

Star BUSINESS



Present accurate data before making policies

Economists and entrepreneurs say

STAR BUSINESS REPORT

The interim government must first correct data, as the previous government not only mismanaged but also manipulated various types of data, making it difficult to form effective policies based on the existing information, economists and entrepreneurs said yesterday.

They made the comments at an event titled "Dialogue for democratic reconstruction" organised by the Centre for Governance Studies (CGS) in the capital.

Almost all data in Bangladesh is inaccurate due to malpractice, said Md Sabur Khan, chairman of Daffodil International University.

"You are making your policy depending on wrong data, then how will the policy give you a good result?"

For instance, the country's population is assumed to be 18 crore, but in reality, it is likely much higher, he said.

If the population size is inaccurate, then data related to food demand and per capita income do not reflect the actual figures, he added.

So, the first priority should be correcting the data and finding a way to build a sustainable and correct data set, he added.

M Abu Eusuf, former chairman of the Department of Development Studies at the University of Dhaka, also emphasised the need for reliable data.

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue, said the data correction has already been set as the first priority in the white paper, which is going to be prepared to assess the extent of corruption in the country and identify the reasons behind it.

People have seen how the previous government toyed with the data of per capita income, inflation, and export income and how the data impacted the economy, he said.

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue, said the data correction has already been set as the first priority in the white paper

People will have to realise that the interim government was formed just three months back and it found a country almost disabled by the previous government, he said at the event as the guest of honour.

Still, the country's bureaucracy is not functioning well and its law enforcement department is not working properly, he said.

So, it is difficult to fulfil the dreams of all people overnight, he said, adding that people should understand the situation properly.

Bhattacharya said he realises how tough the situation is for the interim government and that is why he would talk in favour of the government although he is not a part of it.

The government will have to reform things piled up and should have been done by the previous government, he said.

It also has to reform policies so that the country can prepare itself for the next level of development, he said.

To do that, the government is bringing institutional reforms along with reforming the election system, he said.

Abdul Awal Mintoo, a veteran businessman and vice-chairman of the Bangladesh Nationalist Party (BNP), also stressed the need for correcting all types of data, saying: "All data are wrong and full of lies now."

Regarding the business environment, Mintoo said that conducive social capital and savings are necessary to boost investment.

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STOCKS		WEEK-ON WEEK
DSEX ▼	CASPI ▼	
2.73%	3.50%	
5,114.60	14,302.59	

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Bida's one-stop service plagued by non-stop negligence

JAGARAN CHAKMA

Services rendered by government agencies through a single-window platform to facilitate business remain marred by unscrupulous activities, despite expectations of improvement among entrepreneurs under the interim government.

Although the country has been trying to find new ways to draw investment and boost economic growth over the past decade, the scenario of habitual negligence at government offices has remained virtually unchanged.

Such attitudes have hamstrung the one-stop service (OSS) portal of the Bangladesh Investment Development Authority (Bida), which was launched in February 2019 to help investors implement business projects quicker by centralising delivery of necessary regulatory, compliance and value-added services.

Currently, Bida provides 112 investment services through the OSS from 29 departments, including the Department of Environment (DoE), the Department of Inspection for Factories and Establishments (DIFE), and the Office of the Registrar of Joint Stock Companies and Firms (RJSC).

However, entrepreneurs claim they are unable to avail services from those bodies online, adding that they must physically visit the offices, where they are subject to the whims of officials.

These allegations came up when The Daily Star recently spoke to over 20 businesspeople who applied to avail services from the OSS.

"Before the start of each fiscal year, we apply to renew all licences and other certificates from the DoE, DIFE, and RJSC through Bida's OSS portal. But our staff practically have to rush to the concerned offices to avail services," remarked Eleash Mridha, managing director at Pran Group.

Mridha added that officials insist on queries and factory visits despite the scope to provide services online.

He opined that the system was haphazard,



AT A GLANCE

Entrepreneurs can't avail all govt services through the one-stop service of Bida

Businesses need to visit different govt offices to get the services

Entrepreneurs often need to spend speed money to move files

Businesspeople face hassles to renew licences or get clearance certificates

NUMBER OF SERVICES

Currently, Bida provides 112 investment services of 29 departments

It aims to integrate as many as 150 services from 35 agencies

adding that businesses had to waste a lot of time each year. Most opt to appoint a dedicated team to deal with such activities to avoid hassle, he added.

The Pran Group has 30 companies under its umbrella, which are all required to renew necessary documents each year.

Mohammed Amirul Haque, managing director of Premier Cement Mills PLC, alleged that processes related to licence renewal or clearance cannot be obtained from the RJSC, DoE or DIFE unless some "speed money" is paid.

Haque, also chairman of Seacom Group, which has 25 companies under its umbrella, said he employs at least 50 employees to deal with government agencies.

He added that he must spend Tk 25 lakh in bribes each year just to renew a trade licence,

alleging that files do not move from one desk to another at government offices unless undue benefits are provided.

A top official of Chattogram based conglomerate PHP Family echoed the same, adding that they hired consulting firms to deal with business-centric government services to avoid hassle.

According to him, there is no alternative to providing such bribes when it comes to running a business in Bangladesh.

"It is an open secret," the official lamented. Riad Mahmud, managing director and chief executive officer at National Polymer Group, said government services are almost never provided online, although applications may be submitted virtually in some cases.

READ MORE ON B3

Onion price rises on supply crunch

SUKANTA HALDER and AHMED HUMAYUN KABIR TOPU

Onion prices at retail markets in Dhaka rose by Tk 10 to Tk 15 per kilogramme (kg) over the past week, deepening the woes of low and fixed-income people.

