

## MTB signs \$25m loan deal with Norfund

STAR BUSINESS DESK

Mutual Trust Bank PLC (MTB) recently signed a \$25 million term loan facility agreement with Norfund, the Norwegian Investment Fund for developing countries, reinforcing their commitment to sustainable economic growth in Bangladesh.

Syed Mahbubur Rahman, managing director and CEO of MTB, and Sawerra (Max) Rachawong, investment manager of Norfund, signed the agreement at the Sheraton Dhaka in the capital's Banani, said a press release.

Rahman expressed his gratitude to Norfund for the successful closure of this repeat transaction, emphasising its significance in strengthening financial collaboration.

**The loan aims to enhance financial inclusion in the country, particularly for underserved SMEs and micro-enterprises**

"This agreement reinforces our synergy with Norfund, bolsters MTB's financial position, and supports economic resilience, further solidifying our long term partnership," he said.

Håkon Arald Gulbrandsen, the Norwegian ambassador to Bangladesh, attended the signing ceremony.

Gulbrandsen commended MTB's vision and commitment to financial inclusion, stating, "This partnership reflects the strong bilateral ties between Norway and Bangladesh."

"We believe this facility will play a vital role in fostering SME growth and promoting financial empowerment, particularly for women-led enterprises," the Norwegian ambassador added.

Sawerra (Max) Rachawong said, "The loan aims to enhance financial inclusion in the country, particularly for underserved SMEs and micro-enterprises."

"This demonstrates our confidence in our partnership with MTB during this transitional period for the country and underscores our commitment to our mission and long-term vision with MTB," he added.



Pran-RFL Group is showcasing a variety of products at the Dubai Gulf Food Fair to introduce new items and attract new customers.

PHOTO: PRAN

## Pran's journey in the UAE

From humble beginnings to a thriving export hub

SUKANTA HALDER from Dubai

In 2003, Pran, a leading food processor and conglomerate in Bangladesh, made its first foray into the United Arab Emirates (UAE) market.

The company purchased a second hand car from a shop in Sharjah for 15,000 dirhams (around Tk 5 lakh) and hired one Bangladeshi employee to run its operations.

The modest business model meant the company could offer only three products: a lychee drink, chanachur, and puffed rice.

"The early days of the business were quite challenging, as Bangladeshi products had no presence in the UAE market, which was dominated by Indian and Pakistani items," Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group, told The Daily Star.

However, those days are firmly in the past. Currently, Pran has expanded its range of offerings in the UAE market to 950 items, demonstrating the brand's strong presence in the Middle East.

From small grocery stores to supermarket chains, Pran's diverse range of products has become a household name among the South Asian diaspora and beyond, with sauces, noodles, juices, spices, mustard oil, coconut water, biscuits, and puffed rice being the most in demand items.

"Now, more than 1.5 million Bangladeshis in the UAE are our customers. When we started our business in the UAE, expatriate Bangladeshis were our initial target demographic. Once we reached them, we targeted South Asians and local consumers," Chowdhury said, adding that many Nepalis, Arabs, and Filipinos now regularly enjoy their products.

In the 2023-24 fiscal year, Pran exported products worth \$245 million to the UAE through its dealer, Emerging World Group, a Dubai-based company that markets Pran's products across the Middle East, Europe, Africa, America, and Oceania.

Emerging World Group has expanded its

workforce to 735 employees and operates a fleet of 350 vehicles, ensuring the smooth sales, marketing, and distribution of products.

Chowdhury mentioned that Emerging World is working on securing a large bank loan. If approved, there are plans to establish a manufacturing unit in Dubai.

At present, most products are imported from Bangladesh, while some are sourced from contracted manufacturers in other countries, he added.

Chowdhury believes Pran's commitment to quality and affordability has played a significant role in its rapid growth.

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During visits to multiple hypermarkets and supermarkets — including Nesto, Al Madina, and Mark and Save in Dubai, Ajman, Sharjah, and Sanaya — on Tuesday, it was seen that Pran products were prominently displayed on shelves.

