

| STOCKS   |           | COMMODITIES |              | ASIAN MARKETS |           |           |          | CURRENCIES    |        |        |       |
|----------|-----------|-------------|--------------|---------------|-----------|-----------|----------|---------------|--------|--------|-------|
| DSEX     | CSCX      | Gold        | Oil          | MUMBAI        | TOKYO     | SINGAPORE | SHANGHAI | USD           | EUR    | GBP    | CNY   |
| ▲ 1.50%  | ▲ 1.66%   | \$1,845.11  | \$55.42      | ▲ 1.00%       | ▲ 2.36%   | ▼ 0.31%   | ▼ 1.08%  | BUY TK 83.95  | 101.12 | 112.41 | 12.74 |
| 5,718.75 | 10,045.55 | (per ounce) | (per barrel) | 49,269.32     | 28,139.03 | 2,983.90  | 3,531.50 | SELL TK 84.95 | 104.92 | 116.21 | 13.40 |



# Star BUSINESS

DHAKA TUESDAY JANUARY 12, 2021, POUISH 28, 1427 BS • starbusiness@thedailystar.net

## Rising cotton prices take toll on apparel makers

REFAYET ULLAH MIRDHA

A rise in international cotton prices has had a ripple effect on local yarn, affecting garment shipments, especially of knitwear, during the ongoing coronavirus pandemic.

The widely consumed 30-carded yarn is now selling for \$3.60 to \$3.75 per kilogramme (kg) whereas it was \$2.60 to \$2.80 two months ago, according to knitwear manufacturers and suppliers.

On the other hand, between July last year and January this year, international cotton prices went up nearly 28.60 per cent.

In July, New York futures market was trading every pound of it in the range of 63 cents to 63.30 cents. However, yesterday it was ranging between 79 cents and 80.25 cents per pound.

Local spinners, traders, millers and consumers import cotton from the futures markets placing booking in advance as local growers can merely supply 2.50 per cent of the annual requirement of 75 lakh bales (one bale equals 480 pounds).

Charges for its transport to the mills adds to the local importers' costs, which also has an impact on yarn prices.

Cotton prices have gone up



### AT A GLANCE

Rising yarn prices affecting apparel shipment  
Cotton prices soared **28.6%** in int'l markets during Jul-Jan  
Global cotton prices rose due to higher imports by China  
Local cotton growers can supply **2.5%** of the **75** lakh bales required per year

in international markets mainly for increased imports by China, the largest consumer worldwide, because of a recovery trending among businesses.

Moreover, China and Pakistan, despite themselves being major

producers, have increased their import targets because of high prices prevailing in China and lower production in Pakistan.

This year, China has targeted to import an additional 5 lakh bales to take the total to 1,000 lakh bales

to tame its local market.

Similarly, Pakistan aims to import an additional 4 lakh bales, according to data from a United States Department of Agriculture (USDA) report.

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## Take immediate steps against Uttara Finance scamsters

Two former governors say

AKM ZAMIR UDDIN

The central bank should take legal steps immediately against the scamsters who embezzled Tk 5,100 crore from Uttara Finance and Investment Ltd (UFIL) to protect the interest of depositors, two former governors said.

"The central bank should give its utmost importance to protect the depositors from the plunderers," said Salehuddin Ahmed, a former governor of the central bank.

An administrator should be appointed at UFIL in the quickest possible time and declare a deposit scheme for the depositors, he said.

Mohammed Farashuddin, another former governor, said the central bank should take prompt action to protect the depositors by appointing an administrator and dissolving the board of directors.

"There is no scope to waste time as this will help money plunderers launder the money."

In many cases in the past, the central bank delayed in taking actions, which helped delinquent borrowers embezzle money, he said.

Ahmed and Farashuddin also lambasted the central bank higher-ups for their failure to monitor UFIL, which helped the scamsters siphon off the money since 2013.

Their fury came after a central bank probe found that the board and management of UFIL committed irregularities involving Tk 5,100 crore.

Although the central bank had completed the investigation in November 25 last year, it is yet to take any punitive action against the wrong-doers although UFIL admitted the irregularities.

On December 1, the central bank asked UFIL to come up with explanations for the irregularities.

In response, UFIL Managing Director SM Shamsul Arefin wrote a letter to the BB on January 5 where he confessed to the irregularities.

READ MORE ON B3

## Cement companies see profit rise in Q1 despite pandemic

AHSAN HABIB and JAGARAN CHAKMA

Most listed cement makers witnessed higher profits in the July-September quarter last year thanks to an increase in demand from the construction sector amid the ongoing coronavirus pandemic.

Among the seven listed cement makers, four saw a rise in profits, one a fall, another a reduction of losses and the last an increase in losses.

Government development projects helped the cement makers stay afloat in the first few days of the quarter, when the private sector was yet to resume any construction, according to cement makers.

On the other hand, the companies that digitalised their systems fared quite well.

"Our efforts on health, cost, and cash have ensured that we stay focused during the crisis, while our fast progress on digitalisation helped us be effective in the marketplace," said Rajesh Kumar Surana, CEO and country representative of LafargeHolcim Bangladesh.

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JAGARAN CHAKMA

The local market has emerged as a saviour for ceramics makers as the recovery in construction activities pushed up demand, helping manufacturers make a turnaround from the pandemic-induced losses amid a consistent fall in exports.

The relief came in the last three months of 2020 after domestic sales rebounded, allowing them to recover from the loss incurred in the initial months of the countrywide lockdown.

"The sector started to pick up from June after the demand for sanitary and tile items from the housing and construction sectors rose," said Abu Jubaid Mohammad Rassel, senior marketing manager at Akij Ceramics.

MA Jabbar, managing director of DBL Ceramics, said the business scenario might have improved but it was yet to regain its previous momentum and therefore, uncertainty remains.

"The year that just ended was a challenging one not just for the ceramic industry, but for the

## Local demand saves the day for ceramics makers



### INDUSTRY SNAPSHOT

Sanitaryware and tiles segments could recover from losses in 2020

But tableware sales dropped **40%**

Exports downturn continues

Demand for ceramics products increased **20%** annually during the last **10** years except 2020

Market size Tk **35,000** crore

Sector meets **85%** of local demand



whole world," he added.