Wholesale and retail traders across the capital said a supply crunch is causing the volatility in onion prices.

Nurul Alam Shikdar, a retailer in the Pallabi extension area of Mirpur, said onion prices saw gradual increments over the past week, with local varieties going for Tk 140 to Tk 145 per kg yesterday.

The sudden hike in prices of the popular cooking ingredient comes after six months of persistently high food inflation, which has hovered above 10 percent price since April this year.

Data from the Trading Corporation of Bangladesh (TCB) showed that local varieties of onions were selling for Tk 115 to Tk 135 per kg yesterday compared to Tk 110 to Tk 120 a week ago.

READ MORE ON B2

New policy for goods transport by lighters draws opposition

DWAIPAYAN BARUA, Ctg

A recently formulated policy for transporting imported cargoes from Chattogram to different parts of the country has failed to be enforced thanks to strong opposition from importers and vessel owners, as they accused the system of posing threats to monopolise control over vessel serials and fares.

Framed on October 15, the policy has mandated the private platform Bangladesh Water Transport Coordination Cell (BWTRC) to control the maintenance of serials and allocation, and the determination of freight rates of the vessels.

Businessmen allege that allowing a single cell to do so is an attempt to reinstate the recently ended monopoly and syndication in imported

bulk cargo transport through inland water routes. They claim the policy contradicts the Competition Act and the spirit of a free market economy.

In the face of opposition from Chattogram-based lighter vessel owners, the Water Transport Coordination Cell failed to start its scheduled operation on Thursday

In the face of opposition from Chattogram-based lighter vessel owners, the Water Transport Coordination Cell failed to start its scheduled operation on Thursday.

More than 10 crore tonnes of annually imported bulk cargo, including commodities,

fertilisers and industrial raw materials, are unloaded from mother vessels at the outer anchorage of Chattogram port onto lighter vessels and transported through 40 different inland water routes.

Over 1,800 lighter vessels are engaged in this job.

According to the new policy, a 10-member supervisory committee led by the Director General (DG) of the Department of Shipping would monitor the activities of the cell.

Without allocation and permission from the coordination cell, no lighter vessel, except for those owned by business groups, would be allowed to transport cargo from mother vessels, the policy mandates.

It mentioned some conditions for factories and companies in using vessels.

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BRAC Bank launches initiative for future female leaders

STAR BUSINESS DESK

BRAC Bank recently launched a new initiative under the "Women Leadership Development Program" with a view to developing personal and professional growth opportunities for female co-workers.

In light of this, the bank also set a target to be a top runner in women's empowerment and female leadership so that women can find the safety and confidence to equally lead the industry.

Selim RF Hussain, managing director and CEO of the bank, inaugurated the initiative at a function at the bank's head office in the capital, according to a press release.

To prepare female co-workers to take on new challenges and higher responsibilities, the bank formed a cross-functional project team to develop a comprehensive women's leadership development framework with a detailed curriculum, called "Enlightened Leaders Exemplify Achievement" (ELEA).

This diverse team, led by Farhana Sharmin Sumi, senior HR business partner, brought together experts from various functions, each contributing unique insights and skills.



Selim RF Hussain, managing director and CEO of BRAC Bank, poses for photographs with women co-workers of the bank while inaugurating a new initiative to develop women's personal and professional growth opportunities at the bank's head office in the capital's Gulshan recently.

PHOTO: BRAC BANK

Their collaborative effort has resulted in a comprehensive programme designed to empower women co-workers, providing them with the tools and opportunities needed to advance into leadership roles within the bank.

In collaboration with the human

resources (HR) division, the bank's internal women's forum, "TARA", has chalked this initiative to help them stick to bigger career aspirations against the reality of home and office responsibilities, which create roadblocks to elevating their career paths.

Some 25 aspiring females will be part

of this ELEA initiative under which they will get a one-year intensive training based on a 70:20:10 learning model with cross-functional attachments, project work, the tutelage of coaches and mentors, classroom training sessions and workshops.

EU, China agree to more talks on alternatives to EV tariffs

REUTERS, Brussels

The European Union and China have agreed to hold further technical negotiations soon on possible alternatives to tariffs on China-built electric vehicles, the European Commission and China's commerce ministry said on Friday.

The EU is set to impose additional tariffs of up to 35.3 percent next week on electric vehicles built in China, at the conclusion of its anti-subsidy investigation, but has said talks can continue after then.

The two sides are looking at possible minimum price commitments from Chinese producers or investments in Europe as an alternative to tariffs.

"The principals agreed that further technical negotiations would take place shortly", the Commission said after a video call between EU trade chief Valdis Dombrovskis and Chinese Minister of Commerce Wang Wentao.

The European Commission, which oversees trade policy for the 27-nation European Union, has already held eight rounds of technical negotiations with Chinese counterparts and said there were "significant remaining gaps".

A statement from China's commerce ministry said Beijing "welcomed the EU team to come to China as soon as possible" and that both sides had clarified that price commitments would continue to be the solution to the dispute.

Dombrovskis and Wang affirmed their commitment to finding a mutually agreeable solution, which would need to ensure a level playing field in the EU market and be compatible with World Trade Organization rules, the Commission said.

Wang said a bilateral communication mechanism for implementing and regulating price commitments should be established during the next phase of talks, his ministry said.

China urged the EU two weeks ago not to conduct separate negotiations with companies, warning this would "shake the foundations" of negotiations.

The Commission said Dombrovskis had emphasised that the EU executive's negotiations with the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCME) do not exclude discussions with individual exporters.

Dombrovskis also raised concerns about China's investigations into EU brandy, pork and dairy, saying the EU found them "unsubstantiated".

