

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.48%	▲ 0.36%	\$1,858.71	\$74.45	▼ 0.51%	▼ 0.51%	▼ 1.11%	▼ 1.07%	BUY TK 83.95	100.72	117.34	12.87
6,051.73	10,551.06	(per ounce)	(per barrel)	52,501.98	29,291.01	3,139.57	3,518.33	SELL TK 84.95	104.52	121.14	13.53

City



Star BUSINESS

DHAKA THURSDAY JUNE 17, 2021, ASHAR 3, 1428 BS • starbusiness@thedailystar.net

Bogged down by waterlogging

Chattogram city traders suffer as projects to solve the perennial crisis miss deadline



Waterlogging is a daily nuisance for traders in many areas of Chaktai-Khatunganj, the wholesale hub of essential commodities in Chattogram city, during the monsoon and tides. Delays in keeping canals freely flowing and sluice gate construction by Chattogram Development Authority are primarily to blame.

PHOTO: STAR/FILE

MOHAMMAD SUMAN, Cig

As the monsoon begins, traders in Khatunganj, the country's largest wholesale hub for essential commodities, are fearing recurrence of the menace of waterlogging and subsequent losses as two projects involving nearly Tk 8,000 crore aimed at solving the problem of inundation in

the port city are only halfway through.

According to the Khatunganj Trade and Industries Association, traders incur huge losses during tidal waves and heavy rains as water enters the ground floor of shops and warehouses when the area becomes waterlogged.

Flash floods destroy huge consignments of essential commodities, including onion, garlic, rice, lentil, sugar, and spices, due to the poor maintenance of the Chaktai canal, a major waterbody that helps the water level recede in the area.

In March, a government study found that traders in Khatunganj incurred losses of more than Tk 514 crore in 2020 only for the waterlogging problem.

"Every year, we have to face huge losses. We want an end to

the chronic problem," said Mahbubul Alam, president of the Chattogram Chamber of Commerce and Industry.

The government has already taken initiatives but could not implement them within the stipulated time, he said.

"The authorities should emphasise on solving the crisis to save the major commercial hub."

The Executive Committee of the National Economic Council approved two projects in August 2017 to help the city get rid of the crisis.

The canal re-excavation, expansion, renovation and development to ease waterlogging in Chattogram city project involves Tk 5,616 crore and the construction of a road along the Karnaphuli river from Kalurghat bridge to Chaktai canal involves Tk 2,310 crore.

READ MORE ON B2

Cotton waste recycling can save \$500m a year: study

STAR BUSINESS REPORT

Bangladesh can save \$500 million a year by recycling the cotton waste as garment factories and textile millers produce a huge volume of leftovers of the key raw material, according to a study.

The findings of the study, carried out by the Circular Fashion Partnership, were revealed at a virtual discussion yesterday. Policy-makers and fashion industry executives were present at the event hosted by the platform, a project that promotes recycled materials in fashion.

If 100 per cent of cotton waste is recycled in Bangladesh, imports could decrease by around 15 per cent, therefore saving half a billion US Dollar that would have been spent on cotton imports, the report said, according to a press release of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

In 2019, garment and fabrics mills produced about 577,000 tonnes of waste, almost half of which was 100 per cent pure cotton waste.

It is estimated that factories could sell the cotton waste to the recycling market for up to \$100 million.

The Circular Fashion Partnership is a cross-sectorial project led by the Global Fashion Agenda, in partnership with Reverse Resources and the BGMEA.

It aims to support the development of the textile recycling industry in Bangladesh by capturing and directing post-production fashion waste back into the production of new fashion products.

Bangladesh heavily relies on imports for textile fibre. It imported 1.63 million tonnes of staple cotton fibre worth about \$3.5 billion in 2019.

Speaking at the event, Faruque Hassan, president of the BGMEA, said, "The sustenance of the planet is now at risk, and we cannot stay indifferent. We have to shift the linear economic model to circular."

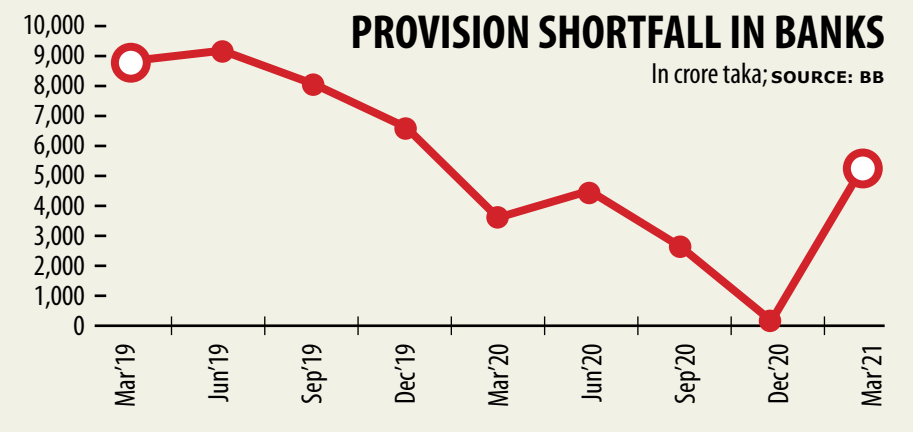
"This is the future, and we are committed to closing the loop while achieving our strategic growth targets," he said.