Ceramic manufacturers in Bangladesh mainly produce three types of product: tiles, tableware and sanitary ware.

Of the 68 ceramic manufacturers currently operating, 20 produce tableware, 32 make tiles, and the rest 16 produce sanitary ware.

The sanitary ware and tiles segments made a turnaround in

July to October and reached the pre-pandemic level.

"The sanitary ware segment is necessary as household items, and there is no way to avoid replacement and installation," Rassel said.

An additional 10 per cent customs duty on the import of foreign tiles and sanitary wares that was slapped this fiscal

year helped the sector recover immediately, he said.

Not all manufacturers resumed operations just after the partial lifting of the lockdown in June.

"Those who showed courage and resumed operations were gainers," he added.

Ceramic exports, however, did not fare well even before the pandemic.

In the last fiscal year, ceramic exports dipped 59 per cent year-on-year to \$28 million, data from the Export Promotion Bureau (EPB) showed.

Ceramic exports fell 16 per cent year-on-year to \$15 million in the July-December period of the current fiscal year.

Ceramics were exported to more than 50 destinations, including the US, the UK, Canada and a few EU and Latin American countries.

"It will take until at least March for things to return to normalcy. Then export orders and domestic demand will go up," said Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

The tableware segment witnessed at least 40 per cent business fall in 2020 as demand fell in both domestic and international markets.

Customers treated tableware as luxury items, so business was slow. The corporate order in 2020 was almost zero, he said.

READ MORE ON B3

## Liner sets off Thursday pioneering Ctg-Saint Martin's route



STAFF CORRESPONDENT, Chattogram

Ushering in a new era for tourism transport, Bay One is all set to cast off on Thursday pioneering the Chattogram-Cox's Bazar-Saint Martin's island route.

With return ticket prices ranging from Tk 3,000 to Tk 50,000, the 450 feet long and 55 feet wide ship offers 2,000 cabin accommodations, including presidential suites, bunk beds and twin bed cabins alongside economy chairs.

According to its weekly schedule, the vessel will leave the Patenga water bus terminal at 11:00pm every Thursday, Friday and Saturday to reach the coral isle at 7:00am.

It will set off from the island at 1:00pm every Friday, Saturday and Sunday to reach Chattogram's Patenga at 8:00pm. The ship has a top speed of 24 nautical miles or 44 kilometres per hour.

Officials say 17 mariners would sail the ship while a roughly 150-member crew would be engaged in catering services to passengers.

READ MORE ON B3

## Aziz Pipes suspends production for lack of funds

The loan defaulter could not buy raw materials

AHSAN HABIB

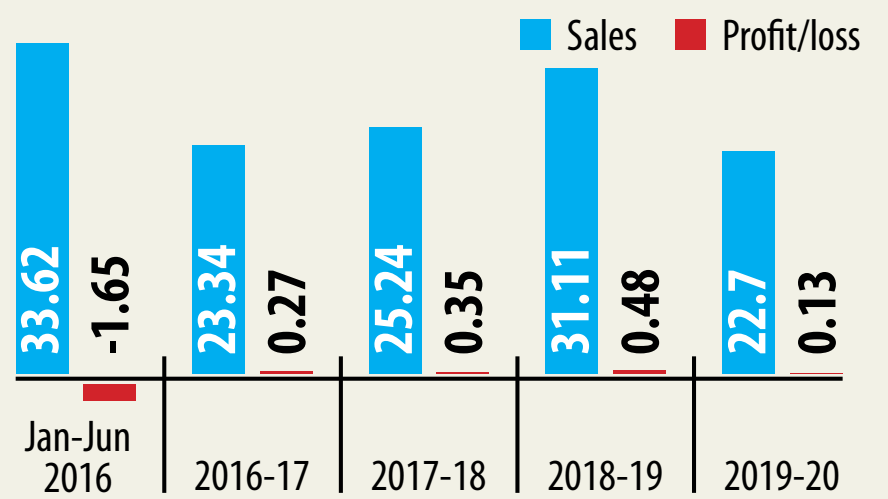
Aziz Pipes, a listed PVC product maker, has suspended production for a temporary period as it could not buy raw materials because of a shortage of funds.

"Our supplier did not deliver PVC resin, the main raw material, on time due to Covid-19," the company said in a filing on the Dhaka Stock Exchange (DSE) website yesterday.

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### SALES AND PROFIT/LOSS OF AZIZ PIPES

In crore taka; SOURCE: ANNUAL REPORTS



With return ticket prices ranging from Tk 3,000 to Tk 50,000, the ship offers 2,000 cabin accommodations, including presidential suites, bunk beds, twin bed cabins and chairs.

STAR



**Md Nazmul Hassan, chairman of Islami Bank Bangladesh, speaks at the inauguration of a two-day business development conference of the bank at Pan Pacific Sonargaon Dhaka on Saturday. Mohammed Monirul Moula, managing director, was present.**



**ABM Mokammel Hoque Chowdhury, managing director of Union Bank, opens the bank's branch at Goalabazar area of Osmani Nagar in Sylhet through a digital platform.**



**Tarique Afzal, managing director of AB Bank, launches product AB Nishchinto, which offers life insurance coverage of up to Tk 80 lakh from MetLife.**



**Mahir Ali Khan Ratul, vice chairman of Rupayan Group, receives a memento from Sayem Sobhan Anvir, managing director of Bashundhara Group, on the former becoming president of the Indian Importers Chamber of Commerce and Industry at an event at The Westin Dhaka on Sunday.**



**Anand Singh, country manager of Godrej Bangladesh, unveils Godrej No 1 75gm Soap in Bangladesh at Fars Hotel in Dhaka.**



**Wither, brand manager at OPPO Bangladesh, and actress Sabila Nur attend the launch of OPPO Reno5 in Dhaka recently. Priced at Tk 35,990, the device comes with a 64MP quadcam.**



**Mohammed Mahtabur Rahman, chairman of NRB Bank, cuts a cake to launch Bangla QR payments through NRB Click, its mobile banking app, at the bank's corporate head office on Sunday.**

## Asia markets mixed, dollar rises as Biden pledges huge stimulus

AFP, Hong Kong

Asian markets were mixed Monday as traders struggled to track another record performance on Wall Street, though investors remain broadly upbeat on the prospect of a further massive stimulus for the US economy, with President-elect Joe Biden calling for a spending spree in the trillions of dollars.

