Monthly MFS transaction limit remains unchanged

STAR BUSINESS REPORT

The Bangladesh Bank (BB) yesterday said that the highest monthly transaction limit of Tk 2 lakh from person to person through mobile financial services (MFS) would remain unchanged.

The BB increased the monthly transaction limit from Tk 75,000 on April 4 soon after the government declared strict restrictions on movement to contain the second wave of the coronavirus pandemic.

The central bank, however, withdrew the facility of MFS transactions that allowed clients to transfer Tk 40,000 without any charge through MFS.

"We have taken the decision as the economy reopens after the government relaxed the restriction," a BB official said.

From now on, MFS providers can impose the charge as per their business policy.

The central bank also said that credit cardholders would have to face interest on the overdue amount of their cards.

In April, banks were asked to impose interest on the only principal amount of credit cardholders. But the latest notice has withdrawn the rules as well.

Accord signatories enter new pact

FROM PAGE B1

"The renewed agreement advances the fundamental elements like respect for freedom of association, independent administration and implementation, a high level of transparency, provisions to ensure remediation is financially feasible," said the Bangladesh Accord in a statement.

Key new features of the International Accord include a commitment to focus on the health and safety program in Bangladesh and on building a credible industry wide compliance and accountability mechanism.

"Starting today, the trade union signatories, IndustriALL Global Union and UNI Global Union will join along with leading brands into this new agreement," the statement said.

On September 1, the Accord will announce the first wave of brands and retailers that have signed the agreement.

In a statement, H&M, one of the signatories, said: "We are pleased to have signed a new agreement, called the International Accord for Health and Safety in the Textile and Garment Industry, with trade unions and other brands to continue our joint efforts to ensure a safe work environment in Bangladesh's garment industry."

The Accord has brought in a remarkable change in the textile industry, said Masarrat Quader, public affairs and stakeholder engagement manager of H&M Group.

"I'm proud to have been a part of fruitful and important discussions with other brands and trade unions leading up to this ground-breaking agreement."

Miran Ali, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said they were aware about the formation of the international accord.

He, however, said the accord was for other countries, not for Bangladesh.

He said the RSC had already been formed, and it was functioning in Bangladesh after the Accord for Bangladesh Workers Safety departed.

The International Accord has been formed to strengthen the safety in the garment factories outside of Bangladesh, said a retailer of a European retailer having an office in Bangladesh.

On June 1, 2020, the RSC took over the Accord in Bangladesh with the mandate to continue with factory inspections, remediation monitoring, and workplace programmes.

However, the RSC did not take over one unique portion of the accord - the ability for retailers to be tried in court in the country in which they are domiciled if they fail to meet their obligations, including cutting ties with factories that do not meet the Accord's standards, reported Reuters yesterday.

This has now been extended until the end of October 2023, according to a copy of the agreement seen by Reuters.

Signatories also agreed to discuss within six months which countries the International Accord could be extended to, with the aim of establishing it in at least one other country within two years.

In a joint statement, the Clean Clothes Campaign, Worker Rights Consortium, Maquila Solidarity Network, and Global Labor Justice-International Labor Rights Forum, said: "We welcome, and look forward to signing, this new international safety agreement, which maintains the vital elements of the ground-breaking model established by the Bangladesh Accord.

The vital elements are legal enforceability of brands' commitments, independent oversight of brand compliance, the obligation to pay prices to suppliers sufficient to support safe workplaces, and the obligation to cease doing business with any factory that refuses to operate safely.

"The successful outcome of negotiations this summer will ensure that the sweeping safety gains the Accord have delivered in Bangladesh will be maintained and extended."

The model will also now be expanded to other countries where workers' lives remain daily at risk, said the NGOs.

Only brands that are willing to sign the new agreement will be able to avail themselves of inspections and other services from the RSC, ensuring a level-playing field without a double standard for brand accountability, the rights groups said.

Ineke Zeldenrust, the international coordinator at the Clean Clothes Campaign, said: "This agreement will begin the long-awaited expansion of this model that holds brands legally accountable to other countries where workers' lives continue to be at risk."

Scott Nova, executive director of the Worker Rights Consortium, said: "Garment workers in Bangladesh used to die in the dozens and hundreds making T-shirts and sweaters for the world's leading apparel brands."