Federica Marchionni, chief executive officer of the Global Fashion Agenda, said: "In order for fashion to continue to prosper within planetary boundaries, we need to embrace the opportunities of a circular economy urgently."

READ MORE ON B3

Banks' provision shortfall widens

Surging bad loans to blame



AKM ZAMIR UDDIN

The provision base of the banks in Bangladesh deteriorated heavily in the first quarter of 2021 because of the surging bad loans, highlighting the worsening health of the banking industry.

The shortfall ballooned more than 42 times to Tk 5,228 crore in March compared to Tk 123 crore three months ago, data from Bangladesh Bank showed.

The deficit was up 45 per cent year-on-year. Experts say banks should have strengthened their provision base last year

to avoid the widening of the shortfall.

A provision shortfall occurs when a financial obligation exceeds the amount of cash available. It can be temporary, arising out of a unique set of circumstances, or persistent, indicating poor financial management practices.

Banks have to earmark 0.50 per cent to 5 per cent of their operating profit as a provision against general category loans, 20 per cent against classified loans of substandard category, and 50 per cent against classified loans of doubtful category.

READ MORE ON B3

BSRM profit soars 197pc in Jul-Mar

STAR BUSINESS REPORT

Profit of BSRM Ltd soared 197 per cent year-on-year to Tk 273 crore in the first nine months of the 2020-21 fiscal year powered by higher sales, lower finance and operating costs.

The Chattogram-based steel maker's sales rose 4.4 per cent year-on-year to Tk 4,216 crore in the July-March period.

At the same time, its net finance costs dropped 63 per cent to Tk 69 crore from Tk 191 crore.

BSRM, one of the biggest steel makers of Bangladesh, reduced its operating costs during the period by 12.5 per cent to Tk 119 crore.

READ MORE ON B2

Second wave derails recovery: MCCI

STAR BUSINESS REPORT

The second wave of coronavirus infections and subsequent lockdowns have derailed Bangladesh's economic recovery from the coronavirus pandemic, said the Metropolitan Chamber of Commerce and Industry (MCCI) yesterday.

Just when the country was hoping to move at full speed towards recovery from the fallout of the pandemic, it had to go for lockdowns once again to contain the spread of the deadly virus.

"This brought back disruptions in the lives and livelihoods for the people with the resultant uncertainty for the economy," said the chamber in its recent quarterly review.

Amidst the global lockdowns, economic stagnation and a local 66-day public holiday, the government's stimulus packages supported various businesses while the vaccination campaign beginning



earlier this year partially addressed fears, it said.

Exports and remittances have done well. The latter aided the rural economy by sustaining consumption demand, which has multiplier effects, especially on the small and medium industry, said the chamber.

The inflation rate is under control, and foreign currency reserve in a satisfactory position, it said.

READ MORE ON B3

Banking hour 10am to 3.30pm until Jul 15

STAR BUSINESS REPORT

Bangladesh Bank has instructed banks to keep their doors open from 10:00am to 3:30pm for customers until July 15.

The central bank took the decision yesterday as the government has extended the ongoing nationwide restriction on public movement and transport to curb Covid-19 infections. However, the bank branches will remain open until 5:00pm to complete their regular activities, according to Bangladesh Bank.

Banks have been following an alternative duty roster for their employees since April 14 as per the instructions of the banking regulator and the government.

Nestle opens Tk 150cr infant formula plant



STAR BUSINESS REPORT

Nestle Bangladesh yesterday started processing, filling and packaging the company's infant formula at its Tk 150 crore factory in Sreepur, Gazipur.

The state-of-the-art plant with an annual production capacity of 6,000 tonnes will create around 1,000 direct and indirect jobs.

At the primary stage, Lactogen 2 and Lactogen 3 will be processed there. Later, Lactogen 1 and Nan would be processed.

Some 34 factories in the world have this kind of plant and Nestle Bangladesh joins this league with this plant.

Industries Minister Nurul Majid Mahmud Humayun inaugurated the plant through an online programme where Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority (BIDA), was also present.

READ MORE ON B2

CREDIT RATING

	Long Term	Short Term	Year
Current Rating	AA ₂	ST-2	2020
Previous Rating	AA ₂	ST-2	2019
Previous Rating	AA ₂	ST-2	2018
Date of Rating	27 May, 2021		
Rating Based on	Audited financials up to December 31, 2020 and other relevant quantitative as well as qualitative information up to the date of rating declaration		
Validity of Rating	30 June, 2022		
Outlook	Stable		

Rated by: Credit Rating Agency of Bangladesh (CRAB)

Rating AA₂:
Commercial Banks rated AA₂ have very strong capacity to meet their financial commitments. AA₂ is judged to be of very high quality and is subject to very low credit risk.

Rating ST-2:
Commercial Banks rated ST-2 are considered to have strong capacity for timely repayment. Commercial banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of fund.

jamunabankbd.com JAMUNA BANK