

Indian garment maker to invest \$9.26m in Chattogram EPZ

STAR BUSINESS DESK

Sewtech Fashion of India yesterday signed an agreement with Bangladesh Export Processing Zones Authority (Bepza) to invest \$9.26 million in establishing a readymade garments manufacturing factory in Chattogram Export Processing Zone.

Mohammad Faruque Alam, member (engineering) of Bepza, and Balagi Pavadai, director of Sewtech Fashion, signed the agreement at the Bepza complex in Dhaka, says a press release.

Sewtech Fashion, a sister concern of one of India's largest apparel manufacturer Shahi Exports Pvt, will annually produce 3.36 million pieces of woven tops for ladies, kids and men. This will create employment opportunities for 3,393 Bangladeshi nationals.

Environmental concerns grow as space tourism lifts off

AFP, Washington

After years of waiting, Richard Branson's journey to space this month on a Virgin Galactic vessel was supposed to be a triumphant homecoming. Instead, the jaunt attracted significant criticism -- about its carbon footprint.

With Jeff Bezos set to launch on a Blue Origin rocket on July 20, and Elon Musk's SpaceX planning an all-civilian orbital mission in September, the nascent space tourism industry finds itself facing tough questions about its environmental impact.

Right now, rocket launches as a whole don't happen often enough to pollute significantly.

"The carbon dioxide emissions are totally negligible compared to other human activities or even commercial aviation," NASA's chief climate advisor Gavin Schmidt told AFP.

But some scientists are worried about the potential for longer term harm as the industry is poised for major growth, particularly impacts to the ozone layer in the still poorly



Virgin Galactic's SpaceShipTwo uses a type of synthetic rubber as fuel and burns it in nitrous oxide.

understood upper atmosphere.

Virgin Galactic, which came under fire in op-eds on CNN and Forbes, as well as on social media, for sending its billionaire founder to space for a few minutes in a fossil fuel-guzzling spaceship, says

its carbon emissions are about equivalent to a business-class ticket from London to New York.

The company "has already taken steps to offset the carbon emissions from its test flights and is examining opportunities to offset

the carbon emissions for future customer flights, and reduce our supply chain's carbon footprint," it said in a statement to AFP.

But while transatlantic flights carry hundreds of people, Virgin's emissions work out to around 4.5 tonnes per passenger in a six passenger flight, according to an analysis published by French astrophysicist Roland Lehoucq and colleagues in The Conversation.

That's roughly equivalent to driving a typical car around the Earth, and more than twice the individual annual carbon budget recommended to meet the objectives of the Paris climate accord.

"The issue here is really one of disproportionate impacts," Darin Toohey, an atmospheric scientist at the University of Colorado, Boulder told AFP.

"I actually grew up on the space program and that got me into science... but if someone offered me a free ride, I would be very nervous taking it because I would know that my own footprint is way larger than it should be," he said.

Visa offers Islamic banking cards

STAR BUSINESS DESK

Digital payments platform Visa yesterday launched a service in Bangladesh in line with Islamic banking principles.

Guided by Shariah principles, the new Classic, Gold, Platinum and Signature credit and debit cards will facilitate Hajj and Umrah travel, leisure travel, lifestyle shopping, healthcare and retail benefits and others, says a press release.

Customers can avail the offers online and in physical retail stores accepting Visa cards.

"Bangladesh is one of the key markets for Islamic banking and has been instrumental in providing a number of novel ways to cater to its customers," said Soumya Basu, Visa country manager for Bangladesh, Nepal and Bhutan.



Rafikul Islam Mia Arzoo, vice chairman of NRBC Bank, virtually launched some banking services at Pangsha Bazar, Pangsha in Rajbari yesterday. Md Farid Hasan Wadud, chairman of Pangsha Upazila Parishad, Aktherul Islam Bachchu, a shareholder of the bank, and Mohammad Jashirul Islam, in-charge of Pangsha sub-branch, were also present.

BINs made mandatory for online businesses

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The meeting was attended by ministry officials, representatives from Bangladesh Bank, Directorate of National Consumer Rights Protection (DNCRP), Office of the Registrar of Joint Stock Companies and Firms and ICT Division.

Afterwards, Ghosh said any organisation not complying with a digital commerce guideline introduced recently by the ministry would first be issued a show cause notice.

