

ECRL MONTHLY ECONOMIC & Business Review



Cover Story:

Paint and Coatings Industry in Bangladesh: Moving Towards Sustainable and Eco-friendly Practices

ECRL Thought:

Inflation Surge and Its Ripple Effects on Business Operations in Bangladesh

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Cover Story

PAINT AND COATINGS INDUSTRY IN BANGLADESH: MOVING TOWARDS SUSTAINABLE AND ECO-FRIENDLY PRACTICES

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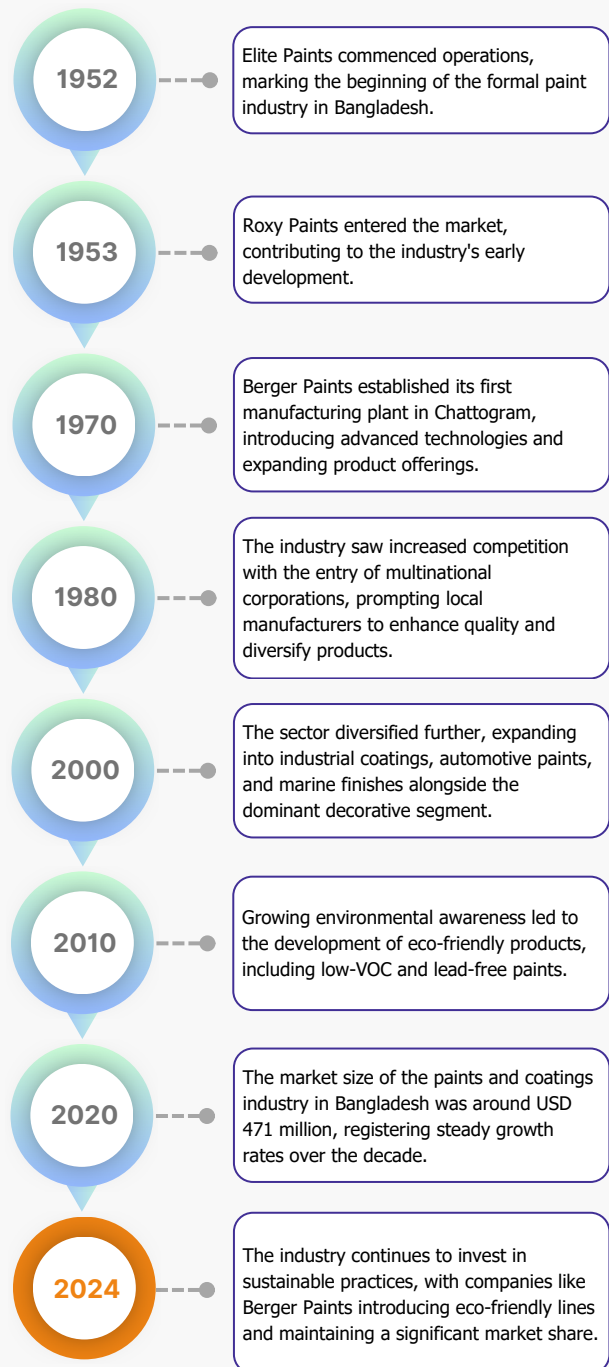
ABSTRACT

The paint and coatings industry in Bangladesh is undergoing a significant transformation, driven by technological advancements and an increasing focus on sustainability. This analysis highlights the industry's evolution, characterized by a shift towards eco-friendly practices and innovative product formulations that respond to consumer demand for non-hazardous materials. The market, currently valued at approximately BDT 6.25 billion, is projected to grow at a rate of 6% annually, fueled by urbanization and rising disposable incomes. Despite facing challenges such as high raw material costs and competition from multinational corporations (MNCs), local manufacturers are gradually enhancing their offerings and adapting to market demands.

The competitive landscape is dominated by MNCs, which hold around 86% of the market share. Key players include Berger Paints, Asian Paints, and Kansai, Nerolac, among others. These companies leverage advanced technology and marketing strategies to maintain their dominance. In contrast, local brands struggle with resource limitations but are beginning to carve out niches by focusing on quality and localized services.

The report also emphasizes the potential for growth within the sector, particularly as per capita paint consumption in Bangladesh remains low compared to neighboring countries. With ongoing investments in infrastructure and a growing population, the future outlook for the paint and coatings industry appears optimistic. Overall, this analysis provides a comprehensive overview of the current state of the industry, its challenges, opportunities for innovation, and the evolving dynamics between local and international players.

The paint and coatings industry in Bangladesh has experienced significant milestones from the 1950s to 2024, reflecting its growth and adaptation to global trends. Here's a timeline highlighting key events:





INTRODUCTION

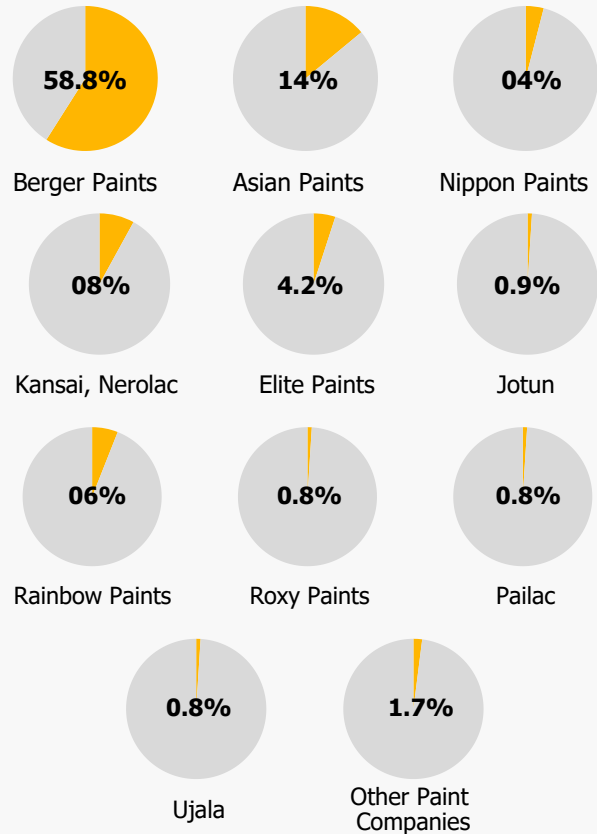
The paint and coatings industry in Bangladesh has undergone a remarkable transformation over the past few decades, evolving from a modest, import-dependent sector into a dynamic and diversified industry with significant contributions to the country's economy. This journey of growth and development has been fueled by rapid urbanization, industrialization, and the increasing purchasing power of consumers. Today, the industry stands as a vital component of Bangladesh's infrastructure, construction, and consumer goods sectors, playing a pivotal role in shaping the country's economic and aesthetic landscape.

Historically, the industry began as a small-scale operation catering to basic decorative needs in a developing economy. In the decades following independence, most paints were imported, and domestic production was limited to a handful of local manufacturers operating with rudimentary technology. The 1980s marked a turning point with the entry of multinational corporations such as Berger Paints, which introduced advanced technologies, improved production processes, and a wider range of products to the Bangladeshi market. This influx of global expertise and competition drove local manufacturers to modernize and diversify their offerings, leading to a more competitive and robust industry by the 1990s. By the early 2000s, the sector had diversified further, expanding into industrial coatings, automotive paints, and marine finishes alongside the dominant decorative segment.

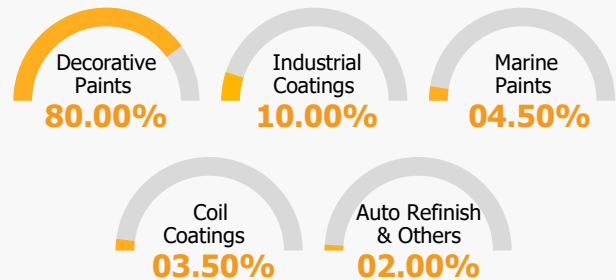
As of 2024, the market in Bangladesh is valued at approximately BDT 6.25 billion, with an annual growth rate of 6% (BPMA, 2024), contributing to the GDP and reflecting its economic importance. The paint and coatings industry employs over 100,000 individuals (IDLC Business Review, June 2023), spanning roles in manufacturing, distribution, and retail, thereby supporting livelihoods across the country. The industry is heavily dominated by multinational corporations, which account for a significant portion of the market share. Berger Paints Bangladesh, the market leader, holds approximately 58.8% of the share, followed by Asian Paints and Kansai Nerolac with 14% and 8%, respectively (BPMA, 2024). Local manufacturers such as Elite Paints, Rainbow Paints and others operate in the remaining market space but face challenges in competing with the well-established global players. The market is segmented into various categories, with decorative paints accounting for 80% of total sales (BPMA, 2024). Industrial coatings represent around 10%, while automotive, marine, and coil coatings collectively make up the remaining 10% (BPMA, 2024).



