

# Star BUSINESS

Loan disbursement through agent banking outlets rose by a massive 41.27 percent year-on-year in March this year



Story on B4

## Stocks fall for sixth straight day

STAR BUSINESS DESK

Shares on the Dhaka Stock Exchange (DSE) fell for the sixth consecutive day yesterday thanks mainly to the price erosion of several large-cap scrips.

Of the large-cap stocks, BRAC Bank, British American Tobacco Bangladesh, Beximco Pharmaceuticals, Beacon Pharmaceuticals, Walton, Robi Axiata, and Power Grid Company of Bangladesh saw significant declines.

Yesterday's market, smarting from a massive fall a session earlier, opened lower and finally finished with a moderate slump.

The DSEX, the benchmark index of the DSE, plunged 37.63 points, or 0.69 percent, to settle the day at 5,393.65, the lowest in more than three years.

### An official of a brokerage firm blamed the huge selling pressure from foreign investors for the drop in large-cap stocks

Likewise, the DSES, the index that comprised shariah-based companies, edged down 10.88 points, or 0.91 percent, to 1,180.76.

The DS30, the index which represents the blue-chip stocks, slipped 9.56 points, or 0.49 percent, to 1,938.88.

However, turnover, which indicates the amount of trading activity on the premier bourse of Bangladesh, rose 37.15 percent to Tk 56.12 crore.

The top official of a brokerage firm blamed the huge selling pressure from foreign investors for the drop posted by the large-cap stocks.

"Investors fear that the local currency of Bangladesh may weaken further, so they are selling shares and pulling out their funds to protect their investments."

The taka has lost its value by about 35 percent against the US dollar in the past two years owing to the continuous decline in the foreign currency reserves, which have halved during the period.

Among the sectors, pharmaceuticals dominated the turnover chart, making up 25.36 percent of the day's turnover.

Orion Pharma topped the turnover list with 9.81 percent of its shares changing hands. Other scrips that also witnessed an elevated trading activity included Taufika Foods and Lovello Ice-Cream, Rupali Life Insurance Company, and e-Gen Consultants.

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## How GP makes more money than Robi

AHSAN HABIB

The profit margin of Grameenphone Ltd was around seven times more than that of Robi Axiata Ltd in 2023.

The margin of the largest mobile phone operator in Bangladesh was 21 percent last year, way higher than 3 percent logged by the second-largest carrier, their financial reports showed.

The profit margin represents a company's profitability out of its total sales.

Although the customer base of Robi is lower than GP, it needed to shell out almost an equal amount to market products and services and maintain the vast network. This drives up its costs compared to revenue, bringing down the profit margin.

The operator's profits in proportion to assets and equity also lagged GP's.

Robi told The Daily Star that the profit margin was low but it was steadily growing while the overall profit soared along with the revenue.

The company's profit climbed 75 percent year-on-year to Tk 320 crore in 2023. GP logged a profit of Tk 3,307 crore last year, an increase of 9.9 percent.

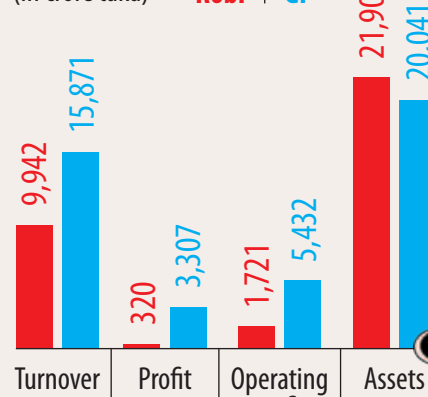
"The overall tax structure in the telecommunications sector is also not favourable. The way it is structured, the smaller you are, the higher the tax impact and the effective tax rate," Robi said.

According to the carrier, the telecommunication business is a matter of scale: as companies get bigger, their operating cost gets lower. "As a growing company, Robi is trying to achieve that scale despite several macroeconomic and policy challenges."

Incorporated in 1997 under the brand name Aktel, it was rebranded

### Turnover, profit and assets of GP and Robi

(In crore taka) Robi | GP



### Net profit of Robi and GP

(In crore taka) GP | Robi



### COMPARISON

	Robi	GP
Established in	1997	1997
Customer base	5.87 crore	8.20 crore
Operating profit margin	17.32%	41%
Net profit margin	3.23%	21%
Current asset to current liability ratio	21%	27%
Debt to equity ratio	8%	9%
Net cash used in investment	Tk 2,372cr	Tk 2,359cr

SOURCE: ANNUAL REPORTS

as Robi and the company changed its name to Robi Axiata. In 2016, it merged with Airtel Bangladesh.

GP also began its journey in 1997.

Robi also has to maintain an

almost identical network coverage with a view to offering competitive network quality and service and putting in place a similar distribution channel to run the operation.

These essentially translate into an identical level of operational expenditure like the market leader, it said.

GP's costs accounted for 66 percent of revenue while it is more than 90 percent for Robi.

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## NBR plans self-assessment of tax liabilities for all firms

MD ASADUZ ZAMAN

The National Board of Revenue (NBR) is likely to introduce self-assessment for companies from 2024-25 to allow them to determine their own tax liabilities and cut reliance on taxmen.

Now, both individual and corporate taxpayers have the option of filing returns under the "general assessment" or "self-assessment" method. Thanks to the universal self-assessment, a taxpayer will be responsible to assess their liabilities on their own.

"There will be no provision of the general assessment from the next fiscal year. We are working on it," said an official of the NBR.