If the response is not satisfactory, action will be taken against them under the existing law, he said.

Besides, the associated business plan or modus operandi will also be looked into, he said.

He said if the business practices were found to be violating laws of the country, those would be shut down.

The secretary said notices would be issued to the non-compliant organisations within the next 7 to 10 days.

The meeting decided that every e-commerce company must have a compliance officer, who will maintain liaison with the DNCRP so that complaints are addressed faster.

To ensure transparency in complaint settlement, a piece of software will be developed so that everyone involved in the case can see the settlement process, the meeting decided.

Stock index hits all-time high

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People of Bangladesh have come to terms with the pandemic and they chose livelihoods over safeguarding lives, so the business situation has not been impacted by that much of a big extent, he added.

If people invest in stocks considering the growth of listed companies and the quality of the earnings, there is no big reason for worry, he added.

Turnover, another important indicator of the market, rose 0.22 per cent to Tk 1,793 crore while it was Tk 1,789 crore a day earlier. At the DSE, 210 stocks advanced, 150 declined and 13 remained unchanged.

Miracle Industries topped the gainers' list, rising 9.97 per cent, followed by Legacy Footwear, Index Agro Industries, Samata Leather and Aziz Pipes.

Stock of Beximco were traded the most, worth Tk 152 crore, followed by SS Steel, Fu-Wang Ceramics, SAIF Powertec Industries and Shinepukur Ceramics.

Tamijuddin Textiles shed the most, falling 9.99 per cent, followed by Fareast Finance, Familytex BD, Tung Hai Knitting and Rupali Bank.

The port city bourse also rose yesterday. The CASPI, the general index of the Chittagong Stock Exchange, advanced 60 points, or 0.33 per cent, to 18,379.

Among 320 stocks to witness trade, 170 advanced, 137 dropped and 13 remained unchanged.

Aus acreage shrinks for dry weather

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Last year, Aus was grown on a combined area of 65,036 hectares in Bogura, Joypurhat, Pabna and Sirajganj. This year, farmers in the same northern districts cultivated the crop on 49,267 hectares.

Md Monju Mia, a 37-year-old farmer in Nandigram, said the pest attack had become a matter of concern this year.

"Therefore, we cannot hope for a good yield this year. We have to spray pesticides frequently. As a result, the production cost is going up."

The cost of irrigation had also risen for a lack of rainfall, said Md Mojibur Rahman, another farmer in Haatalpur.

Now, the DAE is concentrating on attaining the transplantation target of Aman, the second-biggest crop in Bangladesh after Boro, on 55.77 lakh hectares of land this year. "We have already achieved 90 per cent of the target on seedbed preparation," Asadullah said. Seedbeds will be prepared on 2.62 lakh hectares of land.

LVMH-backed fund to buy 60pc of Italian fashion label Etro

REUTERS, Milan

L Catterton, a private equity firm backed by French luxury giant LVMH, has agreed to buy a 60 per cent stake in Italian fashion company Etro, two sources familiar with the matter said on Sunday.

The deal values Etro at about 500 million euros (\$590 million), the sources said, confirming reports in Italian newspapers La Repubblica and Il Sole 24 Ore.

A spokesperson for Etro declined to comment. LVMH and L Catterton were not immediately available for a comment.

In April, a source close to the matter had told Reuters that the Milan-based luxury brand was considering an expression of interest from L Catterton, an investment firm born out of a partnership among Catterton, LVMH and its billionaire owner Bernard Arnault.

The four children of Gerolamo

Etro, who founded the company in 1968, will stay on as shareholders with a 40 per cent stake and will remain owners of Etro's real estate property and directly operated stores, one of the sources said.

L Catterton recently bought German sandal maker Birkenstock. LVMH, which owns a string of Italian labels including jeweller Bulgari, also boosted its stake in Italian luxury shoemaker Tod's to 10 per cent in April.

Mango exports still too low: experts

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So even though mango exports have also risen, it is still far below the country's production capacity.

In 2020, Thailand exported a maximum of \$734 million worth of mango while India's exports stood at \$137 million and Pakistan \$101 million, as per the BBS data.

The main issues that plague mango exports are the lack of good agricultural practices and exportable varieties, post-harvest identification, international quality packaging, branding, efficiency, awareness and training in export activities, and the fruit's low shelf life, according to speakers at the programme.