MARKET SHARE



MARKET SEGMENT



ANNUAL REVENUE

BDT 6.25 BILLION

6.0% ANNUAL GROWTH RATE

EMPLOYMENT

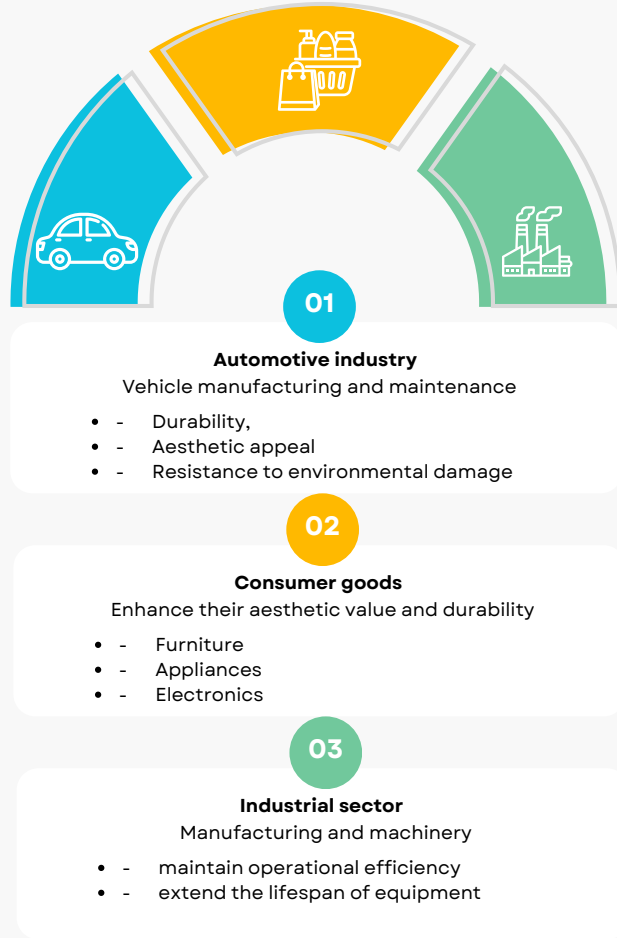
(Approximately) **100,000**

The construction and infrastructure sectors are the backbone of the paint and coatings industry, accounting for the majority of its demand. Bangladesh's rapid urbanization, with an urban population growth rate of 3.12% annually (Trading Economics, 2024), has spurred a construction boom, particularly in residential, commercial, and industrial spaces. Infrastructure projects have further increased the demand for high-quality paints and coatings to protect these structures from environmental factors and enhance their longevity.



Paints used in these sectors are not just decorative but serve critical protective functions, shielding materials from corrosion, moisture, and wear, thereby improving durability.

Beyond construction, the industry is integral to various other sectors. In the automotive industry, coatings are essential for vehicle manufacturing and maintenance, ensuring durability, aesthetic appeal, and resistance to environmental damage. Consumer goods such as furniture, appliances, and electronics also rely on specialized paints and coatings to enhance their aesthetic value and durability. The industrial sector, particularly manufacturing and machinery, uses protective coatings to maintain operational efficiency and extend the lifespan of equipment.



Recent developments in the industry highlight its adaptability and readiness to embrace modern trends and challenges. Major players like Berger Paints and Asian Paints are investing in production capacity expansion, research and development, and sustainable practices. The industry's growth trajectory aligns with increasing consumer awareness of eco-friendly and health-conscious products. Decorative paints are now being formulated with lower VOC (Volatile Organic Compounds) levels, while industrial and protective coatings are incorporating advanced materials for better performance and sustainability. While the domestic market remains the primary focus, the industry also holds untapped potential for export, particularly in eco-friendly and niche products that align with global sustainability trends.

Despite these advancements, the industry faces challenges that could hinder its growth potential. One of the most pressing issues is its heavy reliance on imported raw materials, which accounts for 99% of its input needs (BPMA, 2024). Fluctuations in global prices and supply chain disruptions directly impact production costs and profitability. Furthermore, local manufacturers often lack the resources for extensive research and development, limiting their ability to innovate and compete with multinational corporations. Regulatory frameworks, while improving, need to align more closely with international standards to ensure the industry's competitiveness in global markets.

RELIANCE % ON RAW MATERIALS IMPORTED

In conclusion, the paint and coatings industry in Bangladesh has come a long way, evolving into a dynamic and essential sector with far-reaching economic and social impacts. Its role in construction, infrastructure, and consumer goods underscores its importance in shaping the nation's progress. As the industry looks toward the future, its ability to adapt to global trends, embrace sustainability, and overcome local challenges will determine its trajectory. By investing in eco-friendly practices and leveraging the growing demand for sustainable products, the paint and coatings industry in Bangladesh is poised to achieve greater heights while contributing to a greener and more prosperous future.

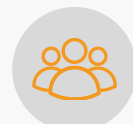
TRENDS AND DRIVERS IN THE INDUSTRY

The demand for the paint and coatings in Bangladesh is driven by urbanization, shifting consumer preferences, technological innovations, regulatory changes, and global market trends. These factors collectively define the industry's direction and underscore its critical role in the nation's development. As Bangladesh continues to urbanize and modernize, the demand for paints and coatings in construction, infrastructure, and consumer goods is surging, making this industry an essential contributor to the economy.

DRIVERS OF PAINT AND COATING INDUSTRY



Urbanization



Shifting consumer preferences



Technological innovations

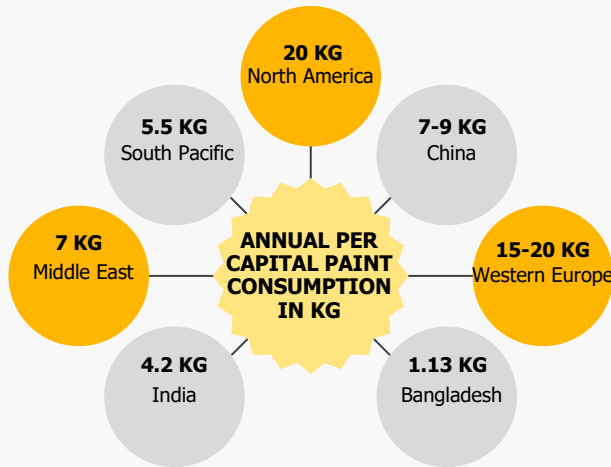


Regulatory changes

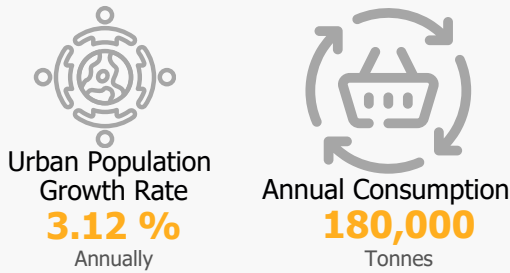


Global market trends

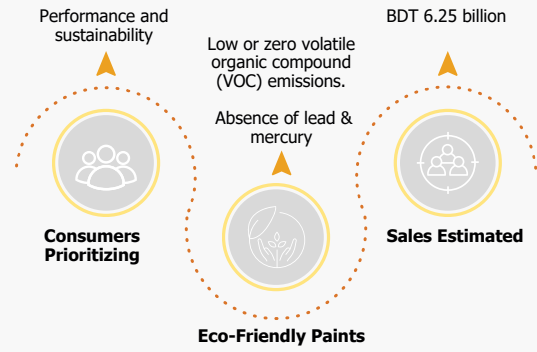
The paint and coatings industry of Bangladesh has untapped opportunities awaiting the sector in the coming days, as per capita paint consumption in the country is still limited to only 1.1 kg, while it is 4.2 kg in India and nearly 9.0 kg in China (BPMA, 2024).



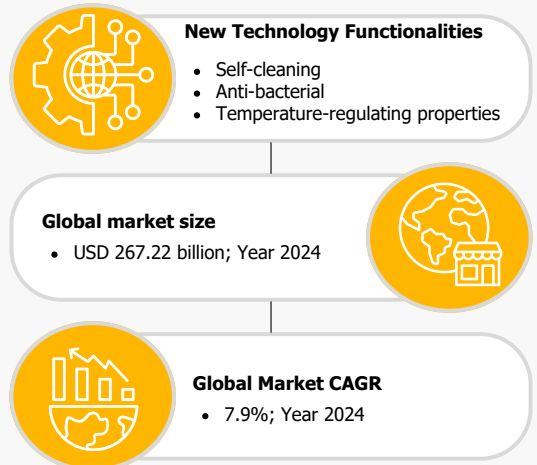
Urbanization is a primary driver of the industry's growth. Bangladesh's urban population is growing at a rate of 3.12% annually (Trading Economics, 2024), leading to a construction boom across residential, commercial, and industrial sectors. According to industry estimates, the country's annual paint consumption now exceeds 180,000 tonnes (BlueQuark Research & Consulting, 2024), reflecting the growing demand for paints and coatings to support new construction projects and infrastructure development. Large-scale infrastructure projects such as the Padma Bridge, Dhaka Metro Rail, and Karnaphuli Tunnel have significantly increased the need for high-performance coatings to protect structures from environmental factors like corrosion and humidity. These projects not only stimulate demand but also emphasize the importance of coatings that offer durability and enhance structural aesthetics.



Parallel to urbanization, consumer preferences are shifting toward premium and eco-friendly products. As disposable incomes rise, particularly in urban areas, consumers are increasingly willing to invest in higher-quality paints that prioritize both performance and sustainability. Eco-friendly paints, characterized by low or zero volatile organic compound (VOC) emissions and the absence of hazardous materials like lead, are gaining traction. Companies such as Berger Paints Bangladesh and Asian Paints are leading the shift, offering low-VOC and lead-free products that cater to environmentally conscious consumers. This trend aligns with global movements toward sustainability and healthier living environments, indicating that Bangladeshi consumers are increasingly aware of the impact of their purchasing decisions on the environment.