China said it would continue to conduct its investigations and that they complied with Chinese and World Trade Organization rules.

City Bank agent banking points can now collect MetLife premium



Ala Uddin, deputy managing director and chief financial officer of MetLife Bangladesh, and Nurullah Chaudhury, deputy managing director and head of corporate banking of City Bank, shake hands and exchange signed documents of an agreement at the latter's head office in the capital recently.

PHOTO: METLIFE BANGLADESH

STAR BUSINESS DESK

MetLife Bangladesh recently signed an agent banking premium collection agreement with City Bank PLC.

Ala Uddin, deputy managing director and chief financial officer of the life insurer, and Nurullah Chaudhury, deputy managing director and head of corporate banking of the bank, penned the deal at the latter's head office in the capital, MetLife said in a press release.

Through this partnership, MetLife policyholders can now conveniently pay their premiums at City Bank's 495 nationwide agent banking points, increasing access and convenience for customers.

This new initiative strengthens MetLife's existing premium payment channels, which already include online payments, bank counters, mobile financial services and MetLife customer service centres.

Kamrul Anam, deputy managing director and chief operations officer of the life insurer, Sharif Mehedi Hassan, director, and Nahid Mousumi, assistant director, were present. With this partnership, MetLife aims to make premium payments easier and more accessible for its growing customer base, particularly those in rural and remote areas.

BBDN, BRAC Bank sign deal to empower persons with disabilities

STAR BUSINESS DESK

BRAC Bank recently signed an agreement with the Bangladesh Business and Disability Network (BBDN) to create inclusive opportunities for persons with disabilities through "Aporajeyo Ami", the bank's flagship corporate social responsibility (CSR) initiative dedicated to health.

Under the partnership deal, BBDN will work with the bank to train persons with disabilities to enhance their employability and open up entrepreneurial opportunities, the bank said in a press release.

This will thereby provide support to unlock their full potential and equip them to make a greater contribution to society.

The collaboration will also

see BBDN conduct accessibility assessments of the bank premises and organise sensitisation workshops for the lender co-workers to ensure they understand and embrace the principles of disability inclusion.

Murteza Rafi Khan, chief executive officer of BBDN, and Sabbir Hossain, deputy managing director and chief sustainability officer of the bank, penned the deal in the capital.

"This partnership with BRAC Bank is a significant milestone in our ongoing mission to build a more inclusive Bangladesh. Together, we will amplify the voices of persons with disabilities, creating pathways for them to thrive personally and professionally," Rafi Khan said.

"Our partnership with BBDN is more than just a commitment;

it is a call to ensure persons with disabilities are seen, heard and given the opportunity they deserve to help contribute more to national economic growth," Sabbir Hossain said.

This partnership is a cornerstone of BRAC Bank's "Aporajeyo Ami" initiative, which reflects the bank's commitment to building a more inclusive society through meaningful dialogues around disability.

As a values-driven organisation, the bank's CSR ambition is to break financial barriers and social taboos to ensure access and create opportunities for people to realise their potential and lead meaningful lives, added the press release.

Other senior officials from both the organisations were also present.



Murteza Rafi Khan, chief executive officer of Bangladesh Business and Disability Network, and Sabbir Hossain, deputy managing director and chief sustainability officer of BRAC Bank, pose for photographs after signing an agreement in the capital recently.

PHOTO: BRAC BANK

Nvidia overtakes Apple as world's most valuable company

FROM PAGE B4

Nvidia's shares hit a record high on Tuesday, building on a rally from last week when TSMC, the world's largest contract chipmaker, posted a forecast-beating 54 percent jump in quarterly profit driven by soaring demand for chips used in AI.

Meanwhile, Apple is struggling with tepid demand for its smartphones. iPhone sales in China slipped 0.3 percent in the third quarter, while sales of phones made by rival Huawei surged 42 percent.

With Apple set to report its quarterly results on Thursday, analysts on average see its revenue climbing 5.55 percent year over year to \$94.5 billion, LSEG data showed.

That compares with analysts' projections for Nvidia of nearly 82 percent revenue growth to \$32.9 billion.

Shares of Nvidia, Apple and Microsoft have an outsized influence on the richly valued technology sector as well as the broader US stock market, with the trio accounting for about a fifth of the S&P 500 index's weight.

Optimism about the prospects for AI, expectations that the

Federal Reserve will considerably bring down US interest rates, and most recently, an upbeat start to the earnings season, helped lift the benchmark S&P 500 to an all-time high last week.

Nvidia's massive gains have helped boost the stock's appeal for option traders and the company's options are among the most traded

on any given day in recent months, according to data from options analytics provider Trade Alert.

The stock has surged nearly 190 percent so far this year as the boom in generative AI led to a series of blowout forecasts from Nvidia.

"The question is whether the revenue stream will last for a long time and will be driven by the

emotion of investors rather than by any ability to prove or disprove the thesis that AI is overdone," said Rick Meckler, partner at Cherry Lane Investments, a family investment office in New Vernon, New Jersey.

"I think Nvidia knows that near term, their numbers are likely to be quite remarkable."



Nvidia founder, President and CEO Jensen Huang speaks about the future of artificial intelligence and its effect on energy consumption and production at the Bipartisan Policy Center in Washington, DC.

PHOTO: AFP/FILE

Onion price rises

FROM PAGE B1

Meanwhile, imported onions were fetching Tk 80 to Tk 110 per kg yesterday, down by 5 percent from Tk 90 to Tk 105 a week prior, according to TCB data.

In the past year, prices of local onions have increased by 25 percent and imported onions by 18.75 percent, TCB data shows.

