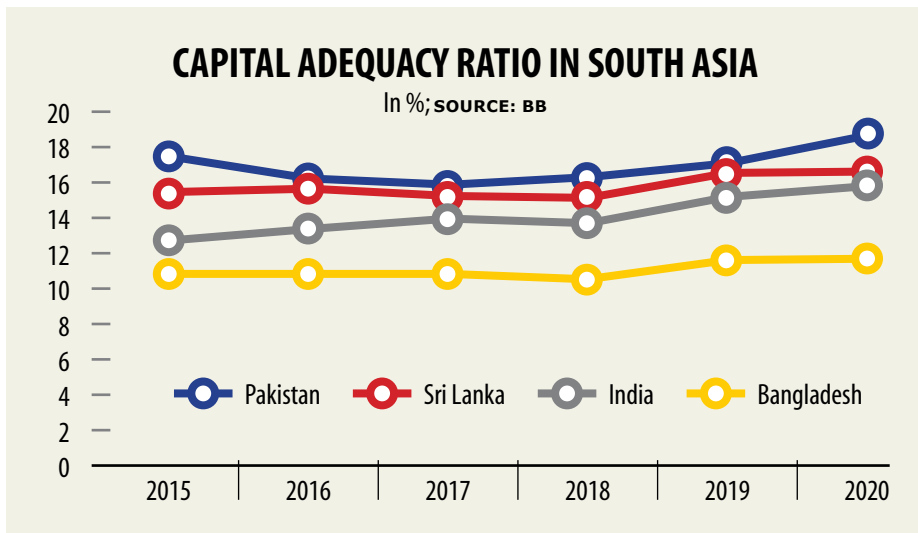


STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
Week-on-week		As of Friday		Friday Closings				As on Thursday				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 1.57%	▲ 1.63%	\$1,779.15 (per ounce)	\$70.59 (per barrel)	▲ 1.08%	▼ 0.14%	▼ 0.54%	▼ 0.24%	83.95	97.29	115.17	12.71	
6,699.39	11,702.06			55,437.29	27,977.15	3,165.49	3,516.30	BUY TK	84.95	101.09	118.97	13.37
								SELL TK				

# Star BUSINESS

DHAKA MONDAY AUGUST 16, 2021, BHADRA 1, 1428 BS • starbusiness@thedailystar.net

## Banks' capital base weaker than regional peers



AKM ZAMIR UDDIN

The capital base of the banking industry in Bangladesh is much weaker than its peer countries in South Asia, which indicates their fragile financial health and poor brand image in the outside world.

Banks maintained a capital adequacy ratio (CAR) of 11.60 per cent last year, way less than 18.6 per cent in Pakistan, 16.5 per cent in Sri Lanka, and 15.8 per cent in India.

This means the financial health of local banks is weaker than the lenders in the South Asian nations.

The CAR, also known as the capital to risk-weighted assets ratio, measures a bank's financial strength by using its capital and assets. It is used to protect depositors and promote the stability and efficiency of financial systems around the world.

It also reflects the ratio of defaulted loans, the capability to keep provisioning against regular and classified loans, and the actual corporate governance situation.

A Bangladesh Bank official says that the banking sector is going through a difficult time due to the ongoing business slowdown. So, the local banks need to fortify their capital base to minimise the downside risks.

The CAR reflects the overall financial health of lenders and is the topmost component of the CAMELS rating for banks, said Salehuddin Ahmed, a former governor of the central bank.

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## 6 YEARS OF GI RECOGNITION

# No global gain yet for Jamdani



Though 66 Jamdani weavers have been provided Geographical Indication (GI) certificates by Bangladesh Small and Cottage Industries Corporation (BSCIC) six years back, they have been provided with no guideline, training or instructions on the use of the tags in production and marketing. The photo was taken at BSCIC Jamdani Industrial City in Rugganj of Narayanganj recently.

PHOTO: AMRAN HOSSAIN

SUKANTA HALDER

Bangladesh is yet to see any big gains in the global market five years past recognising Jamdani as its first Geographical Indication (GI) product.

No guideline has come about from the state-run Bangladesh Small and Cottage Industries Corporation (BSCIC), the first to apply for the certification.

At that time, the BSCIC had stated that it was attempting to facilitate weavers to brand the indigenous cloth in a better way at home and abroad.

The GI is a name or sign used on some particular products to certify that they possess certain qualities enabled by the environment, weather and culture of a country.

This in effect facilitates branding highlighting

traditions and reputations in the global market and creates a separate demand for the product.

The path to commercial production, marketing rights and legal protection is paved. GI-tagged products fetch higher prices compared to similar products in other countries.

The BSCIC applied for the GI certificate, which is a form of intellectual property rights, on September 1, 2015.

The Department of Patents, Design and Trademarks (DPDT), which is under the Ministry of Industries, provided it on November 17, 2016.

As per World Intellectual Property Organization (WIPO) rules, the DPDT gives this certificate in accordance with the Geographical Indicative Products (Registration and Protection) Act, 2013.

Naturally it was expected for the BSCIC to

create a framework for commercial planning and training, production and marketing for weavers.

But it has no specific plans to this end till date.

The sole visible development brought about by the organisation was arranging for weavers to participate in two internationally organised fairs.

But that has come to little use as the BSCIC does not have any data on relevant issues such as the number of tagged products sold till date, the countries where the products were exported, the level of satisfaction it had on buyers, whether they would recommend it to others and so on.