With vaccines being rolled out around the world and key risk events including the US election, Georgia senate runoffs and Brexit now out of the way, observers said focus is now on the expected global recovery from last year's economic catastrophe.

The need for more financial help for the world's top economy was laid

out Friday with data showing 140,000 people lost their jobs in December -- the first fall since April -- as virus infections and deaths surged across the country.

Biden, who will be sworn in as president on January 20, said he would press for a new rescue package that includes \$2,000 direct payments to taxpayers and help for small businesses. "The price tag will be high," he warned as he promised to lay out his proposals Thursday. "It will be in the trillions of dollars." "He added: "If we don't act now, things are going to get much worse and harder to get out of a hole later. "Investors welcomed the prospect of another spending splurge that will

provide a huge boost to the economy, coupled with Federal Reserve financial support and record low rates for the foreseeable future.

The dollar extended gains across the board, and was sitting at a three-week peak against the yen.

Wall Street's three main indexes all finished last week at all-time highs, but Asia struggled to push on.

Hong Kong, Mumbai, Taipei, Manila, Jakarta and Bangkok were all up but Shanghai, Sydney, Singapore and Wellington fell, while Seoul was also lower despite a rally in market heavyweight Samsung that was fuelled by reports it is in talks with US giant Intel over making some of its best chips.

## Opec crude output cuts should help US shale profits in 2021

REUTERS, Houston

A decision by Opec and allied countries to cut crude production through March delivered a late Christmas present for US shale firms that have slashed costs, but any rise in prices spurred by the unexpected move may be just a modest stocking stuffer.

US crude oil production has fallen 2 million barrels per day in the last year as low prices and demand forced shale producers to cut their losses. Investors had already been pressuring the industry to curb spending and boost returns before the pandemic hit. Shale output was quickly cut, but might return quickly if prices keep rising.

On Tuesday, Saudi Arabia, the world's biggest oil exporter, said it would voluntarily reduce its production by 1 million barrels per day (bpd) in February and March, after Russia pushed to increase output, worried about US shale capitalizing on the group's cuts. Russia and Kazakhstan will



**A 3D printed oil pump jack is seen in front of displayed Opec logo in this illustration picture.**

increase their output, reluctant to cede market share to the United States. Overall, OPEC+ had been due to restore 500,000 bpd in each of the two months. Saudi officials were concerned new increases would outpace demand during new

coronavirus lockdowns. Prices for West Texas Intermediate on Friday topped \$52 per barrel, and the 12-month futures' price, which producers use to plan spending on new wells, hit \$51.37 a barrel, up from \$44.63 at the start of December.

Government of the People's Republic of Bangladesh  
Office of the Quality Assurance Manager  
Quality Control Lab  
Department of Fisheries, Dhaka.

Memo No: 33.02.0000.314.22.125.16-77 Date: 11.01.2021

**Invitation for Tender (Goods)**  
**e-Tendering Notice No: 01/2020-2021**

e-Tender is invited in the national e-GP system portal (<http://www.eprocure.gov.bd>) for the procurement of following goods, details are given below.

| Sl. # | Tender ID #                            | Package # | Name of works and location  | Tender last selling (date & time) | Tender closing (date & time) | Tender Opening (date & time) |
|-------|--|-----------|---|-----------------------------------|------------------------------|------------------------------|
| 01.   | 535082,<br>33.02.0000.314.22.121.21-75 | GOF 4     | Procurement of spare parts of ICP-MS for Quality Control Lab, Dhaka.      | 31-Jan-2021, 15:00                | 01-Feb-2021, 14:00           | 01-Feb-2021, 14:00           |
| 02.   | 535128,<br>33.02.0000.314.22.121.21-76 | GOF 6     | Procurement of Microwave Digestion system for Quality Control Lab, Dhaka. | 31-Jan-2021, 15:00                | 01-Feb-2021, 14:00           | 01-Feb-2021, 14:00           |

This is an online Tender, where only e-Tender will be accepted in the National e-GP portal and no off line/hard copies will be accepted. To submit e-Tender, registration in the National e-GP system portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP system portal have to be deposited online through any registered Banks branches up to 31-Jan-2021,15:00. Further information and guideline are available in the National e-GP system portal and e-GP help desk ([helpdesk@procure.gov.bd](mailto:helpdesk@procure.gov.bd)).

**গণপ্রজাতন্ত্রী বাংলাদেশ**  
11.01.2021  
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Quality Assurance Manager  
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## More SME research to diversify exports: commerce minister

STAR BUSINESS DESK

More research is required for export diversification leveraging small and medium enterprises, which are the lifeline of Bangladesh's economy contributing about 26 per cent to the GDP, said Commerce Minister Tipu Munshi yesterday.

"The global economic dimension has changed a lot. In order to sustain ourselves in the international market with an access of diversified exports, we need to conduct more institutional research," he said.

Munshi's comments came during a courtesy call by newly elected Dhaka Chamber of Commerce & Industry (DCCI) President Rizwan Rahman at his secretariat office in Dhaka.

Moreover, to be more competitive in the export market, the government will support all sectors which have the potential and the DCCI will get the ministry's all-out support in the greater interest of the economy, he said.

He requested the DCCI president to forward the business community's recommendations and all that was necessary for government consideration.

Rahman requested all export-oriented sectors be granted the same fiscal and non-fiscal facilities enjoyed by the garment sector keeping in mind Bangladesh's status graduation to a developing country.

In the post-Brexit era, the government can undertake initiatives for signing free trade agreements with the UK, he added.