While addressing the programme as chief guest, Agriculture Minister Muhammad Abdur Razzaque said the country's mango export volume is

insignificant.

"So, an all-out initiative is being taken to increase mango exports," he said, adding that they want to take the country's mangoes to the world market in a big way.

"Therefore, work is underway to identify export barriers and address them," Razzaque said.

He went on to say that the implementation of good agricultural practices has already begun in a bid to keep mangoes safe during the production phase and during shipment in order to increase exports.

"Meanwhile, work is underway to set up three vacuum heat treatment plants to ensure safe mangoes and to issue phytosanitary certificates," Razzaque said, adding that mango exports would increase significantly next year as a result.

Md Mesbahul Islam, senior secretary of the agriculture ministry, presided over the meeting, and other officials, mango farmers, traders, vegetable and fruit exporters and representatives of various processing companies, including Pran Group, Square Food, ACI, Akij Food, and BRAC Dairy, took part.

The minister also said there has been a good yield of mangoes this year.

"But we have noticed that due to the lockdown and subsequent lack of market, farmers are struggling to sell their mangoes and are not getting the expected price," Islam said.

"Therefore, we need to go further in the international market, so that the farmers get the expected price and become more interested in mango cultivation," he added.

A fleeting respite for shop owners

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Mohammad Ashraf Alam, chief operating officer of Aarong, one of the popular stores, said they had good sales in the last two days.

"Customers are visiting our outlets by strictly following our instructions and helping us maintain Covid-19 safety protocols. We are expecting better sales before Eid," he said.

With a wide range of products, including clothes, Aarong operates 21 outlets across the country.

Whatever is being sold, it can be said that at least something is better than nothing. "The sales ahead of Eid-ul-Azha this year are not comparable with the sales in the previous year," said Khalid Mahmood Khan, director of Kay Kraft, a fashion brand.

Arfanul Hoque, head of retail at Bata, said the shoemaker could register some sales. "Now 50 per cent to 60 per cent of the customers who used to come before Covid-19 are coming in for Eid-ul-Azha."

In the case of mobile handsets, sales have more than doubled this year compared to usual business

days, said Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics, the local assembler of mobile handsets and home appliances of Korean electronics giant Samsung.

"However, we may be able to reach 30-40 per cent of our home appliance sales target. Only refrigerator sales are going very well," he said.

For motorcycle sellers, the reopening brought good news.

FH Ansarey, managing director and CEO of ACI Motors, said motorcycle sales rose significantly after showrooms opened.

"We hope to sell as many as 3,000 motorcycles in the six days before Eid," he said.

The two-wheeler is particularly popular among students, young people and motorcycle enthusiasts. And as usual, manufacturers introduced various promotional offers to attract buyers during this Eid festival.

However, the sales of furniture had not been good.

"Furniture is not an essential product. The state of the business is not so good. Some customers have

been coming after the reopening. But it has not been better than normal times," said Selim H Rahman, managing director of Hatil.

However, shops and outlets did not see to it that the initiatives to maintain hygiene were being abided by. For example, markets did not have customers checked for their temperatures at the entrances alongside being sprayed with disinfectants. There is also indifference to wearing masks or maintaining social distancing.

MH Chowdhury Lenin, chairman of the Health and Hope Hospital, said it was not the right decision for the government to allow shops to reopen.

"The Covid-19 pandemic situation will get worse," he added.

He said all the government's directives had been limited to paperwork. The government needed to think more before deciding on lifting the restrictions on everything for seven days, said Lenin, who follows public health issues.

Strict restrictions will be reinstated for two weeks from July 23. Shops and outlets will remain closed at that time.

Alesha Mart still unaware of complaints against it

The company's chairman says

STAR BUSINESS REPORT

E-commerce platform Alesha Mart yesterday said it still did not know what the complaints were against it.

"I do not know what the allegations are against us. A few other e-commerce platforms are ruining our business and reputation," said Manjurul Alam Sikder, chairman and managing director of Alesha Mart.

"We pay the prices in advance, bring the products and deliver those to the customers. I have given Tk 350 crore as advance to the vendors," he said.

