 a week to \$200.

"I don't really look at whether it's the bread, the sugar or the milk," he added. "I just see that it's all very inflated."

For former mechanic James Russell, also 66, higher fruit and vegetable prices have changed what he buys, and when.

"I just see the prices keep increasing by 25 cents and 50 cents, and nothing's really easy anymore on your pocket," added Russell, who lives nearby.

"I just go in there and just check the prices and get what I can get," he said.

"Before I wouldn't think about what I was putting in the cart," added Mary Joe, who also lives in the area. "And now it's like, do I really want this?"