Mohammad Abdul Mazed, general secretary of the Shyambazar Onion Wholesalers Association, a major onion-selling hub, said there is a shortage of local onions at the retail level.

"We are getting only 20 percent of the demand. This is why prices have increased so much. Prices will come down after the next three months when new onions come to the market," he said.

He also said that, for some reason, the demand for imported onions has decreased, leading to reduced prices for foreign varieties over the past week.

The agriculture ministry claims the country produced 34 lakh tonnes of onions this year. Although that figure is enough to meet domestic demand, the ministry says that another 6 to 7 lakh tonnes will have to be imported as much of the local yield is wasted due to a lack of cold storage facilities.

However, traders in Dhaka's Shyambazar, a major onion-selling hub, said local output was about 20 percent below the agriculture ministry's estimate due to crop loss amid adverse weather in February.

Mohammad Hafiz Uddin, a wholesaler in Shyambazar, said local onions were sold

at Tk 120 to 125 per kg yesterday, up from Tk 103 to 105 just a week ago.

Hafiz claimed the quality of Indian onions also suffered due to floods, thereby decreasing the domestic demand for onions imported from the neighbouring nation.

In Pabna, the biggest onion producing district in Bangladesh, prices of the bulb soared to as much as Tk 5,600 per maund (roughly 37 kgs) on Saturday, up by about Tk 1,200 over the past week.

Md Jamal Uddin, deputy director of the Department of Agricultural Extension in Pabna, said the current stock of onions can meet the demand of wholesalers for more than one month.

"We hope new onions will be available within the next couple of months," he said.

Noor Alam Chowdhury, senior scientific officer of the Spice Research Centre at Bogra, told The Daily Star that now many growers are now planting early winter varieties of onions, which will be sold in the market in December-January.

So, many farmers use old onions and produce seeds from them at this time. Those who do commercial production on a large scale also buy old onions from farmers. Due to this, the demand for old onions increases during October. It happens every year, he said.

During this period, the retail price of onions normally increases by Tk 10 to Tk 15 per kg, Chowdhury said.

Traditional onions are cultivated from mid-December and arrive in markets by March or April the following year, he said.

22ND BANGLADESH BUSINESS AWARDS

The Daily Star

AWARDING EXCELLENCE IN BUSINESS
SPECIAL SUPPLEMENT • SUNDAY OCTOBER 27, 2024, KARTIK 11, 1431 BS



From left, Sk. Bashir Uddin, managing director of AkijBashir Group; Mohammad Ali, managing director and CEO of Pubali Bank; Kyaw Sein Thay Dolly, managing director of Cloths "R" Us; Kihak Sung, chairman of Youngone Corporation, and Alihussain Akberali, chairman of BSRM, pose for a photo at the 22nd DHL-The Daily Star Bangladesh Business Awards ceremony at Radisson Blu Dhaka Water Garden on October 8. PHOTO: STAR

Awarding the private sector heroes

Since 2000, DHL Express and The Daily Star have been recognising firms, financial institutions, business icons, and women entrepreneurs for their achievements and efforts

REFAYET ULLAH MIRDHA

Bangladesh is an inspiring story of economic growth and development. The country became the 35th largest economy globally from almost scratch since its independence in 1971.

Neither was the journey easy, nor the road smooth.

However, the country's dogged private sector entrepreneurs have persevered through turbulent times. With unwavering resilience and hard work, they have lifted the economy from near ground zero.

Since 2000, DHL and The Daily Star have been recognising the contributions of these businesspeople to the economy. The annual DHL-The Daily Star Bangladesh Business Awards (BBA), sponsored by DHL Express and The Daily Star, honoured the best in the business community this year too.

Finance and Commerce Adviser Salehuddin Ahmed presented the awards to the winners at the Radisson Blu Dhaka Water Garden.

This year, the BBA was given in five categories: Business Person of the Year, Best Financial Institution of the Year, Best Enterprise of the Year, Best Woman in Business and a Lifetime Achievement Award.

Kihak Sung, the chairperson of Youngone Corporation, a Korean garment giant operating in Bangladesh for over three decades, received the Lifetime Achievement Award for his contributions to exports, job creation and industrialisation in Bangladesh.

Sk. Bashir Uddin, managing director of AkijBashir Group, was honoured as the Business Person of the Year 2023.

BSRM, the largest steelmaker in the country, was recognised with the Best Enterprise of the Year award.

Pubali Bank PLC, one of the oldest private banks in Bangladesh, received the Best Financial Institution of the Year 2023.

Kyaw Sein Thay Dolly, managing director of Cloths "R" Us Ltd, a garment buying house, was awarded the Outstanding Women in Business

of the Year for her entrepreneurial zeal.

Congratulating the entrepreneurs, Finance Adviser Salehuddin Ahmed assured them of removing obstacles to improve the ease of doing business.

"We are trying to remove all kinds of barriers," Ahmed said.

Lutfey Siddiqi, special envoy to the chief adviser on international affairs, suggested that the business community be more responsive to be able to say that Bangladesh is raising standards of wages, safety, and environmental sustainability.

In his keynote speech, Youngone chairperson Sung said, "This is one of the most fulfilling moments of my life."

He said his life has been intertwined with Bangladesh.

"When I am in Korea, I am known as a man who spent 44 years in Bangladesh. I am going to work here for another 33 years," said Sung, who is now 77.

He said Bangladesh is a country of resilience. "Resilience is a truly fitting word for Bangladesh."

He cited the cyclone of 1991, saying they lost everything. Everyone struggled to get back to their regular lives. But the country rebounded eventually.

"I believe Bangladesh never fails," Sung said. He added that Bangladesh is making a big contribution to the global economy.