Technological advancements in the global paint and coatings sector are reshaping the Bangladeshi market as well. Innovations such as smart coatings and nanotechnology are enabling manufacturers to create paints with enhanced functionalities, including self-cleaning, anti-bacterial, and temperature-regulating properties. These advanced products address specific needs in both residential and industrial applications, improving durability and offering added value to consumers. Additionally, efforts to reduce VOC content in paints are aligned with international environmental standards, helping manufacturers cater to the growing eco-conscious segment. Globally, the paint and coatings market is projected to grow at a compound annual growth rate (CAGR) of 7.9%, from USD 247.72 billion in 2023 to USD 267.22 billion in 2024 (Research and Markets Ltd-Paints and Coatings Global Market Report, 2024), reflecting the significance of technological innovation. This growth provides a roadmap for Bangladeshi manufacturers to leverage cutting-edge technology and expand their offerings to meet both local and international demand.



Regulatory measures introduced by the Bangladeshi government have also played a crucial role in shaping the industry. Policies aimed at reducing hazardous chemicals in paint formulations, such as lead and mercury, and promoting sustainable manufacturing practices have compelled manufacturers to innovate and adopt environmentally friendly production methods. These regulations are not only critical for safeguarding public health but also for ensuring the industry's alignment with global sustainability standards. For instance, the government's push to phase out lead from decorative paints has been a significant milestone, encouraging manufacturers to develop safer and more sustainable alternatives. While such regulations can pose challenges, especially for smaller manufacturers with limited resources, they have been instrumental in fostering a more sustainable industry landscape.

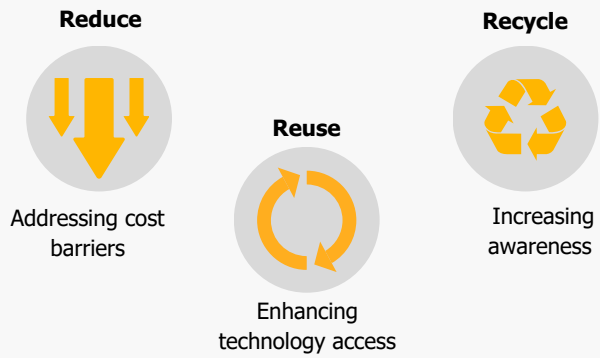
Global trends continue to influence local markets, particularly in the transition toward water-based paints. Water-based paints, which emit fewer harmful chemicals compared to solvent-based alternatives, are becoming increasingly popular among environmentally conscious consumers worldwide. This shift is prompting local manufacturers in Bangladesh to adjust their product lines to include more water-based options, ensuring they remain competitive in both domestic and international markets. The growing emphasis on sustainability in the global market is pushing Bangladeshi manufacturers to align their practices and products with international standards, creating opportunities for export and collaboration with global players.

The interplay of these factors underscores the industry's critical role in supporting Bangladesh's development while also highlighting the challenges and opportunities ahead. As the industry evolves, it must navigate the complexities of balancing growth with sustainability, innovation with cost efficiency, and local needs with global trends. By leveraging these drivers effectively, the paint and coatings industry in Bangladesh is well-positioned to play a pivotal role in the country's economic and environmental future.

SUSTAINABILITY AND ECO-FRIENDLY PRACTICES IN THE INDUSTRY

Sustainability in the paints and coatings industry refers to the development and application of products that minimize environmental impact, promote health safety, and ensure economic viability throughout their lifecycle. This encompasses the use of eco-friendly materials, adoption of green manufacturing processes, and the implementation of waste reduction strategies. In Bangladesh, the significance of sustainability in this sector has grown, driven by increasing environmental concerns, regulatory pressures, and a shift in consumer preferences towards greener products.

Water-based paints reduces air pollution and health risks due to low VOC content which is a key aspect of sustainable practices in the paint industry. Nippon Paint Bangladesh's Green Choice Series exemplifies this shift, offering water-based coatings with near-zero VOCs, free from added lead and mercury (Nippon Paint Bangladesh, 2024). Berger also have introduced ultra-low VOC and lead-free paints, which are eco-friendly and antibacterial, catering to the growing demand for sustainable products. Similarly, bio-based resins derived from renewable sources are being integrated into formulations to lessen dependence on fossil fuels. Lead-free pigments are also becoming standard, with companies like Elite Paint receiving Lead Safe Paint certification, underscoring their commitment to eliminating hazardous substances (IPEN, 2017). This initiative reflects their commitment to environmental preservation and public health. Additionally, the upcoming Paint Bangladesh 2025 event aims to accelerate sustainability by promoting environmentally and socially responsible practices within the industry (Paint Bangladesh, 2024).



Manufacturing innovations play a crucial role in enhancing sustainability within the industry. Implementing waste reduction techniques, such as the 3R (Reduce, Reuse, Recycle) principle, helps minimize environmental footprints. Asian Paints Bangladesh emphasizes preventing pollution by leveraging these principles and aims for zero industrial effluent generation and zero hazardous solid waste disposal (Asian Paints Bangladesh, 2024). Energy efficiency measures, including the adoption of renewable energy sources like solar power, are being pursued to reduce carbon emissions. Additionally, green technologies that minimize water usage and pollution are being integrated into production processes, aligning with global sustainability trends (Business Daily, 2024).

Despite these advancements, the industry faces challenges in fully embracing sustainable practices. The cost of eco-friendly materials and technologies can be prohibitive, especially for small and medium-sized enterprises. Access to advanced technology is often limited, hindering the widespread adoption of green manufacturing processes. Moreover, there is a need to raise awareness among consumers and industry stakeholders about the benefits of sustainable products to drive demand and justify investments in this area.

CHALLENGES IN THE PAINT AND COATINGS INDUSTRY

This industry has experienced significant growth, driven by rapid urbanization, infrastructural development, and rising disposable incomes. Despite this positive trajectory, the industry faces several challenges that could impede its sustainability and competitiveness.

Dependence on Imports: One of the most pressing issues is the high dependency on imported raw materials which is nearly 99% and is exposed to risks of currency fluctuations, dollar crises, and high customs duties. The sector relies heavily on imports for essential components like pigments, binders, and solvents, making it vulnerable to global supply chain disruptions and price volatility. This import dependency has been exacerbated by recent macroeconomic challenges, including inflation and rising import costs (OECD & United Nations Conference on Trade and Development, 2023).

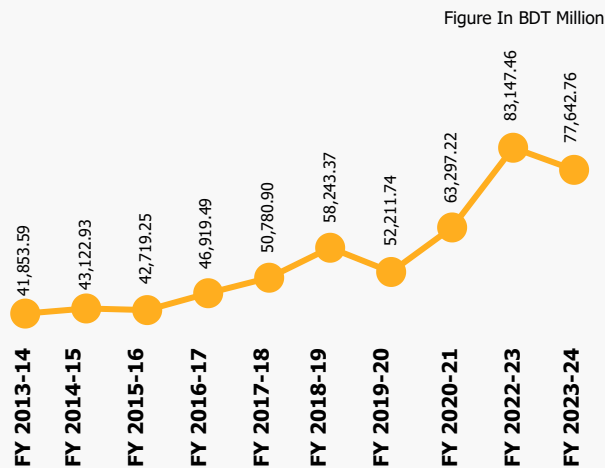


Raw materials imported

- Pigments
- Binders
- Solvents

The production trend of the paint and coating industry has increased over the years due to its use in different sectors. The production trend of some large-scale producers has increased over the years after COVID-19 (2020) and declined after the year 2021. The production has increased by almost 19% in August 2023 as compared to December 2022 (Ceicdata, 2023).

IMPORT OF PAINT IN BANGLADESH



As per import data for the last 10 years (Bangladesh Bank (Import Payments), 2023), the paint, varnish, tanning, and other dyeing materials have experienced a slight increase after the year 2020. Bangladesh’s manufacturing companies are still going for expansion and increasing production capacity.

Limited research and development (R&D): Another significant challenge is the limited research and development (R&D) capabilities within the country. Innovation is crucial for developing eco-friendly products and improving production processes (Evana Yasmin, 2022). The industry also faces intense competition from multinational corporations. These global players have established strong footholds in the Bangladeshi market, leveraging advanced technologies, extensive R&D, and significant marketing budgets. Local companies, in contrast, often lack the resources to compete on equal terms, leading to a gradual erosion of their market share.

Lack of Skilled Workforce: Multinational corporations operating in Bangladesh have the resources to invest in research and development (R&D), while local companies often face challenges due to financial constraints and a lack of technical expertise. This disparity hinders the overall ability of the industry to innovate and compete effectively, both domestically and internationally. Moreover, there is currently no paint technology program offered at the university or diploma level in Bangladesh, which limits the availability of skilled personnel (BPMA, 2024). As a result, local companies frequently struggle to attract experienced professionals, who tend to prefer higher-paying positions at multinational firms.

Rising Production Costs: The rising prices of fuel, gas, and electricity are increasing the costs of manufacturing. Additionally, an insufficient supply of gas and electricity forces manufacturers to rely on fuel-burning alternatives, which further drives up expenses. Moreover, advanced technology to eco-friendly products increases production costs and thus product price increases. Many consumers prioritize cost over environmental considerations, leading to a slower adoption rate of sustainable products. This lack of demand discourages manufacturers from investing in the development and marketing of eco-friendly paints, perpetuating the cycle of limited awareness and availability.