"The Accord put an end to that horror. Provided enough brands sign, this new agreement will ensure it never returns."

India may announce overseas listing rules in next budget

REUTERS, *New Delhi*

India may announce rules allowing companies to list overseas in the next budget in February, as some issues are yet to be resolved and are under discussion, Revenue Secretary Tarun Bajaj said on Wednesday.

"Direct overseas listing for companies continues to be under discussion, we also need to ensure success of such issues," the Revenue Secretary said.

A Reuters report had suggested that India would take around six months to announce rules allowing companies to list overseas, taking longer than some expected as the finance ministry irons out issues related to taxation.

Two senior government officials had told Reuters that the rules will only be announced with the February federal budget as there was no decision yet on how the government should tax big investors and retail traders when they trade Indian companies listed abroad.

Railway getting popular among importers

FROM PAGE B4

In particular, local importers who source their goods from India prefer rail transport due to its cheap cost.

To carry one tonne of goods from India to Bangladesh by train, one needs to spend Tk 367 but the cost of road transport is nearly double that.

Besides, rail transport faces far less hassle than goods laden trucks, said RRP Representative Hossain, adding that his company imports around 500 tonnes of wheat by train every month. According to the railway's Pakshey division, a total of about Tk 286 crore was earned from transporting goods by rail in the last couple of years, including the ongoing pandemic period.

Of the total revenue, around Tk 248 crore came from Indian cargo trains alone.

Indian trains have been carrying imported goods to Bangladesh through five border points of the Bangladesh Railway's west zone -- Benapole, Dorshona, Rohonpur and Chilaahaati -- under Pakshey division and Birol of Lalmonirhat division.

The railway's Pakshey division registered its highest-ever earnings from imports in the last couple of years, said Divisional Commercial Officer Uddin, adding that due to the gradual success of revenue collection at three border points, the railway resumed its services at the Chilahaati border point from last month.

"Now, four border points in Pakshey division have successfully begun operation of international goods trains," he said. Importers have long demanded smoother transportation facilities to carry their goods to and from Dhaka, Chattogram, and other major cities for the sake of increasing business.

Importers mostly depend on getting contracts with Indian trains for their goods since there are not any Bangladeshi cargo trains that go to India.

While speaking with The Daily Star, officials of Bangladesh Railway said development work was ongoing to increase the railway services for import-export activities.

"Construction of a double line is also underway. After completing construction of the development work, goods train movement will be easier, then the existing obstacles would be removed," Uddin said.

The railway's west zone has enough wagons to carry goods through international borders.

"So, we expect to send our trains to India in the future if we get booking from traders," he said, adding that considering the increasing profit, the authorities are planning to resume operations at all closed borders soon.

BJMC gets 55 investment proposals

FROM PAGE B1

Meanwhile, Golam Dastagir Gazi, minister for textile and jute, said Saudi Arabia was interested in investing in the production of jute products by resuming production at the closed mills.

He said this after a meeting with Issa bin Youssef Al-Duhailan, Saudi ambassador to Bangladesh, at Bangladesh Secretariat yesterday.

Gazi said to have hoped for Saudi Arabia to invest more in expanding its trade in textiles and jute.

The minister assured that jute produced in Bangladesh was of high standard, using which high quality and attractive multi-purpose products were being produced now. He said jute products were completely environmentally friendly and Bangladesh was interested in exporting more jute products to Saudi Arabia.

Demand for jute has grown significantly in Saudi Arabia recently due to increasing awareness. Now Bangladeshi jute products are exported to different countries, including Saudi Arabia.

Autogas use on the way up

FROM PAGE B1

But things started to accelerate in 2019 when many people started to convert their vehicles' fuel consumption mechanism to run on LPG.

Its monthly sales more than doubled year-on-year in 2020 to around 2,200 tonnes per month. Now it sells around 2,500 to 3,000 tonnes per month.

"Due to lengthy lockdowns during the first half of 2021, the pace of growth of autogas sales has stalled slightly," said Yeasin.

BM Energy got approval to set up 450 autogas stations and 50 conversion centres from the ministry. Another 50 autogas stations are set to be launched by one year, he added.

Omera Gas One, a joint venture between Omera Petroleum in Bangladesh and Saisan Co in Japan, has already set up 32 autogas stations, according to Md Kamal Hossain, general manager at Omera Gas One.