The DCCI president also requested reconsidering a clause in the companies act limiting capital to Tk 25 lakh and sales transaction value to Tk 1 crore when registering a one person company.

He also put emphasis on formulating a comprehensive trade policy to boost export diversification.

He said businesses were still struggling with the pandemic challenges and require an extension of both moratorium and repayment period for loans under the government stimulus package, according to a statement.

DCCI Senior Vice President NKA Mobin and Vice President Monwar Hossain were also present.

## More talks needed to boost trade with India

FROM PAGE B4

In fiscal 2019-2020, Bangladesh exported goods worth \$1.09 billion and imported goods worth \$5.77 billion, the data from the commerce ministry shows.

Although India has allowed duty-free access for all Bangladeshi goods, except some 25 alcoholic beverages, the exporters cannot utilise the benefit due to some non-tariff barriers.

For instance, the acceptance of mutual certification on the export of food items is still on a very limited scale. As a result, the volume of food items exported to Indian markets is very low.

Besides, the local jute goods exporters have been facing challenges to make shipments to Indian markets because of the anti-dumping duty imposed on the imports of Bangladeshi jute goods.

There are many other non-tariff barriers, such as the lack of adequate banking facilities, warehousing facilities and testing labs in the bordering areas as well as road and transportation challenges.

Many traders also complain about countervailing duty on shipments of garment items to Indian markets even though they enjoy the zero-duty benefit on apparel exports to India.

If all those barriers are removed through bilateral consultation, the shipment of goods from Bangladesh will grow faster, exporters said.

## Stock index hits 22-month high

FROM PAGE B4

On the other hand, turnover, an important indicator of the market, dropped 11 per cent to Tk 1,505 crore.

Investors think that the pharmaceuticals sector will perform better in the coming years, so the sector has been their top demand for the last few days, a merchant banker said.

"Meanwhile, banks and non-bank financial institutions (NBFIs) are going to announce dividends so these were also liquid sectors," he added.

The pharmaceuticals sector accounted for around Tk 268 crore, or 16 per cent of the total turnover, yesterday while it was Tk 186 crore in the NBF sector, according to data from UCB Capital Management.

Alltex Industries topped the gainers' list, rising 10 per cent followed by Beximco, Paramount Insurance, Robi Axiata and Bangladesh Steel Re-Rolling Mills.

Beximco traded the most with Tk 165 crore worth of stocks having changed hands followed by Beximco Pharmaceuticals, LankaBangla Finance, LafargeHolcim Bangladesh and IFIC Bank.

Sonali Ansh shed the most, losing 7.15 per cent followed by Olympic Accessories, First Finance, Vanguard AML Rupali Bank Balanced Fund and Prime Bank.

The Chittagong Stock Exchange (CSE) also rose yesterday. CASPI, the general index of the port city bourse, rose 277 points, or 1.69 per cent, to stand at 16,665.

Of the 290 stocks traded at the CSE, 108 rose, 147 fell and 35 remained unchanged.

## Liner sets off Thursday pioneering Ctg-Saint Martin's route

FROM PAGE B1

Apart from Karnafuly Ship Builders, there are several local companies ferrying people to Saint Martin's island but only from Cox's Bazar, from where one trip is run daily, and Teknaf, from where three trips are run a day.

Bay One was taken on a 10-year lease from a Singapore-based company in September last year by Karnafuly Ship Builders at a cost of Tk 105 crore.

Built by Mitsubishi Heavy Industries in 1992 according to websites on marine traffic, it previously bore the name MV Salvia Maru and ferried people between Tokyo and Tokyo Islands.

The trip will be safe, save time and play a great role in expanding the country's tourism industry, said Karnaphuli Ship Builders Managing Director MA Rashid at a press briefing aboard the ship yesterday.

"The Patengya water bus terminal from Chattogram Shah Amanat International Airport is within walking distance. So tourists can easily visit Saint Martin's island without facing the hassles of roads," he said.

Trips will be increased based on customer response, he said.

## Tesla hunts for design chief to create cars for China

REUTERS, Beijing

Tesla Inc is searching for a design director in China, part of efforts to open a "full-function" studio in Shanghai or Beijing and design electric cars tailored to Chinese consumer tastes, according to three people with knowledge of the matter.

The US carmaker's human resources managers, as well as several headhunters, have been trawling the industry over the past four months, the sources said.

They are looking for "bi-cultural" candidates with 20 or more years of experience who are familiar with Chinese tastes and can bridge the gaps between China and the United States, they added.

## Local demand saves the day for ceramics makers

FROM PAGE B1

The managing director of FARR Ceramics said the ceramics industry would face challenges in the coming months as consumers tend to avoid purchasing luxury items amid the pandemic.

Muhammad Shahidul Islam, company secretary of RAK Ceramics (Bangladesh), said the company achieved 80 per cent of the sales target set for 2020.

"Businesses are yet to return to the pre-pandemic stage despite the uptick in sales," said Avenue Sangma, brand manager of Tilottoma Bangla Group, the sole distributor of Toto, a high-end Japanese sanitary ware producer.

The group, which caters to largely

the high-income groups, recovered about 75 per cent of its business at the end of 2020.

"Last year's sales helped us survive," he said, adding that sales may improve in 2021.

Several reputed real estate developers that source products from Tilottoma are yet to resume to place bulk orders as they did in the past, Sangma said.

According to the BCMEA, the market for ceramic products was valued at around Tk 35,000 crore in 2019.

The industry's production capacity has grown by 200 per cent in the last 12 years and Bangladesh currently holds 0.14 per cent of the global market for ceramic products.

Local suppliers cater to 85 per cent

of the domestic demand. The industry employs about five lakh workers, of which two lakh are women.

Manufacturers produced more than 25 crore pieces of tableware, 15 crore square metres of tiles and 1.20 crore pieces of sanitary ware in 2019. Some 25 lakh pieces of sanitary ware were imported in the year.

DBL Ceramics Managing Director Jabbar is optimistic about 2021 but does not see an immediate return to the sales that were registered in the past.