Customs and Bureaucratic Hurdles: Paint manufacturers in Bangladesh face significant challenges due to their heavy reliance on imported raw materials. The import process is often hindered by unnecessary delays, including repeated and costly testing requirements, and inconsistent classification of materials under HS codes. Additionally, certain essential raw materials for producing quality paints are restricted for direct import. These materials can only be imported in bulk quantities, which smaller manufacturers cannot meet, forcing them to rely on intermediaries. However, import restrictions on these intermediaries further exacerbate the issue, leaving small-scale manufacturers unable to access critical materials, leading to production halts. Moreover, customs frequently reassess imported materials at inflated prices, further driving up production costs and creating financial strain for the manufacturers.

Unregistered Manufacturers: Unregistered paint manufacturers in Bangladesh present a significant challenge to the industry. These manufacturers often fail to adhere to proper quality standards and production processes, resulting in adulterated and substandard products reaching the market. The use of such poor-quality paints not only damages consumer trust but also tarnishes the reputation of compliant local manufacturers. Additionally, these unregistered producers frequently disregard legal and regulatory requirements, allowing them to sell their inferior products at lower prices, thereby disrupting fair market competition and undermining the overall market integrity. To address this issue, the government should enforce stricter regulations, requiring all paint manufacturers to register with the relevant authorities or associations. This would ensure compliance with quality and legal standards, protecting consumers and supporting the growth of a healthy, competitive paint industry.

Addressing these challenges requires a multifaceted approach. Reducing import dependency through the development of local raw material production can help stabilize costs and reduce vulnerability to external shocks. Enhancing R&D capabilities, perhaps through government incentives or public-private partnerships, can foster innovation and the development of eco-friendly products. Increasing consumer awareness about the benefits of sustainable paints is also crucial. Educational campaigns and stricter regulations on hazardous substances and unregistered manufacturers can drive demand for quality, safer, environmentally friendly products. Finally, supporting local manufacturers through favorable policies and capacity-building initiatives can help them compete more effectively with multinational corporations.



OPPORTUNITIES FOR GROWTH AND INNOVATION

Key areas ripe for development include the rising demand for eco-friendly products, government incentives for sustainable manufacturing, export potential of environmentally friendly paints, collaborations for technology transfer, and increased investments in research and development (R&D).

Rising demand for eco-friendly products: Urban consumers in Bangladesh are becoming increasingly conscious of environmental issues, leading to a growing demand for eco-friendly products. This shift is evident in the paint industry, where companies are investing in the development of environment-friendly paints to meet consumer preferences.

Government Incentives for Sustainable Manufacturing: The Bangladeshi government has recognized the importance of sustainable industrial practices and has introduced policies to encourage eco-friendly manufacturing. The Industrial Policy of 2005 emphasizes incentives for research and development, acceptance, and transfer of environmentally friendly appropriate technology (Industrial Policy 2005). Additionally, the government offers policy incentives for environmentally green investments, outlining opportunities for technology-transfer partnerships and building manufacturing capacity. These measures aim to reduce environmental impact and promote sustainable growth within the industry.

Export Potential of Eco-Friendly Paints: Bangladesh's paint industry holds significant potential for exporting eco-friendly products to international markets. With the Asia-Pacific Paints and Coatings Market projected to reach USD 133.03 billion by 2030 (P&S Intelligence, 2024), there is a substantial opportunity for Bangladeshi manufacturers to capture a share by offering sustainable solutions. Establishing a reputation for high-quality, eco-friendly paints can open doors to markets in countries with stringent environmental regulations, thereby enhancing Bangladesh's export portfolio.

Collaborations with Global Players: Collaborations with global players present a strategic avenue for technology transfer and expertise acquisition. Such partnerships can facilitate the adoption of advanced manufacturing techniques, improve product quality, and enhance competitiveness. Engaging with international partners can also provide access to new markets and distribution networks, further driving growth.

Investments in R&D: Investments in R&D are crucial for fostering innovation and developing sustainable solutions within the paint industry. Allocating resources towards R&D can lead to the creation of products that meet evolving consumer demands and comply with environmental standards. By focusing on R&D, companies can enhance their product offerings, improve operational efficiency, and achieve long-term success.

REGULATORY FRAMEWORK AND COMPLIANCE

The regulatory framework of this industry is designed to ensure product safety, environmental protection, and sustainability of the industry. This framework encompasses national laws and policies, environmental standards, and compliance requirements, with oversight from government bodies and industry associations. Understanding these regulations is crucial for businesses aiming to operate effectively and responsibly within the Bangladeshi market.

In 2018, the Bangladesh Standards and Testing Institution (BSTI) established a mandatory standard limiting lead content in household paints to a maximum of 90 parts per million (ppm) (Ismail Hossain, 2018). This regulation positions Bangladesh alongside countries with stringent lead restrictions, reflecting a commitment to public health and environmental safety. Environmental standards in Bangladesh's paint industry are enforced through a combination of national policies and international guidelines. The Department of Environment (DoE) oversees compliance with environmental regulations, including waste management and emissions control. Manufacturers are required to implement proper waste disposal methods and minimize volatile organic compound (VOC) emissions to reduce environmental impact. Non-compliance can result in penalties, including fines and operational restrictions.

The government, in collaboration with industry associations, plays a pivotal role in promoting sustainability within the paint sector. Initiatives include providing incentives for adopting eco-friendly technologies and organizing awareness programs about sustainable practices. Additionally, industry leaders like Asian Paints Bangladesh have committed to exceeding statutory environmental, health, and safety (EHS) requirements, working in partnership with the government and industry associations for policy and regulatory reforms related to the environment (Asian Paints Bangladesh, 2024).

When compared to international standards, Bangladesh's regulations on lead content in paints are notably stringent. The 90 ppm limit aligns with global best practices, ensuring that local products can compete in international markets with strict safety standards. However, differences remain in other areas, such as VOC emissions and waste management practices, where international standards may be more comprehensive. Aligning local regulations with these global standards could enhance the competitiveness of Bangladeshi manufacturers and facilitate access to export markets.

RECOMMENDATIONS AND STRATEGIC DIRECTIONS

The paint and coatings industry in Bangladesh stands at a critical juncture, with sustainability emerging as a pivotal factor for future growth and competitiveness. To navigate this evolving landscape, industry stakeholders must adopt strategic measures that encompass eco-friendly practices, consumer awareness, technological investments, policy advocacy, and collaborative efforts.





STRATEGIC STEPS FOR LOCAL COMPANIES TO ADOPT ECO-FRIENDLY PRACTICES

Local paint manufacturers should prioritize the development and promotion of environmentally friendly products. For instance, companies like Berger Paints Bangladesh Limited are investing in such eco-friendly products to meet the growing demand for sustainable solutions. Implementing sustainable manufacturing processes is equally crucial. This involves adopting energy-efficient technologies, minimizing waste through recycling initiatives, and utilizing raw materials responsibly. By integrating these practices, companies can reduce their environmental footprint and align with global sustainability standards.

IMPORTANCE OF CONSUMER AWARENESS CAMPAIGNS AND TRAINING FOR SKILL DEVELOPMENT OF THE LABOUR FORCE

Educating consumers about the benefits of eco-friendly paints is essential for driving market demand. Awareness campaigns can highlight the health advantages of low-VOC and lead-free paints, as well as their positive environmental impact. Such initiatives can shift consumer preferences towards sustainable products, encouraging manufacturers to expand their eco-friendly offerings. Collaborations with environmental organizations and participation in industry exhibitions, like Paint Bangladesh 2025, can serve as platforms to disseminate information and engage with consumers directly (Paint Bangladesh, 2024). These events promote sustainable development and inspire responsible choices among both producers and consumers.

INVESTMENTS IN TECHNOLOGY AND PARTNERSHIPS TO MEET SUSTAINABILITY GOALS

Investing in advanced technologies is imperative for achieving sustainability objectives. Automation and digitalization can enhance production efficiency, reduce waste, and lower energy consumption. Additionally, research and development (R&D) focused on innovative materials and processes can lead to the creation of superior eco-friendly products.

Forming strategic partnerships with international firms can facilitate technology transfer and provide access to global best practices. Such collaborations enable local companies to stay competitive and meet international environmental standards, thereby opening avenues for export opportunities. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) emphasizes that adopting sustainable practices can help achieve goals like reduced carbon footprints and sustainable industrialization.

COLLABORATION AMONG INDUSTRY STAKEHOLDERS FOR A SHARED VISION OF GROWTH

Achieving sustainability in the paint industry requires a collective effort from all stakeholders, including manufacturers, suppliers, consumers, and regulatory bodies. Establishing industry associations dedicated to sustainability can facilitate the sharing of best practices, standard-setting, and advocacy for supportive policies. Regular dialogues and workshops can foster mutual understanding and cooperation among stakeholders. By working together, the industry can develop a cohesive strategy that balances economic growth with environmental responsibility, ensuring long-term success and sustainability.

POLICY RECOMMENDATIONS FOR THE GOVERNMENT TO PROMOTE SUSTAINABILITY

The government plays a pivotal role in steering the industry towards sustainability. Implementing policies that provide financial incentives, such as tax breaks or subsidies for eco-friendly initiatives, can motivate companies to adopt sustainable practices. Additionally, establishing stringent environmental regulations and ensuring their enforcement will compel manufacturers to comply with sustainability standards.