The monthly sales of the company, which got the approval to set up 200 autogas stations from the ministry, more than doubled year-on-year in 2020 to 700 tonnes. Now it sells 1,000 tonnes every month.

"We have conversion facilities in almost all of our refuelling stations. So far we have already converted over 1,000 vehicles," said Hossain.

Currently, it converts around 100 vehicles per month.

"We import a 5th generation conversion kit from Italy and our technicians trained with engineers set up equipment and a software in the conversion processes," he said.

"Many three-wheeler owners use LPG in the cylinders of CNG. Since LPG is low pressure gas, it poses limited risk with the high pressure cylinder of CNG. However, as an engineer, I would suggest not to use LPG in the CNG cylinders," he added.

Converting to a top quality LPG system costs around Tk 50,000 while to a CNG system Tk 90,000.

According to industry people, there are about 35,000 vehicles using autogas and monthly consumption now stands at around 6,000 to 6,500 tonnes.

Petromax LPG, which got permission for setting up 100 stations, has already set up autogas facilities at 40 stations, according to Chief Operating Officer Firoz Ahmed.

Its monthly sales stood at 250 tonnes in 2020, up from 100 to 150 tonnes per month in 2019.

Currently, it sells around 500 tonnes per month.

According to Tasnuva Chowdhury, head of business development of Beximco LPG Unit-1, the company supplies LPG in 21 stations with an additional four to be set up within a month.

It now sells 270 tonnes per month, up from 170 tonnes in 2020.

The LPG system is much lower-cost compared to gasoline fuels like petrol, octane or diesel.

Although it is consumed more than petrol on a per kilometre basis, one can travel greater distances with LPG compressed to natural gas (CNG), she added.

Last year, Beximco LPG Unit-1 entered an agreement with Padma Oil Company enabling Beximco LPG to setup LPG stations and commence sales of autogas through registered refuelling stations of Padma Oil Company.

Beximco LPG was granted 500 franchisee licenses for autogas stations earlier in 2016 from the Ministry of Energy and Mineral Resources Division.

G-Gas LPG, a product of Energypac Power Generation, one of the pioneers in power engineering business in Bangladesh, has already set up 42 autogas stations.

In 2019, its monthly sale was only 100 tonnes, which now has risen to 650 tonnes per month.

There are about 150 more stations in the implementation phase and agreements for another 100 stations have been signed.

"This is environment friendly and LPG is the future," said Managing Director Humayun Rashid.

"It can be transported anywhere in the country, even to remote islands," he added.

Other top players in the industry are Bashundhara LP Gas, JMI and Jamuna Gas.

Azam J Chowdhury, president of the LPG Operators Association of Bangladesh (LOAB), said the future of autogas was bright provided it was supported by the government's existing policy.

It is cheaper than any form of mineral oil like diesel, kerosene or motor gasoline. It is lighter and gives more mileage than CNG although CNG is still cheaper, he said.

"If the government continues to consider using natural gas in productive sectors while encouraging usage of LP gas for domestic and commercial use as a substitute to natural gas, then there will be huge growth in the next few years," he said.

Currently permission from franchisee of operators takes longer than expected as explosive rules demand a number of compliances.

The government also needs to strengthen the Department of Explosives to be able to address these issues, said Chowdhury, who is also the chairman of East Coast Group.

"As there is a forecast that the reserve of the domestic natural gas would wane in future, we are promoting LPG/autogas as an alternative energy," said Moha Sher Ali, joint secretary (operation) at the Energy and Mineral Resources Division.

3 key fast-track projects near end

FROM PAGE B1

The IMED report said the Chinese and local workers were working in full swing despite the coronavirus pandemic. It asked the Bangladesh Railway, the implementing agency, to formulate month-wise work plans and implement them accordingly.

The MRT Line-1, running from Shah Jalal International Airport to Kamalapur, attained progress of 1.5 per cent for the Tk 52,561 crore project. The deadline is December 2026.

The achievement is 3.11 per cent of the Tk 41,238 crore MRT-5 project, which runs from Hemayetpur to Bhatara in the capital, as the implementing agency, state-run Dhaka Mass Transit Company Ltd, managed to spend Tk 1,281 crore as of July.

The total cost is Tk 41,238 crore, and the deadline is 2028.

The MRT-6 from Uttara Third Phase to Motijheel recorded 71.33 per cent financial progress as of July.

