

Malaysia economy grows at fastest pace in 18 months

REUTERS, Kuala Lumpur

Malaysia's economy expanded at its fastest rate in 18 months in the second quarter helped by stronger household spending, exports and investment, with the central bank forecasting full-year growth to come in near the upper end of its forecast range.

Gross domestic product grew 5.9 percent in the April-to-June period, data showed on Friday, accelerating from 4.2 percent in the first quarter and surpassing analysts' and early government estimates for a 5.8 percent rise.

Growth in the period was the quickest since the fourth quarter of 2022, when the economy expanded 7.4 percent.

On a quarter-on-quarter seasonally adjusted basis, GDP rose 2.9 percent, compared with a 1.5 percent rise in the January-to-March period, data from Bank Negara Malaysia (BNM) and the Statistics Department showed.

Full-year 2024 growth was expected to come in at the upper end of the central bank's forecast of 4 percent to 5 percent, driven by stronger domestic and external demand, BNM Governor Abdul Rasheed Ghaffour said.

"Household spending will remain the anchor of growth for the rest of this year, with continued expansion in employment and income as well as larger policy support and...strong investment activities," he said.

Citizens Bank, OneWorld InfoTech sign deal on security operation centre



PHOTO: CITIZENS BANK

Mohammad Masoom, managing director and CEO of Citizens Bank, and Maruf Ahmed, global director and CEO of OneWorld InfoTech, shake hands and exchange signed documents of an agreement at the bank's head office in Dhaka recently.

STAR BUSINESS DESK

Citizens Bank recently signed an agreement with OneWorld InfoTech, a global IT solution and services provider, for the implementation of a Security Operation Centre (SOC).

Mohammad Masoom, managing director and CEO of the bank, and Maruf Ahmed, global director and CEO of the solution provider, penned the deal at the bank's head office in Dhaka, the bank said in a press release.

Mohammad Saiful Islam, chief

financial officer and head of human resources division of the bank, Mohammad Tawhid Hossain, head of cyber security and management information system division, and senior officials from both organisations were also present.

Al-Arafah Islami Bank gets new chairman

STAR BUSINESS DESK



Salim Rahman was elected as the chairman of Al-Arafah Islami Bank in the bank's 403rd meeting of the board of directors in Dhaka yesterday.

Rahman had been serving the bank as a director for 24 years, the bank said in a press release. Currently, he is the

managing director of KDS Group.

The group consists of KDS Garments Industries, KDS Accessories, KDS Apparels, KDS Logistics, KDS IDR, KDS Textiles, KYGR Coil Industries, Steel Accessories and KDS Poly Industries.

Hyundai unveils EV plans in Thailand

ANN/THE NATION

South Korean auto giant Hyundai Motor has announced plans to invest 1 billion baht to manufacture electric vehicles under the Ioniq brand in Thailand, following investment promotion approval by the Board of Investment.

Production is set to start in early 2026, with Thonburi Automotive Assembly, a long-time partner, handling assembly.

Hyundai Mobility Manufacturing (Thailand) Co Ltd said the investment would be used to establish EV and battery production facilities in Thailand, in line with the Thai government's EV3.5 policy supporting the EV industry.

Jae Gyou Chung, the CEO of Hyundai Mobility Manufacturing (Thailand), said that Thailand had been designated as a strategic location for Hyundai in ASEAN.

Southeast Bank organises business review meeting

STAR BUSINESS DESK

Southeast Bank recently organised its monthly "Business Review Meeting 2024". Nuruddin Md Sadeque Hossain, managing director of the bank, presided over the meeting at the bank's head office in Dhaka, according to a press release.

The bank's recent business performance was reviewed, with a strong emphasis on leveraging the latest technology to deliver innovative financial services and enhance customer satisfaction.

The discussion highlighted several key areas, including extending banking services to underprivileged communities at the grassroots level, providing SME loans on favorable terms to promising entrepreneurs, and delivering modern banking solutions to retail customers while ensuring full compliance with regulatory requirements.

Senior executives from the head office, heads of branches, operations managers of branches, and in-charges of sub-branches and offshore banking units joined the



PHOTO: SOUTHEAST BANK

Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, presides over the bank's "Business Review Meeting-2024" at the bank's head office in Dhaka recently.

meeting. Branch managers were also advised to reassure customers to dismiss any rumours and to rely exclusively on official communications from the Bangladesh Bank for accurate information.