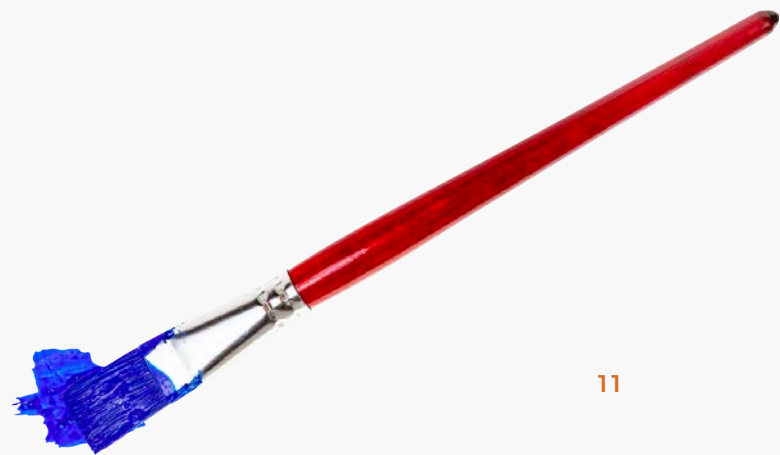
Investing in infrastructure that supports sustainable industrial activities, such as waste treatment facilities and renewable energy sources, is also crucial. Furthermore, integrating sustainability into national development agendas and collaborating with international organizations can provide the necessary framework and resources for green growth. The World Bank recommends creating a governance framework for greener growth and using a mix of incentives to boost environmental markets in Bangladesh.

CONCLUSION

Sustainability is no longer a choice but a necessity for the industry's future. Adopting eco-friendly practices, such as producing lead-free and low-VOC paints, investing in green manufacturing technologies, and adhering to stringent environmental standards, will ensure the industry's alignment with global best practices. These steps not only safeguard environmental and public health but also open doors to international markets and build consumer trust.

This report has highlighted key insights of Bangladesh's paint and coating industry and also its challenges that define the industry, ranging from its heavy reliance on imported raw materials and limited R&D capabilities to environmental and health concerns tied to traditional products. However, the industry also holds immense potential for growth through innovation, collaboration, and sustainability-focused strategies. Increasing demand for eco-friendly products, supportive government policies, export potential, and advancements in technology offer promising avenues for development.

It is now imperative for businesses, consumers, and regulators to work collectively toward achieving sustainability goals. Manufacturers must innovate and invest in greener solutions, while consumers should prioritize eco-friendly products to drive market demand. Regulators, on the other hand, need to enforce strict environmental standards and incentivize sustainable practices. By embracing a shared vision of growth and responsibility, the paint and coatings industry in Bangladesh can become a global leader in sustainable development, contributing to both economic prosperity and environmental preservation.





ECRL Thought

INFLATION SURGE AND ITS RIPPLE EFFECTS ON BUSINESS OPERATIONS IN BANGLADESH

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02

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Inflation is one of the most significant economic challenges facing Bangladesh today, with wide-reaching implications for businesses and consumers alike. In November 2024, the country's point-to-point inflation rate hit 11.38%, the highest in four months, according to the Bangladesh Bureau of Statistics (BBS). This surge, driven by steep increases in food and energy prices, has created a volatile environment for businesses struggling to maintain profitability while adapting to shifting consumer behaviors. Inflation is more than just an abstract economic concept; it directly affects production costs, operational expenses, and demand dynamics, creating a ripple effect that impacts nearly every sector of the economy.

The rise in food inflation, which reached 13.80% in November compared to 12.66% in October, has been a particularly severe challenge. Essential commodities such as rice, edible oil, and vegetables have seen sharp price hikes, exacerbated by supply chain disruptions and import dependencies. In rural areas, where food consumption comprises a larger share of household expenditure, this has led to a marked reduction in purchasing power. At the same time, global factors such as geopolitical tensions and disruptions in the energy market have compounded domestic inflationary pressures. For example, ongoing disputes over electricity imports from India's Adani Power have forced Bangladesh to increase its reliance on expensive domestic fuel oil, with fuel oil consumption for power generation rising by 47.8% in November 2024 alone.

Businesses are feeling the strain acutely as input costs soar. The manufacturing sector, which is heavily reliant on imported raw materials, has been particularly vulnerable. Fertilizer and seed prices have risen by 15% year-on-year, creating challenges for agribusinesses and food processors. Simultaneously, energy-intensive industries are grappling with higher fuel costs due to increased reliance on domestic power generation. These rising costs are not confined to production alone; operational expenses, including logistics and utilities, have also climbed sharply. Industrial electricity tariffs, for instance, have increased by 18% since mid-2024, further squeezing profit margins.

Labor costs have also been affected as employees demand higher wages to keep pace with rising living expenses. This has been particularly pronounced in the ready-made garments (RMG) sector, which accounts for 83% of Bangladesh's exports. Workers are reportedly seeking wage increases of up to 25%, adding to the challenges faced by employers in an industry already contending with declining global demand. Export data from November 2024 reveals a 4% year-on-year drop in RMG shipments, reflecting reduced orders from major markets such as the United States and Europe. These dual pressures of rising costs and falling revenues have forced many businesses to reevaluate their strategies, with some scaling back operations or delaying expansion plans.

Inflation's impact is not limited to the supply side; it also profoundly influences consumer behavior. As prices rise, households are forced to prioritize essential goods over discretionary spending. Retail sales data from November 2024 indicates a 7% decline in non-essential categories such as electronics and apparel, while demand for basic necessities like food and healthcare has remained robust. This shift has prompted businesses to adapt their offerings, with many introducing smaller package sizes or lower-cost alternatives to cater to budget-conscious consumers.

The divergence in spending patterns between urban and rural households has also become more pronounced, with rural areas experiencing sharper reductions in discretionary spending due to higher food inflation.

The banking and finance sectors are also grappling with the ripple effects of inflation. In an effort to control price levels, Bangladesh Bank has raised policy rates, increasing borrowing costs for businesses. This has had a particularly adverse impact on small and medium enterprises (SMEs), which often rely on affordable credit to finance operations. The average lending rate has risen by 2 percentage points in the latter half of 2024, making it more expensive for businesses to secure working capital. At the same time, inflation has eroded the real value of savings, prompting a shift in consumer preferences toward tangible assets such as gold and real estate.

The energy sector has been one of the hardest hit by inflationary pressures. Reduced electricity imports, coupled with rising global oil prices, have forced Bangladesh to rely more heavily on domestic fuel oil for power generation. This has significantly increased energy costs for industries and households alike. The ongoing dispute with Adani Power has highlighted the risks of over-reliance on a single supplier, underscoring the need for a more diversified energy portfolio. However, addressing these structural issues requires substantial investment and policy reforms, which may not yield immediate results.

Despite these challenges, many businesses are finding ways to adapt. Cost-cutting measures, such as automating processes and streamlining supply chains, have become increasingly common. Some companies are also renegotiating terms with suppliers and exploring local sourcing options to reduce dependency on imports. Meanwhile, the adoption of technology has accelerated, with businesses leveraging digital tools to enhance efficiency and reduce operational costs. For example, e-commerce platforms have reported a 12% increase in business-to-business transactions in November 2024, as companies seek to streamline procurement processes. Government policies have also played a crucial role in mitigating the impact of inflation. Subsidies on essential goods such as rice and cooking oil have provided some relief to consumers, though their effectiveness has been limited by supply chain inefficiencies. Import duty reductions on critical items have helped to stabilize prices, but the benefits have been offset by rising global costs. Monetary policy adjustments, including higher interest rates, have aimed to curb inflation by tightening the money supply. While these measures have shown some success in stabilizing price levels, they have also increased borrowing costs, creating additional challenges for businesses.

The future outlook for inflation in Bangladesh remains uncertain. While global factors such as geopolitical tensions and energy market disruptions are beyond the country's control, domestic policies can play a significant role in addressing structural challenges. Diversifying energy sources, improving supply chain efficiency, and investing in technology are key areas that require immediate attention. For businesses, navigating this complex landscape will require a combination of innovation, adaptability, and strategic planning. By leveraging these strengths, Bangladesh's business ecosystem can not only weather the current inflationary storm but also emerge more resilient in the long term.



Asking the Expert

**INTERVIEW WITH
MR. ARUN MITRA, GENERAL SECRETARY, BPMA
(BANGLADESH PAINT MANUFACTURERS' ASSOCIATION)**





Exclusive Interview with Mr. Arun Mitra, General Secretary, BPMA (Bangladesh Paint Manufacturers' Association)



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an independent house of risk assessment



Interviewed by Nabihatul Afrooz
Sr. Research Associate, ECRL

Meet the Expert

Arun Mitra is a distinguished figure in the Bangladeshi paint industry with over 32 years of experience. Currently serving as the General Secretary of the Bangladesh Paint Manufacturers' Association (BPMA) and as Head of Plant and Operations at Nippon Paint Bangladesh, Mr. Mitra has an in-depth understanding of the industry's operational and strategic dimensions. Under his stewardship, BPMA has spearheaded initiatives like eliminating lead from decorative paints and introducing mandatory quality standards, setting benchmarks for the local industry. In this exclusive interview, Mr. Mitra shares his insights into the challenges and opportunities facing Bangladesh's paint and coatings sector and lays out a vision for its future growth.

e The paint industry in Bangladesh is a critical contributor to infrastructure and real estate development, with a market size of BDT 6.25 billion and a 6% annual growth rate. However, it is also heavily reliant on imported raw materials and faces regulatory challenges. As the General Secretary of BPMA, could you elaborate on the current state of the industry and its key challenges?