Mohammad Sajjad Hossain, marketing manager of an Al Madina outlet, said they have been selling Pran products for nearly eight years and currently offer 240 items.

He added that Pran's customer base includes not just Bangladeshis but also consumers from India, Sri Lanka, Pakistan, Nepal, Bhutan, and various Middle Eastern countries.

An official at a Nesto store said they have been selling Pran products for many years and now offer 82 items. Due to customer satisfaction, sales of Pran products are increasing, he added.

**COMPETITORS, PROSPECTS AND CHALLENGES**

However, competition in one of the world's most luxurious destinations is stiff.

In the beverage market, Pran's competitors include Rani, PepsiCo, Coca-Cola, and Star. In the spice category, the main competitors are Pakistan's Mehran and Shan, along with South Indian companies like Vijaya. In the noodles segment, key competitors include Indomie, Maggi, and Buldak.

"We are the market leader in mustard oil, although some small Indian companies are entering the competition," Mizanur Rahman, executive director of export at Pran Group, told The Daily Star.

"There is also a huge opportunity for us to expand in the Bangladeshi, Indian, Filipino, African, and mainstream Arab markets. To achieve this, we are focusing on product promotion and developing products tailored to their needs," he said.

"We have prepared products specifically for Filipino, Thai, African, and Arab communities based on their preferences."

"We are optimistic about performing well in these segments in the coming days. This is a \$46 billion market, and the main challenge is branding."

"The more we promote our country, the more confidence we will gain from mainstream customers. The governments of Turkey, China, and India are investing heavily in branding."

Rahman further stated, "We need to work on product quality, pricing, packaging, and promotion to strengthen our position in the market."

To that end, Pran-RFL Group chairman and CEO Chowdhury is showcasing a variety of products at the ongoing Dubai Gulf Food Fair.

He said they attended the fair to introduce new products and attract new customers.

"This time, we gained some customers from Libya and Iraq. These two countries could be good markets for Bangladesh," he remarked.

Pran products are now exported to 145 countries worldwide. In 2024, the company exported goods worth \$377 million.

**Including margin loans in CIB reports can improve outcomes**

AHSAN HABIB

The stock market is essentially a financial tool in which a portion of people's savings is expected to be invested. Ideally, investment through loans is not recommended as it increases the risk of losses.

Especially in highly speculative markets like the Bangladesh stock market, where junk stocks dominate, it is very risky for investors to pour in money by taking loans at 14 to 15 percent interest rates.

Therefore, analysts always advocate restrictions on margin loan requirements and recommend executing forced sales if necessary.

However, the Bangladesh Securities and Exchange Commission (BSEC) has done little to restrict such loans. Some merchant banks have also supported the BSEC as margin loans have become a money-making product for them at the cost of investors' losses.

After former prime minister Sheikh Hasina was ousted in August last year, the BSEC formed a task force to bring about reforms in the capital market.

The committee provided several recommendations to prevent a further rise in negative equity through margin loans, which had become a nightmare for many institutions and caused significant losses for investors following the market crash of 2010 and 2011.

The task force recommended tightening the criteria for obtaining margin loans in order to make those inaccessible to small and inexperienced investors.

However, it did not recommend including this credit item in the Credit Information Bureau (CIB) report for the assessment of investors.

Although this credit product is somewhat different, it should still be included in the CIB report to provide a full and clear picture of the financial standing of those availing credit.

On the other hand, if margin loans are included in CIB reports, investors would be more inclined to properly maintain beneficiary owner's (BO) accounts to avoid any negative equity.

What would happen if margin loans were included in the CIB report?

The most significant impact would be that investors with negative equity in their BO accounts would face restrictions when applying for bank loans for other necessities.

As a result, investors may be more motivated to avoid negative equity in their BO accounts.

Currently, when negative equity arises, investors lose their funds but do not face any further penalties. On the other hand, institutions face liquidity shortages, making them inactive, and the whole market suffers.