"Businesses will need to find out innovative ways to recover losses. They need more business-friendly policies from the government," the entrepreneur said.

## Take immediate steps against Uttara Finance scamsters

FROM PAGE B1

"No explanation is sufficient in response to the queries about the irregularities found by the central bank's investigation and audit. We are offering you an apology with folded hands and state that such mistakes will not take place in the future," the letter said.

Yesterday, Md Serajul Islam, a spokesperson and executive director of the BB, said the central bank was now examining the findings.

"The central bank will take action against the responsible persons after completing the scrutiny," he said.

One of the irregularities is that UFIL concealed the actual amount of term deposits mobilised from clients.

The financial statement of the non-bank financial institution said the total amount of term deposits was Tk 1,877 crore as of December 2019. But the BB discovered that the actual amount was Tk 2,603.20 crore, the BB probe found.

The undisclosed funds amounting to Tk 726 crore were diverted to other sectors to help the scamsters plunder the money.

Among other irregularities Tk 521 crore were siphoned off in the name of buying shares, Tk 1,224 crore were embezzled in the form of fake loans, Tk 1998 crore were lent, but the amount was not included in the financial statement, and Tk 236 crore were issued in favour of UFIL directors in fake term deposits.

The BB carried out the investigation between October 7 and November 25 last year.

"The central bank should take measures to make the board ineffective because of its involvement in the scam," Ahmed said.

A question would naturally surface on what the central bank did when the financial health of UFIL started to deteriorate since 2013, he said.

Farashuddin said the scam had happened as previous incidents of financial crimes were not brought to justice.

"Had the scamsters in the banking sector been brought to justice, the latest scam would not have happened."

The fund that was plundered from UFIL should be confiscated from the scamsters to pay back to the depositors, Farashuddin said.

UFIL is the latest edition of the sad state of the NBF industry, said Khondker Ibrahim Khaled, a former deputy governor of the central bank.

The Department of Financial Institutions and Markets (DFIM), a central bank wing responsible for monitoring and making policies for non-banks, can't deny its responsibility for the scams happened in recent years, he said.

The senior officials who worked at the DFIM in recent years neglected their duty grossly, creating a haphazard situation in the NBF sector, he said.

## BAT Bangladesh changes corporate logo

STAR BUSINESS DESK

British American Tobacco Bangladesh yesterday said to have changed its corporate logo reflecting changes in the operating environment around its business.



The previous logo served well for decades in being a "strong symbol of a world-leading tobacco company", said the private sector's highest revenue contributor in a statement.

Established 110 years back, the company said to have recognised a need to have an evolving business model operating in over 180 markets.

It said to have embraced a new vision and purpose to work in unison with the country's sustainable development journey.

"The ambition is to facilitate a transformational journey in pursuit of 'A Better Tomorrow' for all our stakeholders," says a statement.

This includes responsibly offering products, reducing environmental and social impacts, creating dynamic, inspiring and purposeful workplaces and delivering sustainable and superior returns to shareholders, it said.

## Shahjalal Islami Bank re-elects chairman

STAR BUSINESS DESK

Shahjalal Islami Bank recently saw the re-election of Md Sanaullah Shahid as chairman and Md Harun Miah and Md Abdul Barek as vice chairmen.



Md Sanaullah Shahid

Shahid is a sponsor shareholder of the bank and a sponsor director of Shahjalal Islami Bank Securities. He is also the chairman of Electra International, director of Electra Consumer Electronics and Federal Securities and Investment and a partner of Kashmir Chemical Co, Sazawa Brothers and Electra Furniture, the bank said in a statement.

Miah is the managing director of Kushiara Financial Services and Kushiara Travels, a director of Kushiara Cash and Carry, Shahjalal Islami Bank Securities and Bangla Frozen Food and chairman of Hotel Pritom Inn.

Barek is a sponsor shareholder of the bank and Shahjalal Islami Bank Securities and proprietor of Arju Electronics, Jony Electronics and Rony Electronics.

## BCI gets top brass

STAR BUSINESS DESK

Anwar-Ul Alam Chowdhury, chairman of Evince Group and former president of the Bangladesh Garment Manufacturers and Exporters Association, has been elected president of the Bangladesh Chamber of Industries (BCI) for a two-year term.



Anwar-Ul Alam Chowdhury

The chamber also elected Priti Chakraborty, chairman of the Universal Medical Collage and Hospital, and Shahidul Islam Niru, a director of Ecochem Bangladesh, as senior vice president and vice president respectively, according to a statement.

## Aziz Pipes suspends production for lack of funds

FROM PAGE B1

The lack of stocks of PVC (polyvinyl chloride) resin hampered production.

Because of the abnormal increase in the price of raw materials in the local market, the cost of production will also be much higher for the company, Aziz Pipes said.

As a result, the company will suffer in marketing products. Under the circumstances, production was temporarily stopped from C-shift on January 10, the disclosure said.

Production activities will resume once the supply of PVC resin begins, and the situation improves, the company added.

However, stocks of Aziz Pipes were unchanged at Tk 97.50 on the DSE despite the suspension of production.

The price of raw materials has risen three to four times since July. Moreover, they are not coming from China, said a top official of the company, preferring anonymity.

Although the price of PVC pipes has gone up by about 10 per cent during the period, the increase has not been enough to offset the hike in the price of raw materials, he said.

"Our peer companies have funds. Most of them maintain the stock of raw materials and can import raw materials through letters of credit," he added.

Aziz Pipes cannot import raw materials through LCs because of its bad record in the Credit Information Bureau report, the official said.

Dutch-Bangla Bank and Uttara Bank have classified Aziz Pipes, according to the 2019-20 annual report of the pipe-maker. The loan amount could not be known immediately.

"We wrote to the banks to reschedule the loans so that we can run operation. They are yet to approve our proposals, so we are struggling," the official added.

As it can't open the LCs to procure the raw materials from international markets, Aziz Pipes has to rely on local suppliers, who are also importers. As a result, the cost of goods is higher for the company than its peer firms.

An official of another PVC pipe-maker said the price of raw materials rose but the hike had been much lower, not the three to four times being claimed.