The bank's continued growth in deposits and foreign trade reflects the strong confidence customers have in Southeast Bank, a trend that is expected to persist in the future.

As a symbol of customer confidence, Southeast Bank has upheld its reputation as a leading local bank for 29 years, consistently maintaining top liquidity indices in both local and foreign currencies.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 80	2.86 ↑	7.46 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-16.67 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 152	-1.00 ↓	-5.71 ↓
Potato (kg)	Tk 50-Tk 55	-8.70 ↓	38.16 ↑
Onion (kg)	Tk 110-Tk 120	0	58.62 ↑
Egg (4 pcs)	Tk 48-Tk 50	2.08 ↑	-9.26 ↓

SOURCE: TCB

NRB Islamic Life Insurance

FROM PAGE B1

And, if the investment is considered as the investment of premium income of life fund, no investment from paid up capital exists, it added.

NRB'S 'UNPRECEDENTED' 85 BRANCHES, INCLUDING IN NAPLES AND ROME

The insurer was registered on May 6, 2021 as a full-fledged Islamic life insurance company.

In three years, it has expanded to 85 branches, according to the regulator report, which termed the expansion as "unprecedented". Of them, two branches are located in Rome and Naples, making NRB Islamic Life Insurance the only local insurer that has branches outside the country, said a senior official of the IDRA.

"It is unprecedented for a new company to have 85 branches. This will increase the company's operating expenses," the IDRA report mentioned.

HOW THE COMPANY WENT INTO THE RED

NRB Islamic Life between 2021 and 2023 purchased 36 Proton cars ignoring the regulator's directive that it could buy a maximum of six vehicles.

In the case of a new company, such an investment creates a serious obstacle to the emergence of the company, it said in the report.

Furthermore, as a result of these decisions, the company's operating expenses increased at an alarming rate, it added.

A new car can be run for 10 years effortlessly, but the company is depreciating the assets at 20 percent per annum. So, the book value of the car will be zero in 5 years, the IDRA stated in the report.

"The result is that if depreciation of cars purchased in 2021 is excluded, the book value of the cars will come to zero value in 2025 or 2026 and they can be sold in the market."

Alongside that, the company incurred unnecessary expenses for

travel, conferences and seminars.

The total expenses in these areas amounted to about Tk 5.43 crore, the report said.

"A new company spent Tk 3 crore on seminars and Tk 2.43 crore on travel, which is nothing more than enjoying the money of policyholders. There is a huge scope for embezzlement of funds in this process," the IDRA report stated.

REGULATOR INITIALLY TOOK SOFT STEPS

The IDRA could have suspended or cancelled the company's registration for acting against the interests of the policyholders and the company's business development, according to the insurance law 2010.

Besides, if the regulator suspects that an insurer is acting against the interests of policyholders or failing to fulfill the solvency margin requirements, the IDRA may, after giving an opportunity for the insurer to be heard, suspend the board of directors and appoint an administrator to manage the affairs of the insurer, it said.

However, instead of taking such a concrete action, the regulator recently rejected NRB Islamic Life's proposed re-appointment of Shah Jamal Howlader as its chief executive officer.

"The company's proposed CEO has acted against the interests of the company and policyholders in his last tenure," according to a letter sent from the IDRA to the company.

Howlader is also accused of misleading regulators by providing incorrect information in a report sent to the IDRA, it said.

In the face of these accusations, Howlader opted to stand his ground by getting legal approval to stay on as the insurer's CEO for now.

The Daily Star attempted to contact both Kibria and Howlader through email and phone calls on July 8, but they did not respond until the report was filed.

WHO IS KIBRIA?

Kibria Golam Mohamad is the

founding chairman of NRB Islamic Life Insurance Limited.

After earning a law degree from the University of Dhaka, he established nine business institutions in Rome.

He also received an honorary certificate from the government of Italy for being one of the highest taxpayers from 1998 to 2011.

Other than his business interests, he is also the founder of the Bangladesh Association of Italy.