Since margin loans are not included in the CIB report, investors do not feel the urgency to sell shares when their equity balance falls.

Furthermore, they resist forced sales and often fail to deposit funds even when they receive margin calls from brokerage houses or merchant banks.

As margin loans are also a form of credit, they should be included in investors' CIB reports. This would help investors realise the importance of forced sales.

Incorporating margin loans into CIB reports would translate to additional tasks for brokerage firms and merchant banks, but these measures are necessary for the betterment of the stock market.

If brokers and merchant banks can access CIB reports for margin loan applicants, they will be able to identify reliable investors. Thus, use of CIB reports for margin loans and defaults could help reduce risks in margin loan lending.

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## US SEC seeks India's help in Adani fraud probe

REUTERS, New Delhi

The US Securities and Exchange Commission has asked Indian authorities for help in its investigation of Adani Group founder Gautam Adani and his nephew over alleged securities fraud and a \$265 million bribery scheme, a court filing showed on Tuesday.

The regulator told a New York district court it was making efforts to serve its complaint on the founder and his nephew, Sagar Adani, and was seeking help from India's law ministry to do so.

Neither individual is in US custody, and both are now in India.

"The SEC has requested assistance ... under the Hague service convention," it said in the court filing.

Adani Group and India's law ministry did not immediately respond to a Reuters request for comment.

Last week, Prime Minister Narendra Modi said he did not discuss the Adani case with US President Donald Trump during his visit to Washington, describing it to reporters as an individual issue never discussed by leaders.

India's opposition Congress party has called for Adani's arrest and accused Modi of shielding him or favouring him in deals in the past. Modi's party and Adani have denied the charges.

Last year, federal prosecutors in Brooklyn unsealed an indictment accusing Adani of bribing Indian officials to convince them to buy electricity produced by Adani Green Energy, a subsidiary of his Adani Group.

He then misled US investors by providing reassuring information about the company's anti-graft practices, it added. Adani Group has called the accusations "baseless" and vowed to seek "all possible legal recourse".

In January, Adani Green said it had appointed independent law firms to review the US indictment.

## Trump says US auto tariffs to be around 25%

in the United States.

"We want to give them time to come in," he said. "When they come into the United States and they have their plant or factory here, there is no tariff. So we want to give them a little bit of a chance."

Experts have warned it is often Americans who end up paying the cost of tariffs on imports, rather than foreign exporters.

About 50 percent of the cars sold in the

United States are manufactured within the country. Among imports, about half come from Mexico and Canada, with Japan, South Korea and Germany, also major suppliers.

Trump's tariffs threats have been cautiously received in Asia, home to some of the main US suppliers of the potentially affected industries.

Yoshimasa Hayashi, Tokyo's top government spokesman, told reporters

"with regard to automobile tariffs, we have raised the issue with the US government, taking into account the importance of Japan's auto industry."

"Japan will first take appropriate action while carefully examining the specific details of the measures," he added.

Taiwan, a global powerhouse in semiconductor production that Trump has accused of stealing the US chip industry, also remained cautious.

"The scope of products subject to tariffs has not yet been clarified. We will continue to monitor the direction of US policies and assist Taiwan's industries," Taipei's economic ministry said in a statement.

The island's government had previously said it would boost investment in the United States as it sought to head off Trump's duties.

Trump said he was pleased to see the EU "reduce their tariffs on cars to the level we have."

"The EU had 10 percent tax on cars and now they have a 2.5 percent tax, which is the exact same as us... If everybody would do that, then we'd all be on the same playing field," he said.

"The EU has been very unfair to us. We have a trade deficit of \$350 billion, they don't buy our cars, they don't take our farm products, they don't take almost anything... and we'll have to straighten that out," he added.

Vehicles are on display for sale at the Toyota of North Austin dealership in Texas. Trump's tariffs threats have been cautiously received in Asia, home to some of the main US suppliers of the potentially affected industries.

PHOTO: AFP/FILE