"We are also feeling the heat of the increase in the raw material price. But we are not suspending our production," the official said.

Due to the working capital shortage, the manufacturing of PVC plastic wood and flexible corrugated conduit pipes was suspended earlier.

## Pandemic leaves Tangail's sari industry in tatters

FROM PAGE B4

Talking to this correspondent, Mofakkarul Islam, president of the Balla Handloom Owners' Association in Kalihati, said numerous factories remain shut at different places, including includes Balla, Rampur and Chhatihati.

Meanwhile, devastating and prolonged flooding during the July-September period badly damaged many factories in the area.

"I also kept shut my factory, comprising 30 handlooms, for the

last few months due to the situation," Islam said.

"Most local factory owners were already deep in debt but later, the coronavirus and floods made the situation even more complicated for them," he added.

The government should give attention to these industries and also take steps to stop import of Indian saris through illegal channels.

Contacted, Radha Sham Roy, liaison officer of the Balla Basic Center of Bangladesh Tant Board, said sales

## Cement companies see profit rise in Q1 despite pandemic

FROM PAGE B1

"We are very proud of the resilience, agility, and great teamwork of our employees and the strong co-operation of our customers and suppliers," he added.

Mohamamd Amirul Haque, managing director of Premier Cement, said cement makers made a profit in the first quarter of FY20-21 as sales had increased compared to that in the previous quarters.

The government development activities resumed in full swing in the last quarters of the year, which created a demand for cement, he said.

According to him, Premier Cement has orders from 57 development projects, including mega projects such

as those of the Rooppur nuclear power plant and Karnaphuli tunnel.

Besides, the manufacturers tried hard and put in their best efforts to reach pre-pandemic levels in sales, Haque said. So even amid the pandemic, where cement makers incurred huge losses, it was easy for them to quickly recover, he added.

Zahir Uddin Ahmed, managing director of Confidence Cement, said the company's profit margin slightly increased during the July-September quarter in 2020 as private and government construction work had resumed.

Besides, most of the construction works were stuck during the pandemic lockdown but resumed in September

## Rising cotton prices take toll on apparel makers

FROM PAGE B1

The report also said Bangladesh may reduce its import by 5 lakh bales in the cotton marketing year (August-July) of 2020-21.

This is due to apparel businesses not yet having fully recovered as international retailers and brands were still waiting to place work orders in full because of fresh lockdowns in the major markets of the EU and US, it added.

Prices, which had been in an upward trend before the pandemic, retreated sharply from January to April, with the New York futures falling to a 10-year low.

However, prices have rallied and now exceed pre-pandemic levels for factors including recovery in use by mills, said the USDA report.

Covid-19 had a dramatic impact on nearly every sector of the global economy and cotton was no exception.

Comparing the February 2020 USDA forecasts for 2019-20 and 2020-21 (presented at the USDA Outlook Forum) with that of this month provides an overview of the impact.

The February 2020 USDA forecast for world use in 2020-21 was 121 million bales, up 1.7 per cent from the 2019-20 forecast that same month.

As the extent of the Covid-19 impact became clearer, the 2020-21 world use forecast was slashed. However, as components of the world economy have recovered, use has edged up in recent months and is now only 3 per cent below that of February.

The forecast for world use in 2019-20 fell 14 per cent between the February and December forecasts as

spinning mills dramatically reduced operations. While the onset of Covid-19 impacts varied by country, mill use forecast 2019-20 was reduced in all major spinning countries.

Monthly use fell by around 90 per cent in the US, China, Pakistan and India from that in the previous year to its worst in the year.

The pandemic's timing has limited its impact on cotton lint production; for example, the 2019-20 crop was already harvested in most Northern hemisphere countries and well developed nations in the rest of the world.

In addition, there has been remarkably little impact on 2020 plantings outside of West Africa.

The 2020-21 crop forecast has largely been driven by weather and pest concerns, with lower production in Pakistan, the US, Greece, Mali, and Turkey, said the USDA report.

With global use forecast down and production largely unaffected, 2020-21 ending stocks are forecast higher at 97.5 million bales, 19 per cent (15.4 million bales) above the February Outlook.

Md Fazlul Hoque, managing director of Plummy Fashions, said yarn prices have increased by more than 40 per cent in a span of only two months.

Unfortunately, local spinners have been taking more time in supplying the yarn as demand was growing from knitwear manufacturers and exporters, he said.

Bangladesh's knitwear export has been performing well compared to that of woven because the use of knitwear

items during the pandemic increased manifold as people are staying in their homes for longer periods.

Data from the Export Promotion Bureau (EPB) shows that knitwear exports fetched \$8.53 billion of the total \$15.54 billion generated by garment items, registering 3.90 per cent year-on-year growth in the July-December period.

Meanwhile, woven items fetched \$7.01 billion, which is a decline of 10.22 per cent, showed the EPB data.

For woven items, the raw materials need to be imported as local weavers can meet around 40 per cent of the demand. The rest is imported mainly from countries such as China and India.

Shahid Alam, vice-chairman of Shah Fatehullah Textile Mills and Jalal Ahmed Spinning Mills, a major yarn producer and cotton user, said the demand for yarn was improving gradually in the local market but had not reached pre-pandemic levels.

"We had a lot of old stock of yarn for some months due to bad business. But over the last two months the old stock has been reducing gradually," Alam told The Daily Star over the phone.

Monsoor Ahmed, secretary to the Bangladesh Textile Mills Association, also cited high international cotton prices as the cause for local yarn prices to have gone up.

Nearly 60 per cent of the yarn production cost is connected to cotton while the remaining to other factors. Between October and December last year, cotton prices hovered around 79 cents to 82 cents per kg, he said.

# Pandemic leaves Tangail's sari industry in tatters

MIRZA SHAKIL, Tangail

Refaz Uddin, a traditional sari weaver based in Nagarpur upazila of Tangail, has been struggling to maintain his business for a few years now due to a fall in demand.

Uddin has continued operations at his factory, featuring nine handlooms and two power looms, by availing loans from both official and unofficial channels in hopes of better days to come.