Following the recognition, 66 weavers were registered so that they could use the GI certificate in their trade.

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## Credit card use hits record high

MAHMUDUL HASAN

Spending through credit cards hit an all-time high in June thanks to the acceleration of digital payments on e-commerce platforms amid the ongoing coronavirus pandemic.

Customers also spent more online ahead of Eid this year. Credit card transactions collectively stood at Tk 1,934 crore in June, up 13.25 per cent from a month earlier and 115.46 per cent year-on-year, data from the central bank showed.

During the first

## Ease conditions for raw material import: BGMEA

REFAVET ULLAH MIRDHA

Local garment manufacturers have demanded that the government ease conditions for importing yarn, cotton and fabrics as work orders were pouring in from international clothing retailers and brands.

"We have a lot of work orders... We need ready raw materials like yarn, cotton and fabrics," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The quantity of work orders is so high that local raw material suppliers are also facing difficulties in ensuring the timely supply of goods, said Hassan.

Hassan sent a letter to Commerce Minister Tipu Munshi on Saturday demanding easing the rules for importing yarn from India by removing different non-tariff barriers and improving infrastructures at the land port areas.

He demanded that the government allow the import of yarn, cotton fabrics and other raw materials particularly through the Bhumra and Sunamasjid land ports



under bonded warehouse facility.

Currently, importers can import yarn, cotton and fabrics from India under the bonded warehouse facility only through the Benapole Land Port as it had storage and warehouse facilities.

The BGMEA also demanded that the government allow partial shipment facilities through the land ports, including the Benapole land port.

Partial import of garment raw materials is now allowed only through the country's premier sea port at Chattogram.

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## Bank, NBFI, cement stocks gaining ground

Overvalued insurance sector on the decline

AHSAN HABIB

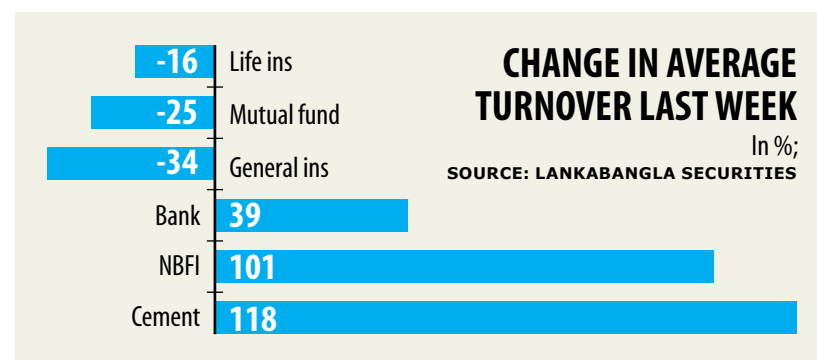
Investor participation in the local stock market's banking, non-bank financial institution (NBFI), and cement sectors soared last week while the insurance sector was lacklustre in attracting funds.

"Since these three had a lower price-earnings ratio compared to other sectors, people were more attracted to them," a market analyst said.

"On the other hand, investors have become aware that the insurance sector is overvalued and so, people are losing interest in it," he added.

The cement sector's daily average turnover more than doubled to Tk 76 crore in the last week compared to the week before, according to the weekly market statistics of LankaBangla Securities.

Similarly, turnover in the NBFI sector soared 101 per cent to Tk 228



while that of the life insurance sector fell 16 per cent to Tk 28 crore, market data shows.

"Bank stocks still have lower prices and so, investors are more interested in them even though the sector has the lowest price-earnings ratio of all," he added.

Turnover in the general insurance sector dropped 34 per cent to Tk 104

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People unloading a truck at an inland container depot in Chattogram recently. In a bid to ease an acute container congestion, the National Board of Revenue on July 25 ordered shifting all import-laden containers from the country's premier port to 19 private ICDs for delivery.

RAJIB RAIHAN

## Apparel makers seek direct delivery from port

Allege ICDs overcharging, making delays; ICD operators deny

DWAIKAYAN BARUA, Cig

Garment manufacturers no longer want to take delivery of import consignments from private inland container depots (ICDs) alleging it took up too much time while the charges were exorbitant.

Preferring to take deliveries directly from Chattogram port, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in a recent letter to the Chattogram customs commissioner urged for full restoration of direct port deliveries.

However, Bangladesh Inland Container Depots Association (Bicda) in a letter to the commissioner denied the allegations.

An acute container congestion was prevailing at the port for poor deliveries amid the Eid holidays and countrywide lockdown.

Attempting to alleviate the situation, the National Board of Revenue (NBR) in an office order on July 25 directed to shift all

import-laden containers from the port to the 19 private ICDs.

The aim was to unpack the goods from the containers and provide deliveries from there for a temporary period till August 31.

Usually, containers carrying only 37 types of imported goods are taken to the ICDs from the port for delivery.

The NBR's decision helped to rapidly ease container congestion at the port since over 15,000 TEUs (twenty-foot equivalent units) of import-laden containers could be shifted to the ICDs in a span of one week.

The apparel makers, however, have been opposing shifting imported raw materials for manufacturing garments to the ICDs from the beginning. They kept taking deliveries of their imports from the port directly.

BGMEA First Vice President Syed Nazrul Islam on August 12 in a letter to the commissioner of Chittagong Customs House stated that it was taking an additional six to seven days to take deliveries from the ICDs.

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