"It is a truly reliable source," Sung said.

Miarul Haque, managing director of DHL Express Bangladesh, said that as a country and business community, businesses have been facing a perfect storm over the past few months. "Now, they stand at a pivotal juncture where they must reset their direction for the future."

Mahfuz Anam, editor and publisher of The Daily Star, said that although reforms in the constitution and education have been widely discussed, much-needed reforms in the business sector have not been highlighted.

"I would like to divide the business

community into two groups: one consisting of honest businessmen and the other, unfortunately not," he said.

"This distinction must remain in all our minds. The activities of those who did not conduct honest business must be singled out, but the group that did business honestly, ethically and followed all the laws of the land, paying their taxes to the best of their ability, must be helped in every way possible," he added.

The event was attended by numerous business luminaries, including M Anis Ud Dowla, chairman of ACI Group; Tapan Chowdhury, managing director of Square Pharmaceuticals; Simeen Rahman, group CEO of Transcom Group; AK Azad, chairman and CEO of Ha-Meem Group; Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group; Hafizur Rahman Khan, chairman of Runner Group; Ashraf Ahmed, president of Dhaka Chamber of Commerce and Industry; Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh; and Syed Mohammad Kamal, country manager of Mastercard.

National Board of Revenue Chairman Abdur Rahman Khan, British High Commissioner to Bangladesh Sarah Cooke, and Ambassador of South Korea Park Young-sik were also present at the event.

Rehman Sobhan, chairman of the Centre for Policy Dialogue (CPD); Matiur Rahman, editor of the Prothom Alo; Kazi Wahidul Alam, editor of tourism and aviation fortnightly Bangladesh Monitor; Farooq Sobhan, former ambassador and distinguished fellow of the Bangladesh Enterprise Institute; Iftekharuzzaman, executive director of Transparency International Bangladesh; Rounaq Jahan, distinguished fellow of the CPD; Rubana Huq, vice-chancellor of Asian University for Women; Shaheen Anam, executive director of Manusher Jonno Foundation; and Fahmida Khatun, executive director of the CPD, were also present.



WINNERS OF DHL-THE DAILY STAR BANGLADESH BUSINESS AWARDS-2023

BUSINESS PERSON OF THE YEAR
Sk. Bashir Uddin, managing director of AkijBashir Group

ENTERPRISE OF THE YEAR
BSRM Group

BEST FINANCIAL INSTITUTION OF THE YEAR
Pubali Bank PLC

OUTSTANDING WOMAN IN BUSINESS
Kyaw Sein Thay Dolly, managing director of Cloths "R" Us Ltd

LIFETIME ACHIEVEMENT AWARD
Kihak Sung, chairperson of Youngone Corporation

Top policymakers call for responsible business practices

STAR BUSINESS REPORT

Two top government functionaries called upon entrepreneurs to conduct business activities transparently and responsibly, saying that the interim government is trying to remove all the barriers to facilitate trade and investment.

"Always be in the sunshine. Nothing should be done under the table. That's the best test of business," Finance and Commerce Adviser Salehuddin Ahmed said at a gathering of entrepreneurs and top executives at the Radisson Blu Dhaka Water Garden on October 8.

The event was held to hand over prizes of the 22nd Bangladesh Business Awards, a flagship annual event of DHL Express and The Daily Star which is organised to honour entrepreneurs and enterprises for

their outstanding efforts and landmark achievements in their respective business fields.

Ahmed assured the business community that barriers to doing business would be removed and said the business community is demonstrating empathy and altruism.

Ahmed said there is no uncertainty now and that the interim government has taken many initiatives to bring back discipline in banking and other sectors.

"Our main target is economic recovery," he said.

Lutfey Siddiqi, the chief adviser's special envoy for international affairs, said: "It's an extraordinarily opportune moment for us to imagine the possibilities that are available to us."

He said it's liberating for businesses to be able to operate in a responsible manner,

which is in a way true to stakeholders.

"To be able to say that we are raising standards of employment, wages, safety, and environmental sustainability. And, we will be doing business on the basis of quality."

"So, I look forward to all of us being part of the journey. It may be two steps forward and one step back. But as long as we are compassionate about each other's challenges and take everyone along on this journey, I am sure it is going to be a wonderful prize."

Referring to interim government advisers, he said every single person in the team is there to do a good job.

"We have variable capabilities. Some of us have better execution experience in some fields than others, but we are open-minded. We, of course, correct when we get feedback. And we are hopefully a responsible government," he said.



Salehuddin Ahmed



Lutfey Siddiqi



BEST FINANCIAL INSTITUTION

Pubali Bank's journey to the top



The lender had gone through ups and downs in the 64 years since it was founded before finally coming out on top through its performance, growth and innovation

MD MEHEDI HASAN

While more than a dozen banks in Bangladesh are struggling to stay afloat, Pubali Bank, which has emerged as one of the leading private commercial lenders, stands as a glowing example of how to traverse difficult times.

The lender had gone through ups and downs in the 64 years since it was founded before finally coming out on top through its performance, growth and innovation.

The bank has been able to maintain a low non-performing loan (NPL) to outstanding loan ratio and secured staggering profits over the last couple of years.

The bank's NPL to outstanding loan ratio was over 35 percent in 2000. But

it was brought down to 6.25 percent in 2014 and then to 2.86 percent in 2023.

Last year the bank secured substantial year-on-year growths in profit (35.42 percent), deposits (19 percent), loans and advances (20 percent), remittance collections (42 percent) and import and export business (8 percent).

Moreover, every segment has continued to grow.

According to Managing Director and CEO Mohammad Ali, the secret lies in maintaining good governance under experienced management, strictly abiding by rules and regulations, undertaking timely initiatives, tackling political interference and focusing on financial inclusion and digital inclusion.

