

## 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 its 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.

## Brazil power operator asks for maintenance delays amid drought

REUTERS, Rio De Janeiro

Brazil's national power grid operator (ONS) has asked electricity generators to postpone maintenance and technical work for as long as possible to help avoid worsening the energy crisis stemming from the country's worst drought in almost a century.

ONS Director General Luiz Carlos Ciochi told Reuters on Saturday the situation was worrying but under control, and insisted there was no risk of energy rationing.

The ONS in recent days asked power generators to put off any maintenance or stoppages until at least the beginning of the rainy season around November, Ciochi said.

"This kind of request and negotiation (with power generators) is quite common. It is to be expected."

## BINs made a must 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.

## 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.

## Mango exports still too low: experts

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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, where 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. 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."

## 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.

## Stock index hits all-time high

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As the market bounced back soon after its corrections or drops, investors are availing their profits and are optimistic about the market, said the CEO of the investment bank, adding that people now have confidence on the new commission of the stock market regulator.

But risks remain because some junk and newly listed companies' stocks have jumped abnormally. So investors need to be cautious in their choice of stocks, he added.

"The market is now in a good shape, so we want to trade more but the DSE's technical problems makes the task difficult," said Motahar Hossain Masum, a stock investor who has been involved in the market for more than one decade.

"Most of the days I face problems in trading stocks," he said, adding that sometimes it was difficult to trade stocks on time.

On the other hand, the DSE's technical problem centring its trading software is also causing problems sometimes which was not expected, he added.

Yesterday, the DSE's trade came to a halt at 11:10 am for around one and a half hours. So, the DSE authority decided to extend the trading hours to 3:30pm instead of stopping it at 2:30 pm. The market is rising for mainly two reasons -- liquidity and earnings growth of listed companies, said Shekh Mohammad Rashedul Hasan, CEO of UCB Asset Management.

As money is cheap in the money market, there is a huge amount of liquidity and the influx of liquidity gave a boost to the confidence of investors, he said, adding that now the interest rate of the banking sector was at a very low level.

Corporate earnings growth of many sectors has also been higher in the recent quarters, be it banking, pharmaceuticals or cement. "This is the fundamental reason for a higher index," he said.

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.

## Alesha Mart still unaware of complaints against it

The company's chairman says

STAR BUSINESS REPORT

Alesha Mart today said it still does not know what the complaints are against the e-commerce platform.

"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.

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

REUTERS

Billionaire American businessman Jeff Bezos and his three crewmates are engaging in a crash course of training on Sunday in preparation for his company Blue Origin's inaugural flight to the edge of space planned for Tuesday.

The suborbital launch from a site in the high desert plains of West Texas marks a crucial test for Blue Origin's New Shepard spacecraft, a 60-foot-tall (18.3 meters) and fully autonomous rocket-and-capsule combo that is central to plans by Bezos to tap a potentially lucrative space tourism market.

The planned 11-minute trip from the company's Launch Site One facility is set to include the oldest person ever to go to space - 82-year-old trailblazing female aviator Wally Funk - and the youngest - 18-year-old physics student Oliver Daemen News.

Joining them for Blue Origin's launch will be Bezos, the founder and current executive chairman of Amazon.com Inc, and his brother Mark Bezos.

The mission would represent the world's first uncrewed flight to space with an all-civilian crew. Blue Origin will have none of its staff astronauts or trained personnel onboard.

New Shepard is due to launch nine days after rival Richard Branson's space tourism company, Virgin Galactic, successfully carried out a suborbital flight from New Mexico with the British billionaire inside its rocket plane.

Blue Origin's training program, according to the company, includes safety briefings, a simulation of the spaceflight, a review of the rocket and its operations, and instruction on how to float around the craft's cabin after the capsule sheds Earth's gravity.

## 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 FY21, the lowest in three years. The government has set a 5.3 per cent inflation target for the current fiscal year.