Mr. Mitra:

Absolutely. The paint industry in Bangladesh is vibrant, with over 80 manufacturers. Of these, 36 are registered with BPMA, while the rest operate informally. The market is largely dominated by five multinational corporations (MNCs) that together hold 86% (approximately) of the market share—Berger alone commands 58.8%. Local brands, such as Elite Paints and Rainbow Paints, contribute significantly, but the competition is fierce.

A major challenge for the industry is its dependence on imported raw materials—99% of our requirements come from abroad. This dependency makes us vulnerable to international market fluctuations and local regulatory hurdles, including customs complexities and high import duties. For instance, essential chemicals like biocides, which are vital for maintaining paint quality, are heavily restricted. Small-scale manufacturers often struggle to meet the minimum import quantities required, limiting their ability to compete.

Additionally, production costs are escalating due to rising energy prices and irregular access to utilities like gas and electricity. The lack of local skilled manpower further compounds the problem, as we do not have dedicated paint technology programs at the university or vocational levels. Despite these challenges, the industry holds immense potential, especially with increasing demand from mega infrastructure projects.

e Mega projects like the Padma Bridge and the Rooppur Nuclear Power Plant are game changers for Bangladesh. However, we often see imported paints being used in such projects. Could you share your perspective on how local manufacturers can play a more significant role in these developments?

Mr. Mitra:

This is a significant issue. Mega projects in Bangladesh often rely on imported paints, bypassing local manufacturers who are capable of meeting the required standards. The government and contractors must prioritize local products to reduce dependency on imports and retain value within the country. Unfortunately, there is limited collaboration between project stakeholders and BPMA, despite our willingness to provide technical consultancy on selecting the best paints for infrastructure needs.

We've been advocating for the government to instruct contractors to use locally manufactured paints in mega projects. This would not only boost the local industry but also generate revenue for the government, as imports for these projects are often duty-free.

To strengthen our case, BPMA has worked closely with BSTI to establish mandatory quality standards for paints. These standards align with international benchmarks, ensuring that locally manufactured products meet global quality requirements.



e The industry's reliance on imported raw materials and regulatory challenges with customs seem to be recurring themes. Could you explain how these issues impact local manufacturers, particularly small-scale players?

Mr. Mitra:

The reliance on imports is indeed a significant challenge. Customs practices often create additional hurdles, such as frequent reclassification of imported materials and unjustified price loading during duty assessments. For example, if a manufacturer imports 100 metric tons of raw materials at a lower unit price due to bulk purchasing, customs may assess duties based on the higher price of smaller quantities. This practice increases costs unnecessarily.

Small manufacturers face even greater difficulties. Since they cannot meet the minimum order quantities for certain raw materials, they depend on local traders. However, restrictions on traders importing certain materials, like biocides, have disrupted supply chains, forcing many smaller players to shut down production.

BPMA has raised these issues with relevant authorities, but systemic change has been slow. We continue to push for fairer customs practices and the removal of the 5% supplementary duty on paints and primers, which adds unnecessary financial pressure on local producers.

e BPMA has been at the forefront of several initiatives, including eliminating lead from decorative paints and promoting eco-friendly practices. Could you elaborate on these achievements and their impact on the industry?

Mr. Mitra:

Our work in eliminating lead from decorative paints has been a landmark achievement. In collaboration with Eco-Social Development Organization (ESDO), we successfully transitioned to lead-free formulations, making Bangladesh the only country where such a standard is mandatory. This not only protects public health but also positions our industry as a global leader in sustainability.

BPMA has also partnered with BSTI to establish quality standards that are now mandatory for all local manufacturers. These standards ensure that products meet international quality parameters, boosting consumer confidence in Bangladeshi paints.

In addition, we've organized expos and training programs to introduce local manufacturers to modern technologies and sustainable practices. These initiatives have helped build awareness and capacity within the industry, encouraging manufacturers to adopt innovative and environmentally friendly solutions.

e Looking ahead, what steps must the industry take to overcome its challenges and achieve sustainable growth?

Mr. Mitra:

The future of the Bangladeshi paint industry depends on a combination of government support, technological adoption, and capacity building. First, the government must address policy bottlenecks, such as customs issues and the supplementary duty on paints, and prioritize the use of local products in national projects.

Second, local manufacturers need to modernize their operations by adopting advanced technologies like AI for color matching and process optimization. While these technologies are expensive, collaborations and shared resources could make them more accessible.

Third, we must invest in human capital by introducing paint technology programs at universities and technical institutions. A skilled workforce is essential for driving innovation and maintaining competitiveness.

Finally, local manufacturers must embrace corporate culture and focus on building efficient, professional management structures. This will enable them to compete with MNCs on a level playing field and tap into export markets.

e With all these initiatives and challenges in mind, what is your vision for BPMA and the industry?

Mr. Mitra:

My vision for BPMA is to empower local manufacturers to thrive in a competitive market while adhering to global standards. We aim to build a sustainable industry that contributes to the nation's development, supports eco-friendly practices, and fosters innovation.

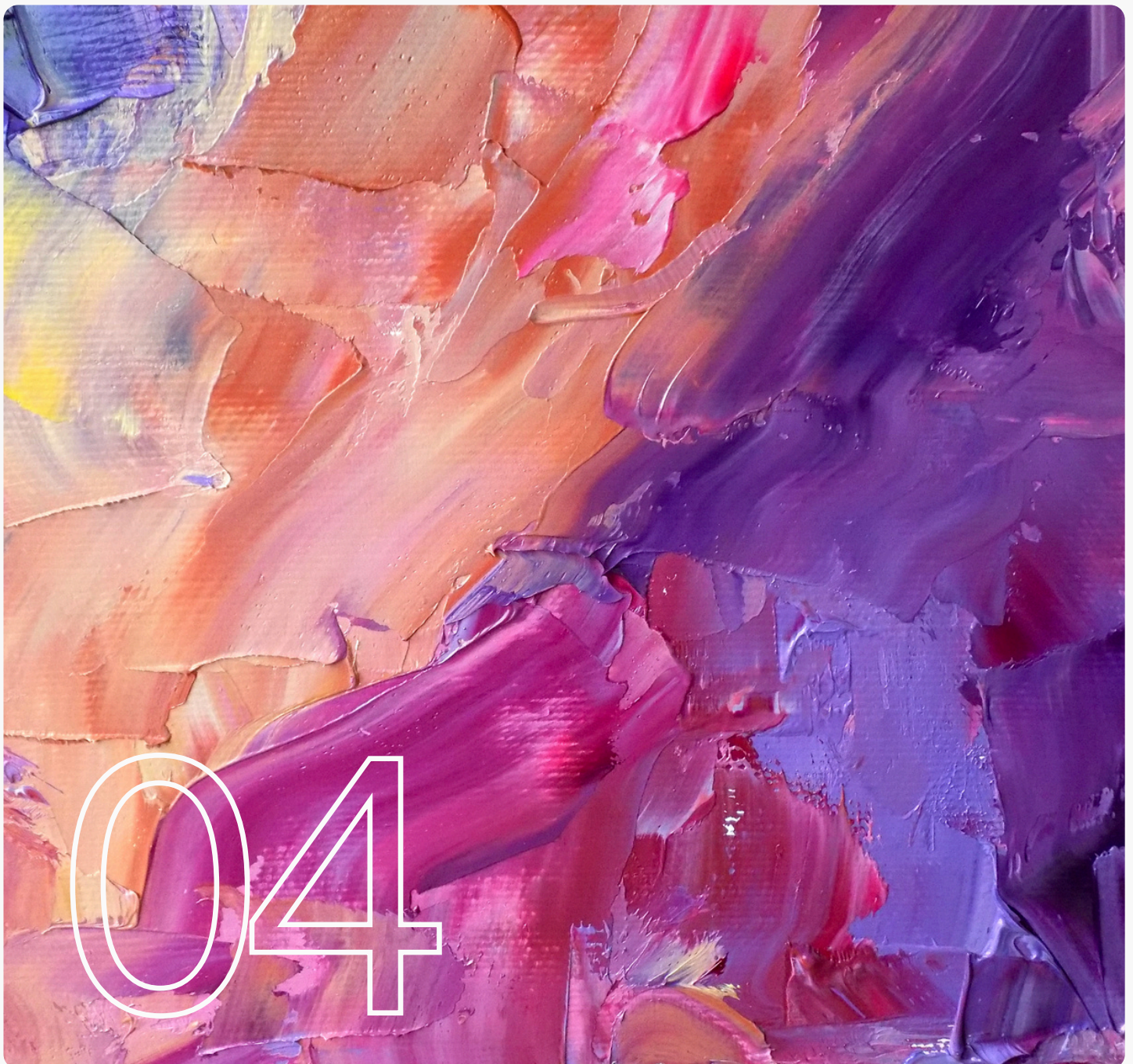
By addressing systemic issues and leveraging opportunities, I believe the Bangladeshi paint industry can achieve remarkable growth and become a significant player in the global market.