After Bangladesh gained independence, Pubali Bank was nationalised and subsequently corporate governance was destroyed and defaulted loans increased to 54 percent, Ali told The Daily Star in a recent interview.

The bank had started its operation in East Pakistan as Eastern Mercantile Bank in 1959. In 1984, the lender turned into an ailing institution and was denationalised and renamed Pubali Bank.

After denationalisation, the first responsibility of the board was to cover up its financial, managerial and operational weaknesses and establish a mindset that focused on ensuring corporate governance, Ali said.

The board needed 21 years, meaning till 2005, to fix those issues and the ups and downs during that period helped investors of the bank gain experience, he said.

Bangladesh Bank assigned an observer to monitor its activities in 2005 and withdrew the official in 2007, he added.

Now, Pubali Bank is the largest private commercial bank with 504 branches, 195 sub-branches, 21 Islamic banking window branches and the largest real-time centralised online banking network.

Till last year, deposits at the bank stood at Tk 60,629.64 crore and advances stood at Tk 55,449.55 crore.

The bank does not lend money to anonymous or paper-based companies, Ali said, nor does it compromise or bow down to political pressure, he said, adding that they have been able to create a quality asset base.

"Pubali Bank is now in the number one position in terms of the regulator's confidence and customer confidence," he said.

It also boasts the lowest amount of classified loans in the banking sector, said Ali, adding that they were able to maintain bad loans at less than 3 percent of all loans.

The bank is continuously progressing in offering digital banking services and has different products for different segments of the population, even senior citizens, he said.

It also always tries to ensure customer comfort through financial inclusion and digital inclusion.

The board of directors of Pubali Bank adopted policy measures that are helpful for maintaining the corporate governance at the bank.

The commitment of the board of directors is the main issue here, explained Ali.

When discussing digital inclusion, Ali said it would ensure the survival of the banking sector in the future.

"Now banks must focus on digital inclusion," he said.

A CEO of a bank will have to spend 50 percent of his or her time on digital inclusion and will have to take the right decision at the right time, he added.

Digital inclusion helped to expand the portfolio, Ali pointed out.

"Every employee of a bank must adapt to a digital environment. Banks must focus on business, digital inclusion and financial inclusion. Now there is no option to survive without digital inclusion," he said.

"When I joined Pubali Bank, its loans and advances stood at Tk 6,500 crore 16 years back. But now loans and advances at our principal branch stand at Tk 8,500 crore," Ali said.

The bank is maintaining balance in export and import, which will help mitigate the forex crisis. All of the bank's segments are growing, he said.

AK Khan, OR Nizam, MR Siddiqui, Khan Bahadur Mujibur Rahman, Mirza Mohammad Ali Ispahani, Habibur Rahman and Dr Naimur Rahman were some of the notable sponsors of the bank.



Mohammad Ali

OUTSTANDING WOMAN IN BUSINESS

A trailblazer for women in business

Dolly spends 1 percent of her company's earnings on the welfare of her society, such as by providing free education to underprivileged children. She also gives technical education and assistance to her community

REFAYET ULLAH MIRDHA

Her dream was to enrol in Chattogram University or another reputed institution, but she could not even sit for the admission test as her father fell ill in 1994.

Since he believed he would not be around for a lot longer, the bed-ridden gentleman advised his daughter to get admitted to a college to obtain a degree rather than committing the time to complete an Honours degree.

This would enable her to graduate more quickly and find a job sooner.

Kyaw Sein Thay Dolly, managing director of Cloths "R" Us Ltd, a garments-buying house, followed her father's advice and got admitted to Tejgaon College in Dhaka in the B. Com (Pass) course.

Her ambition was to complete her education, become the breadwinner of her family, and assume responsibility for her four younger siblings.

During her student life in Dhaka, she worked as a tutor, but after getting her degree in 1996, things began moving quickly.

Dolly was helped by her elder sister, who was working as a merchandiser at Li & Fung and referred Dolly for the job. But her prospects were also bolstered by her initiative to complete another six-month secretarial science course from the YMCA in Dhaka.

When she went to join Hong Kong-based Li & Fung in January of the next year, Dolly was given two options by her British boss.

The first was to work as his personal secretary for a salary of Tk 15,000 per month while the alternative was to work as an assistant merchandiser for a much lower wage.

Dolly chose the latter, spurred by her

belief that being a secretary offered little career prospects or progression.

After successfully completing the six-month apprenticeship, she continued working at the company for 13 more years.

While working at Li & Fung, Dolly continued her studies and secured an MBA degree from a private university by 2003.

"My MBA degree was a turning point in my life. It taught me how to become an entrepreneur and a good manager," Dolly said.

Finally, in 2010, she departed Li & Fung to take on a bigger responsibility, joining global garment sourcer PVH as a divisional manager.

In the meantime, she gained leadership experience and sought out more responsibility. She was not content with being a divisional manager and instead aimed to become a country manager for a foreign garment sourcing company.

She achieved that goal in 2013, joining Dutch brand MS Mode as country manager, but she moved that same year to MGF Sourcing, a US-based high-end garment retailer, and was posted in Jakarta until 2016.

She earned a lot of experience in Jakarta, meeting people of different nationalities, and was eventually promoted to director of merchandising.

She quickly became the de facto leader of the office in Jakarta as her skills and grasp of the English language outshone others.

As per her request, the company transferred Dolly to Bangladesh and promoted her to country director.

However, in 2018, Dolly began planning to use her vast experience to launch her own business.

In May of 2019, she started her business. To gather the starting capital, she sold a parcel of land in Cox's Bazar, which had been bought by her family.