His sufferings were compounded by the two-month "general holiday" starting March 26 last year declared by the government to shut down all economic activities in a bid to curb the spread of Covid-19.

Although the lockdown eventually came to an end on May 30, Uddin's factory in Mamudnagar stayed shut for three more months due to a lack of working capital amid low sales.

Uddin eventually reopened the factory by taking on more debt but still, sales have not reached adequate levels.

"I sell saris to markets at different places, including the capital, and also sari traders based on orders but both sales dropped abnormally due to the coronavirus situation," he said.

In order to help cover operating expenses, Uddin reduced the prices and also decreased his workers' wages. However, these measures were not enough.

"I have taken loans totalling about Tk 8 lakh from different banks, NGOs and loan sharks and am also in debt to the yarn traders and for the two power looms in my factory," he said.

"Now how can I repay the loans, I am helpless as I do not have any



MIRZA SHAKIL

Sari weavers in Tangail are going through tough times for a drop in sales amidst the slowdown in economic activities for the coronavirus pandemic, rising debts and increasing preference for power looms, *bottom left*, over the traditional hand looms, *bottom right*. The photos were taken in Kaihati and Nagarpur upazilas last week.

skill other than that of my ancestral profession," Uddin added.

He went on to say that he had heard about a government loan being provided to weavers at nominal

interest in order to help them survive the Covid-19 fallout.

"But what can I do by taking more loans? Even if I produce saris again where shall I sell them? Besides,

getting a loan from the government was never an easy matter for poor people like me," Uddin said.

Like Uddin, several other sari factory owners and weavers in the

village and adjacent areas are suffering the same fate.

There were at least 1,500 handlooms and 3,000 weavers in the area just 15 years ago but now, the number of handlooms is no more than 60, according to locals.

As a result, many skilled weavers are leaving this ancestral profession for other occupations.

The industry as a whole has declined not just in the upazila, but across the district, they said.

According to local officials of Bangladesh Handloom Board (BHB), there are about 25,500 registered handlooms in the district's 12 upazilas. Another 25,000 power looms are affiliated with the Ministry of Textiles and Jute.

Currently, some 1.5 lakh workers are engaged in the handloom and power loom factories. About half of them are locals while the rest hail from other districts, including Sirajganj, Pabna, Kurigram and Rangpur.

However, the number of the handlooms were around 75,000 and more than 2 lakh workers were engaged in the industries about a decade ago, local weavers said.

The number of handlooms deceased due to different reasons, including the declining demand for saris and an increase in the number of power looms, they added.

Kalachad Basak, a weaver as well as one of the top sari traders of Delduar's Pathrail, known as the "capital of Tangail saris", said Tangail saris are still the first preference for many women.

Weavers in the district produce saris of different types and qualities, such as suti (cotton), Jamdani, silk, half-

silk, Benaroshi, khaddar and so on.

They produce casual handloom saris as well as more expensive ones with prices ranging from Tk 300 to Tk 20,000. "The product meets the demand of people from all classes and backgrounds," Basak said.

It is necessary to bring about changes in design every season to keep up with changing trends.

So, the local sari weavers offer something new every year on the occasion of different festivals, such as Eid.

"Weavers of other parts of the country have tried to emulate the style of Tangail weavers in the past but cannot match the quality and variety," Basak added.

Raghunath Basak, president of the Sari Traders Association in Tangail, said traditional sari weavers in the district were going through a difficult time as sales of saris made using handlooms and power looms have dropped drastically in the last few years.

"The price hike of raw materials, women's dwindling interest in saris and the availability of Indian products were the major reasons behind the fall of the sales of local products," he added.

"The saris produced by local weavers are mainly sold during big festivals like Eid, Puja and Pahela Baishakh (the first day of the Bangla calendar)," said Nilkomol Basak, former general secretary of the sari traders association.

"But this time they missed those occasions due to the pandemic," he said, adding that several lakh saris which were produced last year have remained unsold.

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## More talks needed to boost trade with India

Commerce minister says

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday called for more discussions between Bangladesh and India on removing various non-tariff barriers to boost bilateral trade.

"Steps will be taken to remove the trade barriers through discussions," he said.

Currently, there is an ample opportunity to boost trade by removing the barriers, according to a statement from the commerce ministry.

It is also possible to increase bilateral trade between the two countries by improving the customs facilities in bordering areas.

The commerce minister made these comments during a meeting with the Indian High Commissioner to Bangladesh Vikram K Doraiswami at the secretariat in Dhaka.

Doraiswami said a new opportunity to boost trade between Bangladesh and India has opened up by the construction of a

*It is possible to increase bilateral trade between the two countries by improving customs facilities in bordering areas, Tipu Munshi says*

bridge in Ramgarh point, a bordering area.

It is possible to facilitate bilateral trade by setting up customs and immigration offices at this point, the Indian envoy said.

The people of this area, including the Indian state of Tripura, would benefit as a result. So, the necessary measures should be taken to set up customs and immigration offices at the Ramgarh bordering areas, Doraiswami added.

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## Stock index hits 22-month high

Fuelled by increased demand in cement, telecom and pharma sectors

STAR BUSINESS REPORT

The key index of the Dhaka bourse yesterday crossed 5,700 points for the first time in 22 months thanks to increased demand in the cement, telecom and pharmaceuticals sectors.