Stock Analysis

BERGER PAINTS BANGLADESH LIMITED

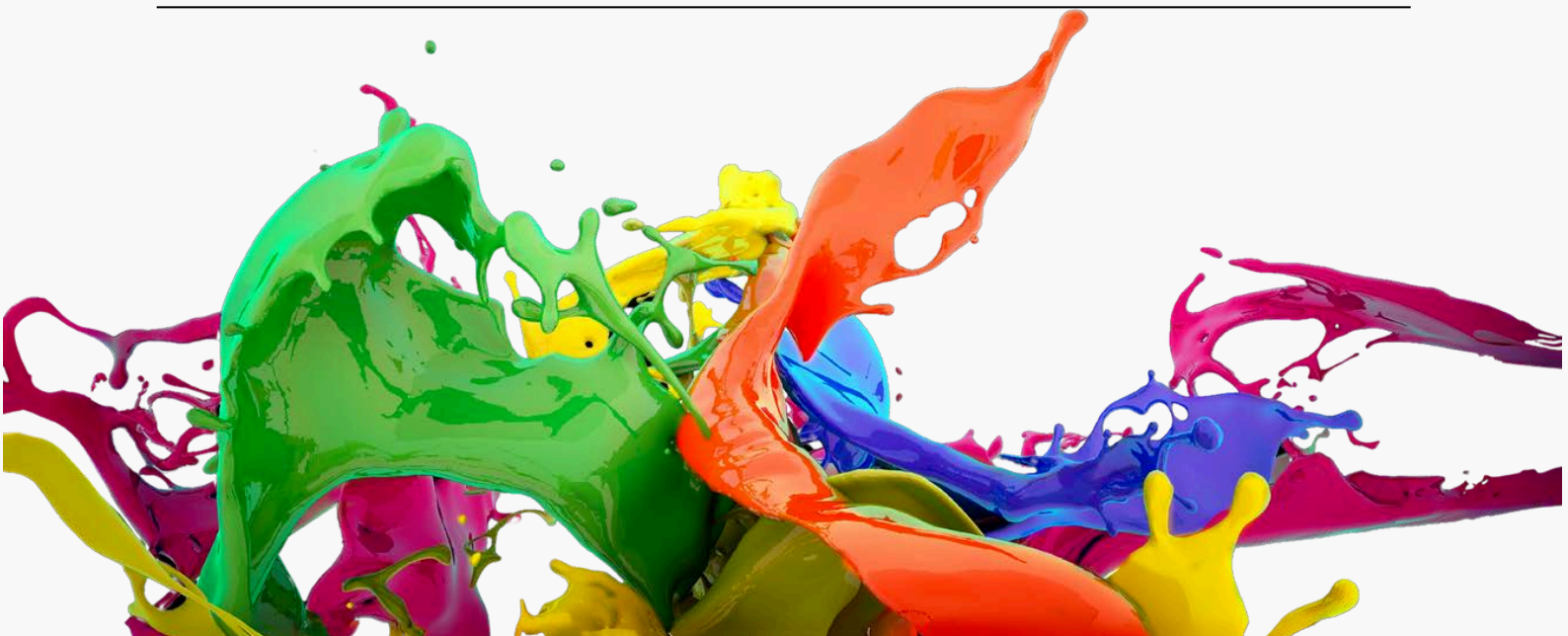


Company Business Overview

Aspect	Information
Name	Berger Paints Bangladesh Limited
Establishment	1973
Key Business Activity	The company specializes in manufacturing and marketing a wide range of liquid and non-liquid paints, varnishes, coatings, and related products for various industries and customer needs.
Sector	Miscellaneous
About the company	The company is a leading paint and coatings manufacturer in Bangladesh, offering a wide range of products, including outdoor paints, marine paints, odorless solutions, and industrial coatings. It also partners with Becker Industrial Coatings to produce coil coatings and has a significant production capacity for both liquid and non-liquid paints.

Stock Statistics

Stock Price	1809.30
Authorized Capital -BDT(mn)	1,000.00
Paid Up Capital -BDT(mn)	463.78
Total Shares	46,377,880
Market Capitalization -BDT(mn)	83,804.83
P/E (Interim) as on 18-Dec-2024	27.43
P/E (Audited) as on 18-Dec-2024	25.84
Market Category	A
Market Lot	1
Last Dividend Declaration Date	28-Jul-24
AGM Date	2-Oct-24
Credit Rating	"AAA" & "ST-1"
Number of shares outstanding	46,377,880
52 Weeks' Moving Range	1,610.00 - 2,000.00
CAGR of EPS in 2023 % (2019-2023)	7.5%
CAGR of NAV in 2023 % (2019-2023)	11.1%
Dividend Yield	2.80%
Free Float Share (%)	5.00%



Key Takeaways

Berger Paints Bangladesh Limited, established in 1973, is the leading paint and coatings manufacturer in Bangladesh, known for its diversified portfolio of innovative and high-quality products catering to industrial and individual needs. The company has maintained a strong market presence with partnerships like Becker Industrial Coatings for coil coatings and a significant production capacity. Berger's robust financial performance, steady earnings growth (CAGR of EPS at 7.52% from 2020-2024), and high NAV growth (11.07% CAGR) reflect its resilience and strategic adaptability in an evolving market.

At a stock price of BDT 1,809.30 and a P/E ratio of 25.84, Berger is fairly valued compared to its sector peers, given its consistent financial performance, AAA credit rating, and leadership in the Bangladeshi market. Its dividend yield of 2.80%, coupled with a strong growth trajectory, makes it an attractive choice for long-term investors seeking stability and reliable returns. Institutional investors and value-oriented retail investors looking to invest in a market leader with sustainable growth potential and a strong brand presence should consider this stock. Despite a limited free float (5%), the company's market credibility and strategic positioning ensure its continued appeal to investors.

Shareholding Position

The shareholding structure of Berger Paints Bangladesh Limited highlights key trends in investor confidence. From 2020 to 2024, sponsors and directors maintained their stake, showing long-term commitment and stable management. Institutional investors, however, increased their holdings, reflecting growing trust in the company's future. Known for their informed decisions, these investors add credibility and stability to the stock, signaling a positive outlook. Meanwhile, public shareholding declined, suggesting less interest from retail investors, who are often influenced by short-term trends. This shift toward institutional ownership indicates a maturing stock market in Bangladesh, where institutions are playing a larger role. The increased interest from institutional investors underlines Berger Paints' strong fundamentals and growth potential, making it a reliable choice for long-term investment.

Figure 1. Share Holding Position as of Jun 30, 2024

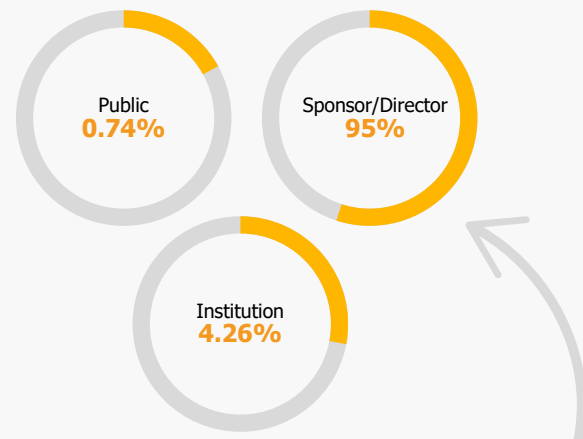
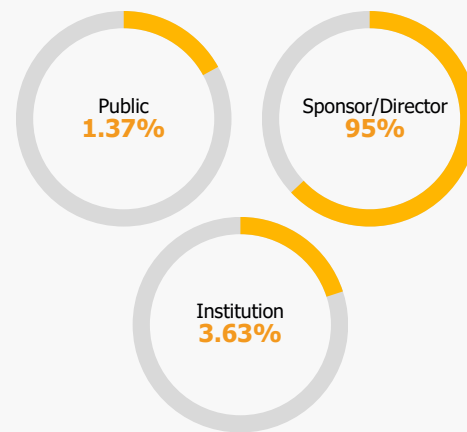


Figure 2. Share Holding Position as of Jun 30, 2020



Historical Financial Performance

In Bangladesh's evolving economic landscape, Berger Paints Bangladesh Limited's financial metrics reflect a company balancing growth with operational efficiency to sustain its market leadership. While total asset turnover slightly declined from 1.31 in 2021 to 1.295 in 2023, net fixed asset turnover showed a commendable improvement from 2.535 to 3.26, indicating better capital investment utilization. The steady growth in turnover, supported by effective asset management, underscores the company's adaptability amidst changing market conditions.

The operating cash flow to sales ratio has remained stable, highlighting efficient cash generation despite margin pressures. Notable improvements in receivable turnover and inventory processing periods indicate refined working capital strategies, which enhance liquidity and operational resilience. With a current ratio improving from 1.716 to 1.917 and financial leverage maintained at 1.54, Berger demonstrates a balanced approach to liquidity and leverage, ensuring short-term stability without overextending liabilities.

Profitability metrics provide further reassurance, as Berger's return on equity (ROE) remains strong at 23.2%, while return on assets (ROA) at 15.1% highlights efficient asset utilization. Though gross profit margin contracted over the years, consistent growth in profit after tax and strong cash flows underline the company's resilience and operational focus.





Overall, Berger Paints Bangladesh Limited showcases financial prudence, balancing profitability, liquidity, and efficiency. These efforts reflect the company's ability to adapt strategically and deliver sustainable growth, securing its position in Bangladesh's competitive paint industry while creating value for stakeholders.