She managed to gather around Tk 1 crore from the sale of the land and the savings she had built up during her years as a highly paid employee.

Finally, she opened her own buying house in Dhaka.

Afterwards, she visited Germany, India and other large markets and got a good response from foreign buyers



Kyaw Sein Thay Dolly

despite the Covid-19 pandemic posing significant barriers.

After a pause in business due to the severe fallouts of the pandemic, her business picked up again, and she broke even in 2021.

Now, with her company boasting an annual turnover of \$10 million, Dolly plans to set up a garment manufacturing unit in 2025, believing her business will be an even bigger hit after Bangladesh graduates from a least developed country (LDC) to a developing nation in 2026.

As she has always prioritised environmental concerns, her company makes garments from bamboo fibre, and organic cotton that has been certified by the Better Cotton Initiative (BCI).

Such success has been achieved by Dolly despite her never wishing to be an entrepreneur in her student life.

Dolly was born in Chattogram's Patharghata, where her father used to run a small business, although her hometown is Cox's Bazar.

Her father, who had been educated

in textile engineering in Myanmar, was likely the first Bangladeshi in Chattogram with a handmade screen printing and dyeing factory, which was launched just after independence in 1971.

There, he made sarees for local consumers until 1982 or 1983.

From those humble beginnings, Dolly now has a business with 12 employees and an annual turnover in the tens of millions. Her profit margin is around 10 percent.

Her dream is to become a bigger player in the sustainable fashion world by making clothes from recycled materials such as plastic.

She wants to expand further and hopes to increase turnover to \$30 to \$50 million over the next five years.

Although Dolly has faced a lot of ups and downs, she believes the business environment for female entrepreneurs has improved a lot, to the point that she does not see any difference between male and female entrepreneurs.

Business ethics, payment terms, honesty and expertise matter a lot to

Dolly and those are areas where she does not make any compromises.

Dolly, a Rakhine girl from the Harbang village under Chokoria in Cox's Bazar, is also the president of the Bangladesh Rakhine Buddhist Welfare Association of Dhaka Metropolitan unit.

She is also the president of a Buddhist Temple in her village.

Dolly spends 1 percent of her company's earnings on the welfare of her society, such as by providing free education to underprivileged children.

She also gives technical education and assistance to her community and works as an organiser of the Rakhine community people in Dhaka.

The self-made Dolly thinks that many struggle in business due to a lack of motivation and mental strength. Having the proper mindset as well as realistic goals is very important.

The garment business in Bangladesh has a lot of potential and the government should place special emphasis on this business, Dolly said.

22ND BANGLADESH BUSINESS AWARDS

The Daily Star

AWARDING EXCELLENCE IN BUSINESS
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LIFETIME ACHIEVEMENT AWARD

I have learnt to respect workers: Kihak Sung



Youngone Corporation now operates production facilities in Bangladesh, Vietnam, China, El Salvador, Ethiopia and Uzbekistan, and has offices in major cities around the globe

JAGARAN CHAKMA

Kihak Sung, chairman of Youngone Corporation and a pioneer in Bangladesh's readymade garments (RMG) and textile sectors, has been instrumental in the country's rise as a major global exporter.

Sung, born in 1947 in Seoul, Korea, studied international economics at Seoul National University. After working at Seoul Trading, he founded Youngone Corporation in 1974, focusing on manufacturing outdoor apparel.

Since establishing its first plant in Seongnam, South Korea, it has now become the premier manufacturer of outdoor apparel – sportswear, down jackets, footwear and other gear.

Sung's commitment to environmental issues and quality has shaped the long-term philosophy and vision of the company.

These principles, along with a relentless drive to improve people and

products, helped Youngone become a pioneer in the industry.

In 1980, Sung made a groundbreaking move by setting up Bangladesh's first foreign-owned apparel manufacturing plant in Chattogram.

This was the beginning of Bangladesh's transformation into a hub for garment production.

Youngone Corporation now operates production facilities in Bangladesh, Vietnam, China, El Salvador, Ethiopia and Uzbekistan, and has offices in major cities around the globe, making it a truly global and multinational entity with over 100,000 employees.

"It was accidental that we came to Bangladesh. We were induced to invest in the country by a Korean resident who was involved with a construction project here," Sung said in an interview with The Daily Star recently.

In 1987, Youngone set up a factory in the Chittagong Export Processing Zone. The Dhaka EPZ, which began

operations in 1993, also welcomed Youngone as its first investor.

Youngone's factories in the country produce high-quality jackets, trousers, sports shoes and leather goods for international markets.

The company currently employs approximately 70,000 people in Bangladesh, making it one of the nation's largest employers.

However, one of Sung's most significant contributions to Bangladesh was the development of the Korean Export Processing Zone (KEPZ) in Chattogram.

The KEPZ, which began its operations in 2011 under the Bangladesh private EPZ act, covers 2,492 acres of land, of which 52 percent is kept green by plantations, water bodies and open areas.

KEPZ especially focuses on renewable energy and thereby supports the development of rooftop solar power technology for renewable energy and to decrease reliance on fossil fuels.

Youngone has established a 40-MW solar rooftop power plant in the KEPZ, the biggest in Bangladesh.

This unique zone is the country's only private export processing area where humans, flora and fauna peacefully coexist with machines.

Within the industrial enclave, there are 33 lakes and waterbodies, which attract around 137 species of birds and more than 87 mammals.

A subsidiary of the South Korean Youngone Corporation, the KEPZ currently hosts 48 industrial units, largely under the ownership of Youngone.

Youngone is also recognised as a pioneer in establishing export-oriented garment factories in Bangladesh.