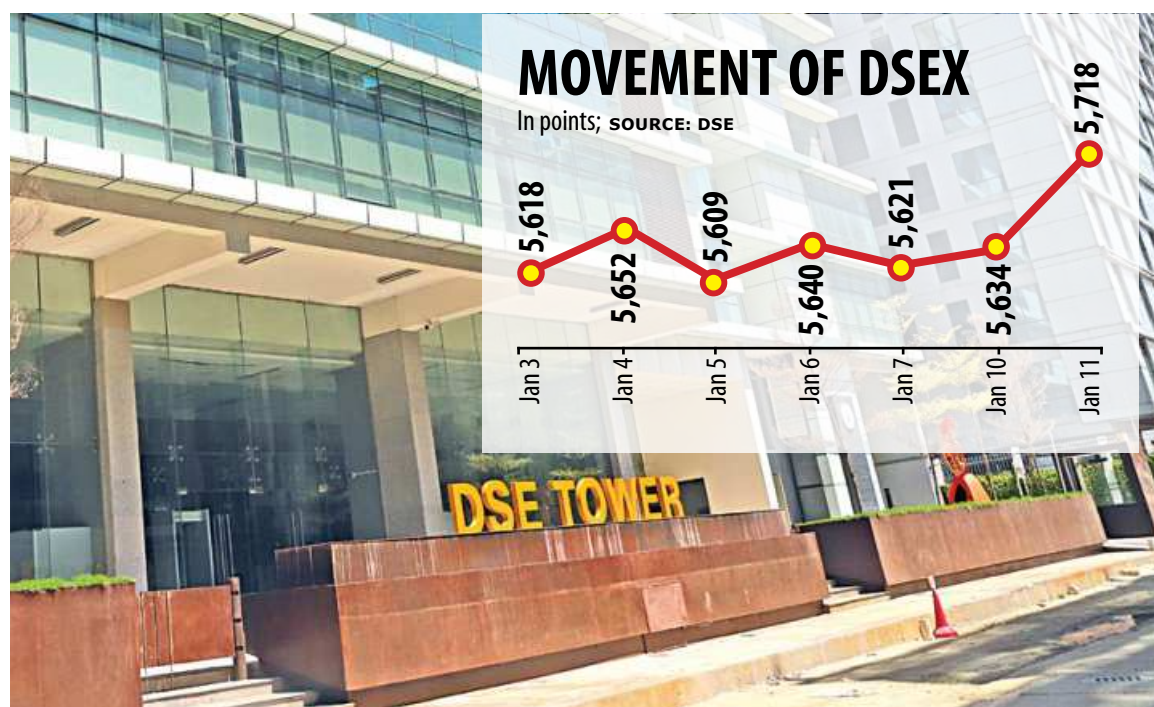
DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 84.70 points, or 1.50 per cent, to 5,718.

This is because investors, who had been making profits for the last few days, are pouring fresh funds into the market, according to a stock broker. "Some were still collecting profits which is why most of the stocks fell," he said.

Among the 360 stocks traded at the DSE, 128 advanced, 180 dropped and 52 remained the same.

"People think that the telecom sector has huge potential for the coming years but their stock prices are still at a low level. So, the sector's stocks were rising," the broker added.

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## Chinese regulators to push tech giants to share consumer credit data

REUTERS, Hong Kong

China plans to push tech giants including Ant Group, Tencent and JD.com to share consumer loan data to prevent excess borrowing and fraud, two people with knowledge of the matter said, in Beijing's latest tightening of scrutiny.

The plan, if implemented, would effectively end the government's laissez-faire approach to the industry. Large Internet platforms have tended to resist handing over their data, a crucial asset that helps them run operations, manage risk and lure new customers.

Chinese regulators, including the central bank, plan to instruct internet platforms to feed their vast loan data to some of the nationwide credit agencies, the people said.

The agencies, which are run or backed by the People's Bank of China (PBOC), will share the data more widely with banks and other lenders to adequately evaluate risks and prevent over-borrowing, the people said. Ant and Tencent declined to comment.

JD.com and the PBOC did not immediately respond to requests



A pedestrian walks past an Alipay logo at the Shanghai office building of Ant Group in Shanghai.

REUTERS/FILE

for comment.

The people declined to be identified as they were not authorised to speak to the media.

Details of the regulatory proposal to include Tencent and JD.com in

the loan data sharing arrangement have not been reported.

The plan adds to recent proposals to sharpen scrutiny of the technology champions and rein in empire building, mainly in the financial sector; the shift

helped bring about the dramatic collapse of fintech giant Ant's \$37 billion IPO in November.

Since then, the regulators have launched an antitrust probe into Ant's former parent Alibaba and

ordered the fintech company to shake up its lending and other consumer finance businesses.

The latest regulatory proposal for internet companies also comes as Beijing grows wary of loose risk controls at banks, mainly smaller ones, in terms of consumer loans and their excessive reliance on platforms such as Ant to find customers.

"Smaller banks are generally in a weaker position when they partner with fintech giants like Ant. They have heavily relied on Ant's data to underwrite loans and manage risks," said one senior regulator.

"When defaults happen, they have to shoulder most of the losses," said the regulator, who declined to be named because of the sensitivity of the matter. "It's crucial for lenders to have better access to more comprehensive and detailed credit data on borrowers."

The latest regulatory attempt would likely dampen the scale and profitability of tech majors' credit businesses. That area is a cash cow, as the companies levy high service fees on banks in exchange for access to millions of customers using proprietary data.

## Businesses in Hong Kong want law and order

Govt official says

REUTERS, Hong Kong

International businesses in Hong Kong see law and order as key for investing, a city government official said on Monday, in response to concern about the impact of a sweeping national security law on the business environment.

Secretary for Commerce and Economic Development Edward Yau said in an interview at a Reuters Next conference that the fact that more money was coming into Hong Kong than leaving was a sign of confidence in the global financial hub.

Many businesses and trade associations have raised concern that a new security law, targeting activities in the former British colony that Beijing considers to be subversion, secessionism, terrorism or collusion with foreign forces, effectively brings Hong Kong closer to China's authoritarian system and raises uncertainty.

"In any business, financial centre in particular, people would look at things in totality. Law and order is one very important thing," Yau said.

Hong Kong returned to Chinese rule in 1997 under a "one country, two systems" agreement that promised it a high degree of autonomy for 50 years.

The city's unbridled capitalism, guarantees of a wide range of rights and freedoms and independent legal system are widely seen as underpinning its success as a financial hub and interface for China and the world.

Since the imposition of the new security law in June, dozens of democracy campaigners including media tycoon Jimmy Lai have been arrested, some democratic lawmakers have been disqualified, activists have fled into exile and protest slogans and songs have been declared illegal.