Ratio	2023	2022	2021
Asset Management & Asset Quality			
Total Asset Turnover	1.295	1.31	1.029
Net Fixed Asset Turnover	3.26	3.04	2.535
Equity Turnover	1.996	2.105	1.567
Cash Flow & Capital Adequacy			
Operating Cash Flow to sales	0.133	0.132	0.197
Efficiency & Productivity & Capital Strength			
Receivable Turnover	11.805	11.186	9.279
Receivable Collection Period (Days)	30.919	32.629	39.336
Inventory Turnover	3.838	3.093	3.009
Inventory Processing Period (Days)	95.107	118.017	121.32

Liquidity & Leverage			
Current Ratio	1.917	1.716	2.01
Quick Ratio	1.161	0.885	1.32
Cash Ratio	0.617	0.435	0.851
Financial Leverage	1.541	1.607	1.522
Interest Coverage	183.322	51.161	99.13

Profitability & Investment Return			
Gross Profit Margin	30%	35%	40%
Operating Profit Margin	16%	18%	22%
EBITDA Margin	15%	18%	21%
Net Profit Margin	12%	13%	16%
Return on Equity (ROE)	23%	28%	25%
Return on Assets (ROA)	15%	17%	16%

Particulars	2023	CAGR
Balance Sheet		
Total Assets	20,000,834,000.00	15.84%
Total Equity	12,975,501,000.00	14.52%
Total Current Liabilities	12,055,939,000.00	16.81%
Total non-current liabilities	737,895,000.00	18.99%
Income Statement		
Turnover	25,898,700,000.00	9.39%
Gross Profit	7,653,134,000.00	0.39%
Profit After Tax	3,010,449,000.00	10.98%
Cash Flow Statement		
Net Cash from Operating Activities	3,445,930,000.00	18.60%

Financial Highlights

Figure 3. Earning Per Share

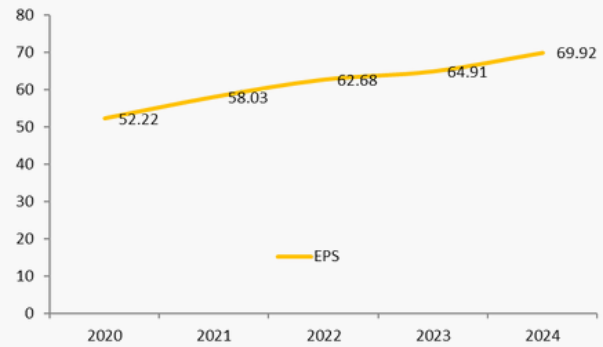


Figure 4. Dividend %

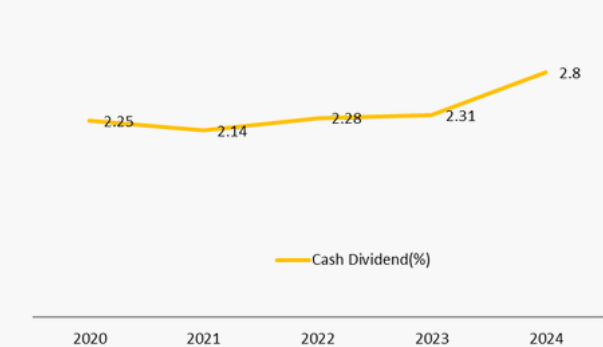


Figure 5. Net Asset Value

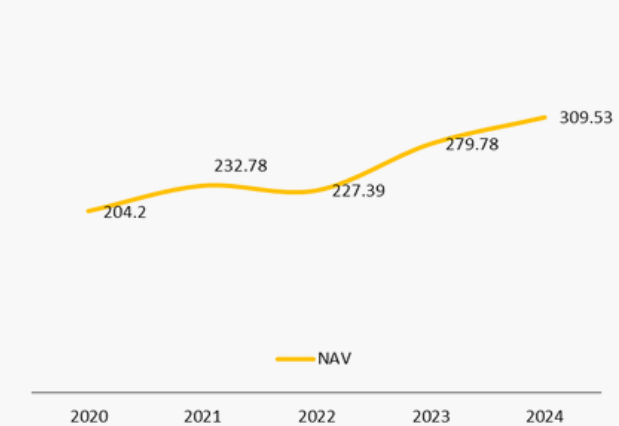


Figure 6. Revenue





DR. JAMALUDDIN AHMED, FCA

Chairman

Dr. Jamaluddin Ahmed is one of the sponsor directors of Emerging Credit Rating Ltd. (ECRL). He is also the Chairman of the company. Professionally a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1990; he has been awarded PhD in Accounting from Cardiff Business School, University of Wales, under Commonwealth Scholarship in 1996, and secured First Class in Masters Degree and Bachelors with Honours from Accounting Department of Dhaka University.

He has many years of experience in the financial sector of Bangladesh and has used his expertise and experience to carry out numerous research work and publications. He is the Audit Engagement Partner of 10 banks and leasing companies, 4 energy companies, 10 listed non-bank companies, and a tax advisor for many local and multinational companies. He also performs the following responsibilities:

- The Board of Directors of Janata Bank Limited (2008-2013), Essential Drugs Limited, Power Grid Company of Bangladesh Limited.
- The Chairman of the Board Audit Committee of Janata Bank Limited (2008-2013) and Power Grid Company of Bangladesh Limited.
- The Member of the Board of Directors and Chairman of the Audit Committee of Grameen Phone Limited, Advisor to the Board and Audit Committee of Bangladesh Bank.
- Previously He had been the representative of ICAB to the Board of Dhaka WASA, Dhaka Stock Exchange Ltd., Consultative Committee at the Security and Exchange Commission, Bangladesh Telecommunication Company Limited.
- From 1999 to 2013 he was a partner at Hoda Vasi Chowdhury & Co., An Independent Firm of Deloitte Touche & Tohmatsu. He has taken several training courses in the power and energy sector and has completed assignments at numerous banks.

MR. N K A MOBIN, FCS, FCA

Executive President

Mr. N K A Mobin is a veteran businessman and skilled in a broad range of trade ventures. He is one of the 4 sponsor Directors of the Emerging Credit Rating Ltd, the eminent credit rating agency in Bangladesh. Mr. Mobin has completed his Bachelor of Business Administration & Master of Business Administration from the University of Dhaka majoring in Finance with first class results. He has been a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) & Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) since 1992 & 1998, respectively. He is also a Member of the Institute of Financial Consultants (IFC) of the USA since 2002.

Mr. Mobin has working experience of more than 34 years in different corporate arenas financial management systems including the budgeting and reporting system, Tax management and optimization in tax expenses, involved in different projects cost optimization/efficiency and revenue maximization areas, etc. He has been Director of Projects and administration Director Finance and Company Secretary in Grameenphone Ltd. (GP). He has also been the Director of Finance and Company Secretary at Novartis (Bangladesh) Limited. He also performs the following responsibilities:

- People's Leasing and Financial Services Limited – Court appointed as the Director of People's Leasing and Financial Services Limited.
- Dhaka Chamber of Commerce and Industry (DCCI) – Appointed as one of the Board members for 2020-2022 and Senior Vice President for 2021.
- Institute of Chartered Accountants of Bangladesh (ICAB) – Elected Council member for 2019-21 and Ex-Vice President (Education and Examination) for 2019.
- Unique Hotel And Resort - Appointed as the Independent Director of Unique Hotel And Resort

MR. ARIFUR RAHMAN, FCCA, FCA, CSAA

Chief Executive Officer (CEO)

Mr. Arifur Rahman is a dynamic professional representing the Emerging Credit Rating Limited as the Chief Executive Officer (CEO), the distinguished credit rating agency in Bangladesh. He has completed his B.Sc. (Hons) in Civil Engineering with first class result from Bangladesh University of Engineering & Technology (BUET) and also completed BSc (Hons) achieving higher second class honors (2:1) in Applied Accounting from Oxford Brookes University.

Mr. Rahman has 21 years of expertise in the various sectors like Civil Engineering, Auditing, Financial Consultancy, Feasibility Studies, and Tax Advisory and Planning etc. He is also a Certified Sharia Adviser & Auditor (CSAA). He is actively involved in taking charge of the technical and organizational interests and advising the company in articulating current business strategies as well as future growth potentials. He is responsible to administer different departments and plays an important role in taking the managerial and operational decisions of the organization. Mr. Rahman is also the Fellow Member of the Association of Chartered Certified Accountant. Mr. Rahman is qualified as a chartered accountant from the institute of the Institute of Chartered Accountants of Bangladesh (ICAB).



About ECRL

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinions in various industry segments around Bangladesh. ECRL obtained a credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996 and also received Bangladesh Bank Recognition as an External Credit Assessment Institution (ECAI) in October 2010 to do the rating of Banks, Financial Institutions and their borrowers and also from Insurance Development & Regulatory Authority (IDRA) in 2015 to do the rating of Insurance Companies & affiliated with Malaysian Rating Corporation Berhad.

Emerging Credit Rating Limited's team is oriented towards the continuous improvement of processes, striving for an important role in the leadership of the business world. Every individual in ECRL is committed to providing topmost ingenious Credit Rating Services and Comprehensive Research Services in Bangladesh. ECRL's rating services and solutions reflect independence, professionalism, transparency, and impartial opinions, which assist businesses in enhancing the quality of their decisions and helping issuers access a broader investor base and even smaller known companies approach the money and capital markets. The Credit Rating process is an informed, well-researched and intended opinion of rating agencies on the creditworthiness of issuers or issues in terms of their/ its ability and willingness to discharge its financial obligations in a timely manner. Issuers, lenders, fixed-income investors use these risk assessments for the purpose of lending to or investment in a corporation (such as a financial institution, an insurance company, a non-banking corporation or a corporate entity) as well as evaluating the risk of default of an organization's financial obligations in terms of loan or debt.

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ECRL Research provides insights, opinions, and analysis on Bangladesh and International Economies. ECRL Research conducts surveys and produces working papers and reports on Bangladesh's different socio-economic issues, industries, and capital market. It also provides training programs to professionals from financial and economic sectors on a wide array of technical issues.

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