Its factories specialise in producing premium jackets, trousers made from synthetic fibre, sports shoes, leather handbags, backpacks, and travel bags for international retail markets.

Since the commencement of the project, the KEPZ has created direct job opportunities for 31,000 individuals, most of whom are female. It has also created over 25,000 indirect jobs outside the zone.

Presently, the KEPZ factories collectively export goods worth approximately \$400 million each year.

In his illustrious career, Kihak Sung has held various prestigious roles, including as chairman of the Korea Federation of Textile Industries and president of the International Textile Manufacturers Federation.

He faced a major challenge after the devastating cyclone in 1991. The damage left the entrepreneur with a major decision regarding continuing investment in Bangladesh.

Sung said he got a report on the devastation of the cyclone two to three days after the disaster hit the region and the decision he took was the turning point for his business in Bangladesh.

"We lost 300,000-400,000 garments waiting for shipment. All the fabrics and accessories for the season's production were damaged. Luckily, we had no casualties. While recovering from the disaster, we learned how desperate our employees were to keep their jobs," Sung said.

"I decided to make a substantial investment in building a new multi-story factory to protect against similar disasters in the future. We also decided to double our workforce to reproduce the garments we lost in time to support our clients' upcoming business needs," he added.

"The approach worked as all our employees showed remarkable resilience and unselfish dedication to work. Next season, our clients doubled their orders," he recalled.

Under his leadership, Youngone Corporation has kept its proud legacy while navigating several challenges.

In 1987, Youngone Corporation established a legal entity with an investment of \$200,000 in Kingston, Jamaica but had to close it down.

However, Sung dealt with the setback effectively and established a new legal entity in El Salvador in 2001 and has been managing the operations from there since then.

According to him, since the inception of Youngone, the majority of production was ski wear of nylon fabric with down filling or polyester insulation.

"We replicated it in Bangladesh. However, we are now using newly developed polyester fabrics of high quality," he added.

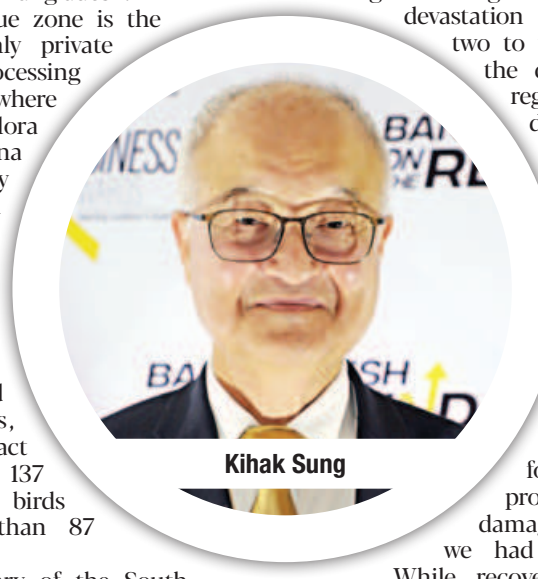
Reflecting on his long business career, Sung said he experienced both sides of the coin—good times and hardships.

He said the vision and human-centric philosophy helped him overcome the hardships.

"I have enjoyed making products for my favourite sports. I have saved many brands from failure. I have successfully created and kept nearly 100,000 jobs," he said on his successes during the journey.

"I have learned how to respect workers and try to provide a good working environment as much as possible. With patience and integrity, I survived through many difficulties and disasters. I am happy that I could keep working in the same industry for 52 years," he said.

"I am grateful for that."



Kihak Sung

Logistics can accelerate Bangladesh's progress

Says Md Miarul Haque, managing director of DHL Express Bangladesh

STAR BUSINESS REPORT

Efficient logistics is not a mere operational necessity. Rather, it is a strategic driver of development. Logistics can significantly accelerate the progress of Bangladesh, said a top official of DHL Express Bangladesh.

"When we think of logistics, we often picture large-scale elements like roads, railways, rivers, and ports, which are essentially infrastructure. This focus on infrastructure sometimes diverts our attention from the silent killer – inefficiency," said DHL Express Bangladesh Managing Director Md Miarul Haque at the awards ceremony of the 22nd edition of the Bangladesh Business

Awards earlier this month.

He said infrastructure is undoubtedly crucial for logistics, but concentrating solely on building and expanding it without addressing existing inefficiencies can lead to even more inefficiency.

"Therefore, it is essential to prioritise digitalisation and simplification, which can provide significant improvements much faster and ensure we are prepared for even higher efficiency when our infrastructure is enhanced."

Haque cited the World Bank's Logistics Performance Index (LPI) 2023 and said Bangladesh's ranking improved to 88th out of 139 countries, up from 100th in 2018.

"While this is a positive development, we still lag behind most of our major competitors," he said, adding that Bangladesh was trailing Thailand, India, Vietnam, and Indonesia in the logistics ranking.

"Logistics inefficiencies can have a profound and multifaceted impact on trade, affecting everything from costs to competitiveness. Addressing these inefficiencies is crucial for enhancing trade performance and economic growth."

He said the World Bank highlighted that efficiency in the logistics sector in Bangladesh could offer substantial cost savings, ranging from 7 to 35 percent depending on the sub-sector.

"These savings can be a game-changer for our economy, making our goods more competitive in the global market, reducing time to market, and attracting foreign investment."

"Bangladesh as a country and its business community are at a pivotal juncture where we must reset our direction for the future," Haque said.

He added that the momentum generated by Bangladesh's economic engine would be a key success factor in the journey toward prosperity.

"And your role has always been crucial," he told entrepreneurs and top executives at the event.



Md Miarul Haque