Sikder spoke at a press conference at the Westin Dhaka. The Bangladesh Financial Intelligence Unit in June this year sought bank account details of 11 e-commerce merchants, including Alesha Mart.

"We are subsidising these discounts not from buyers' money, but from our own funds. This is our business strategy. We have 11 organisations and four of them are profitable. A few other e-commerce platforms are ruining our business and reputation," Sikder said.

He said Alesha Mart has given a subsidy of Tk 350 crore in the last six months since its inception and made a profit of Tk 140 crore by selling other products.

That means, the company has given a net subsidy of Tk 210 crore in the last six months, he said, adding that the company's turnover in the last six months was Tk 1,100 crore.

Sports trading cards boom in pandemic-era US

AFP, New York

Inside an unassuming store in New York's Greenwich Village, around a dozen men unlock black briefcases, remove sports cards and begin to trade them -- a growing hobby and industry that has boomed during the pandemic.

Excitement is high after a San Francisco-based investment fund announced earlier that day that it had bought a card of Golden State Warriors' basketball star Stephen Curry for \$5.9 million, setting a new record.

Michael Campobasso, a 38-year-old jewelry dealer, hopes that sale will spur interest in his highly graded card of Curry from the three-time NBA champion's rookie 2009-10 season. "After that card this is probably one of his more coveted cards. I'd sell it for \$80,000," says Campobasso, who paid \$25,000 for it last year.

The sports trading card industry has been growing for several years but coronavirus lockdowns reinvigorated hobbyists and attracted new ones, with investors helping to send prices skyrocketing.

"It's had a massive impact," Jacob Salter, product manager at Bleecker Trading which hosted the trade night in New York, said of the pandemic.

"People were home, they were bored, cooped up in their house, reliving their childhood.

They started buying sports cards," added the 25-year-old. The early days of lockdown coincided with the release in April 2020 of hit Netflix series "The Last Dance," about Michael Jordan's celebrated Chicago Bulls team of the 1990s.

It sent demand for Jordan memorabilia soaring and contributed towards basketball cards taking center stage in the sports trading card world, which had long been dominated by baseball.

June inflation highest in 8 months

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In FY'21, the weighted-average inflation was, however, nine basis points lower than the previous year's 5.65 per cent.

A recent report of the Bangladesh Bank said the second wave of coronavirus infections triggered a new strict lockdown from the middle of April, which may affect the future trajectory of inflation.

According to the government policy, transports were allowed to take passengers in reduced numbers but with a higher fare during the relaxed lockdown, which pushed up the overall cost of transportation and communication. "Eventually, the inflation of the sector increased sharply," said the BB.

The report said both food inflation and non-food inflation experienced volatile trajectories during the pandemic.

The inflation dynamics of disaggregated non-food inflation shows increased inflation of transport and communication and health expenses.

Despite a bumper yield of Boro paddy, the largest crop in Bangladesh, in the just-concluded season, rice prices are going up, putting pressure on the low-income groups. Many people are suffering from income losses for the lockdown.

Coarse rice sold for Tk 45.86 per kg in Dhaka in June, up 2 per cent from a month ago, data from the Department of Agriculture Marketing showed. The June price of the grain was the highest since October 2017.

Besides, the price of edible oil increased in the last four to five months as it became expensive in the global market. Clothing and footwear experienced decreasing inflation due to a fall in demand as people prioritised food intake over non-food consumption, the BB report said.

However, gross rent, fuel and lighting inflation rose slightly after the start of Covid-19 despite the fall in oil prices globally as the fuel price was not adjusted in Bangladesh.

Regulations aimed at stabilising prices in the crisis-sensitive economic sectors such as medical services are crucial to minimising unexpected inflation volatility during any crisis similar to the current one, the BB said.

"In addition, maintaining self-sufficiency in major food items and creating adequate buffer food stocks and sufficient foreign reserves for food imports are also important to subdue the adverse price effects of the pandemic."

According to Zahid Hussain, the food inflation drastically increased in the urban area in the last quarter of the immediate past fiscal year.

The domestic demand also increased, fueling the food price, in keeping with the hike in the global market, he said.

Average food inflation rose to a three-year high of 5.73 per cent in the last fiscal year. Average non-food inflation came down to 5.29 per cent in FY'21, the lowest in three years. The government has set a 5.3 per cent inflation target for the current fiscal year.