The Daily Star repeatedly tried to contact Kibria and Rahman for comment, but they did not respond to calls or messages. They were also e-mailed. However, no response was received.

NRB Islamic Life purchased 36 Proton cars between 2021 and 2023 ignoring the regulator's directive that it could buy a maximum of six vehicles

Zahangir Alam, spokesperson of the IDRA, told The Daily Star that the regulator was reviewing the company's analytical report on the overall matter.

An explanation for these irregularities has been sought from the company's board, that is why a letter was sent to the company on July 4 highlighting the contexts of irregularities, he said.

An official of the insurer said that the company had sought more time from the regulator to respond to its letter. He hoped a response could be sent by the end of this month.

POLICY DISCONTINUATION INCREASING

The number of policy discontinuances in the company is also increasing.

In 2022, 41 percent of the company's total policies were discontinued and that increased to 43 percent in 2023, according to the IDRA report.

Indonesia, Chinese firms

FROM PAGE B4

Indonesian market — and similar vehicles from Japan, South Korea, the United States and the United Kingdom.

Wuling and other Chinese brands also attracted a lot of interest at the Gaikindo Indonesia International Auto Show, which ran from July 18 to 28 in Jakarta. The event — the largest auto show in Indonesia and one of the biggest in Southeast Asia — was organized by the Association of Indonesian Automotive Industries.

Since 2017, over 150,000 vehicles from Wuling have been sold in Indonesia, said Wang Weisen, deputy general manager of SGMW Motor Indonesia, or Wuling Motors.

The Wuling BinguoEV is the second EV model Wuling introduced in Indonesia, following the Airev, which was launched in 2022.

In 2023, Airev and BinguoEV sold more than 10,000 units, making them the two bestselling new EVs in Indonesia and securing the company the top spot in the market, with a 50 percent share. In May, Wuling's latest model, the CloudEV, which has a more spacious cabin, was launched to meet the different needs of drivers.

"Between January and June 2024, Wuling accounted for 68.4 percent of the new energy vehicle market in Indonesia," Wang said.

Rubby Lie, branch head of Prima Wahana Auto Mobil, Wuling's largest authorized dealership in Indonesia, attributed the popularity of Chinese cars to rising awareness about the need to reduce carbon emissions to combat climate change.

A 2023 survey by consulting firm PwC estimated that Indonesia's EV market will exceed \$20 billion by 2030 due to consumer awareness of eco-friendly vehicles and government incentives.

"Electric cars will continue to enter Indonesia. Using them is now becoming a trend in Indonesia," Lie told China Daily. He said the presence of China's BYD and other renowned brands in Indonesia is attracting more local buyers.

In May, Indonesian Transportation

Minister Budi Karya Sumadi said the number of EVs in Indonesia had reached 33,225 units. The figure was nearly four times the 7,923 EV vehicles sold between January and November 2022, according to the industries association.

Lie said favorable government policies, such as extending fiscal incentives and easing the deadline for manufacturers to fulfill a 40 percent quota of local components for EVs, had encouraged more automakers to build plants in the country.

"Since last year, an increasing number of Chinese EV brands have entered the Indonesian market, which not only provides local consumers with more options, but also supports the development of Indonesia's EV industry," said Garinzafira Shabrina, analysis supervisor of SGMW Motor Indonesia.

Shabrina, who joined Wuling in 2018, said she was a bit nervous at first, as she did not know much about the working style of Chinese companies.

"Now I feel very proud about working at Wuling," said Shabrina, noting the company has more than 130,000 Indonesian customers, and a sales service network of 150 partners.

Arnold, who only shared his given name, has worked at a sales center of a Chinese EV brand in Indonesia for almost a year. Before joining the company, he worked for South Korean carmaker Hyundai.

"I joined the Chinese EV company because I saw more people in Indonesia are buying EVs and the government has provided incentives," said Arnold, adding this will create better work opportunities for him.

The Indonesian government has encouraged stakeholders to accelerate the development of the ecosystem for EVs to boost their investments.

In June, Indonesia's Ministry of Industry reached an agreement with four Chinese EV companies — Wuling, Neta, Chery, and Sokon — to make the Southeast Asian country an export production hub of environmentally friendly vehicles, according to Indonesian national news agency Antara.