This means all tax files will have to be submitted through the universal self-assessment system, and if any issues are detected, the file will go through the audit process, he said.

Officials said self-assessment increases taxpayers' ownership since their understanding of obligations deepens. It also reduces their dependence on the authorities when it comes to fixing their tax bills.

Another senior official of the NBR thinks universal self-assessment is likely to serve as a catalyst for building a relationship of trust and cooperation between taxpayers and the tax authorities and enhancing taxpayers' confidence in the tax administration and their willingness to pay taxes.

They said self-assessment will require companies to maintain records properly to support their incomes and expenses.

Experts and business leaders said most large

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STOCKS	
DSEX ▼	CASPI ▼
0.69%	0.83%
5,393.65	15,605.13

COMMODITIES	
Gold ▲	Oil ▲
\$2,439.52	\$80.34
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.46%	▲ 0.73%	▼ 0.13%	▲ 0.54%
74,005.94	39,069.68	3,309.04	3,171.14

## BB lets banks offer existing dollar rate to exporters

STAR BUSINESS REPORT

In its effort to arrest the fall in foreign exchange reserves and bring unrealised export proceeds into the country, Bangladesh Bank yesterday allowed banks to offer the existing US dollar rate to exporters.

The relaxation comes nearly two weeks after the central bank introduced the crawling peg exchange rate system, which allows the exchange rate to hover around a band, and set the mid-rate at Tk 117 in order to gradually allow the market to determine the exchange rate.

The new rate was 6.36 percent higher than the Tk 110 per US dollar previously fixed by bankers based on an unofficial directive from the central bank.

Following the relaxation, the inflow of US dollars is likely to increase, bankers said.

In March last year, the central bank asked banks to buy the greenback from exporters based on its value on the due date of proceed realisation rather than the prevailing rate.

As per the rule, exporters are required to bring export proceeds within four months of shipment.

However, there is an allegation that a section of exporters has not brought their export proceeds as the exchange rate of the US dollar has been kept artificially lower than the market rate.

This creates a discrepancy between the actual realisation of export proceeds and shipment value.

For example, data of the Export Promotion Bureau (EPB) showed that Bangladesh shipped \$43.55 billion worth of goods in the July-March of fiscal year (FY) 2023-24.

In reality, the amount of export proceeds realised during the period was \$40.87 billion, indicating a gap of \$2.68 billion, the data showed.

During FY23, the gap in export data between the EPB and the central bank was roughly \$12 billion.

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## Entry-level IT jobs may vanish as AI takes hold

MAHMUDUL HASAN

It was a pretty good project for SkyTech Solutions for the last few years; generating earnings of \$8.5 per hour for each of over 50 people.

The task was to process the invoice of Uber Freight services and upload the information into customer relationship management, a system that manages customer interactions, enhances satisfaction, and streamlines business processes.

But late last year, artificial intelligence (AI) knocked out more than 80 percent of the jobs in the project in a single blow.

"They informed us that the primary task will be handled by AI automation, leaving only quality control to be performed by humans," said self-made entrepreneur Musnad E Ahmed, founder of SkyTech, a leading business process outsourcing (BPO) company in Bangladesh.

Consequently, the number of employees has decreased from 55 to 10, he said.

Not only him, the BPO sector in Bangladesh was hit significantly as AI has substantially reduced job numbers by automating routine tasks like data entry and customer support.

BPO is often referred to as information technology-enabled services (ITES) because it depends on technology and infrastructure, allowing external companies to execute their tasks efficiently.

The industry people said the impact of

### Challenges

- AI automation leads to job cuts in BPO industry
- Rapid AI advancements outpace existing workforce skills
- Entry-level jobs are at stake
- Demand rises for faster, AI-driven service delivery

### Opportunities

- AI streamlines operations, enhancing productivity
- AI facilitates development of new service offerings and solutions



AI-GENERATED IMAGE

### What needs to be done in Bangladesh

- Collaboration is needed among gov't, industry and academia
- Human resources should be readied for AI-related skills
- Gov't should make a proper AI policy

AI-driven automation in BPO would be more devastating for Bangladesh as most people perform entry-level tasks with low-skills – something easily replaceable with AI.

AI in BPO has significantly reduced job numbers by automating routine tasks like data entry and customer support, leading to increased efficiency but substantial job cuts.

As AI technology advances, the demand for human roles decreases, transforming the employment landscape in the BPO industry.

According to Ahmed, who now employs over 700 people, the AI revolution has eliminated 30 percent of entry-level jobs from the market in the last year and a half.

"Globally, AI now handles many tasks we previously provided via voice, such as

password changes. A significant portion of BPO companies' customer support, sales, and marketing services has transitioned to AI. Entry-level jobs, especially in voice services, are increasingly being taken over by AI," he said.

This transition began a year and a half ago, with a significant shift occurring last year and this year.

For example, a pizza company can now use AI to take phone orders, detailing which pizza the customers want.

According to him, as companies realised that they could replace outsourced human tasks with AI, they began preparing their platforms for this change.

Since the beginning of this year, companies are increasingly requesting secondary level jobs, such as statement processing, balance transfers, and handling confidential information – services that require more sophisticated human resources.

Imtiaz Ilaahi, managing director of the GraphicPeople, said AI is replacing the basic image processing jobs such as automated image editing, background removal etc.

Kowser Ahmed, CEO of The KOW Company, a studio image and 3D post-production company, said AI is increasing his company's productivity.

"Earlier, I could process 25,000 images, but now I can process 40,000 images with the same human resource," he said.

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