Dhaka Transport Coordination Authority is implementing the project at Tk 21,985 crore. It has spent Tk 15,683 crore so far.

The overall implementation progress of the mega projects is 57.56 per cent, said Finance Minister AHM Mustafa Kamal in his budget speech in June.

Tk 51,321 crore has been allocated to 14 mega projects, which included the fast-track projects that accounted for 22.8 per cent of the ADP in FY22.

Eight out of 14 mega projects are scheduled to be completed in FY22. But none of these projects has received the required allocation for completion in FY22, not even the Padma Multipurpose Bridge project, said the Centre for Policy Dialogue in a paper in June.

BGMEA seeks incentive on non-cotton apparel export

FROM PAGE B1

So, investment and production in the MMF-based fibre industry is still low even though it has very high potential, he added.

For instance, last year the global market of the MMF-based garment industry was worth $150 billion.

Currently, Vietnam holds a 10 per cent share of the global MMF-based garment market while Bangladesh is still struggling to attain a 5 per cent share in this segment, the letter read.

Of the global garment market, some 75 per cent are MMF-based fibre and this market is growing by 3 to 4 per cent annually. Of the 75 per cent MMF products, some 64 per cent include synthetic fibre, it added.

On the other hand, the global market share of the cotton-based garment industry is growing at just 1 or 2 per cent annually.

As a result, Bangladeshi garment exporters have been losing the opportunity.

So, the government needs to give at least 10 per cent incentive on the export of MMF-based garments to attract more investment in this segment, Hassan said.

The BGMEA chief also sent two different letters to the finance secretary and the governor of Bangladesh Bank on August 22, demanding loan rescheduling facilities for up to December as garment manufacturers and exporters have been struggling amid the ongoing Covid-19 pandemic.

In the letters, he also demanded not to classify the loans of the garment sector for up to December this year so that they can be more competitive in the business.

Govt warns of action against price manipulators

FROM PAGE B1

Over the past two months, prices of mainly three widely consumed basic items -- rice, sugar and edible oil -- witnessed an abnormal increase in local markets.

Soybean oil is now being sold for between Tk 140 and Tk 150 per litre while sugar is priced at about Tk 75 per kilogramme, according to data from the commerce ministry.

"We have also noticed that the prices of these basic items increased in the local markets," said Ghosh in reply to a barrage of questions from journalists after the meeting.

"However, the prices of sugar and edible oil increased in the local markets because of price escalation in international markets as we are dependent on import of these two consumable items," he said.

Regarding rice prices, the commerce secretary said his ministry has already given permission to import 7.5 lakh tonnes of the staple food through different companies to tame the soaring domestic prices.

The government has also reduced the import duty on rice to 25 per cent from 62 per cent mainly to scale down the price in local markets, he added.

However, Ghosh declined to disclose the tariff commission's price calculation of the three commodities, citing it as sensitive information.

The meeting was mainly held to review the current market and so, no commodity prices were fixed.

"We are observing the price, supply, import and demand situation of basic commodities in the markets," Ghosh said. For instance, the state-owned Trading Corporation of Bangladesh has increased its operations and sales by two-and-a-half times compared to that last year in a bid to tame the soaring prices of basic commodities, he added.

The total domestic demand for different kinds of edible oil currently stands at about 18 lakh tonnes to 20 lakh tonnes per year.

Last fiscal year, some 18 lakh tonnes of edible oil was imported apart from the 1.80 lakh tonnes locally produced, shows commerce ministry data.

Moreover, 6.36 lakh tonnes of soybean seed was also imported the same year.

Similarly, the annual demand for sugar stands at 17 lakh tonnes to 18 lakh tonnes.

Last fiscal year, 69,500 tonnes was produced locally and some 18.85 lakh tonnes of unrefined sugar and around 31,782 tonnes of refined sugar were imported.

Stocks snap 3-day rally

FROM PAGE B1

But a profit booking selling pressure at the last hour in some major sectors has contributed to the plunge in indices, it said.

"However, the buyers' interest remained in financial institutions, general insurance, life insurance and telecom sector stocks," it said.

Turnover declined 6.95 per cent to Tk 2,570 crore at the DSE as some investors stayed on the sidelines to observe the market corrections.

Yet, the turnover remained at an average of Tk 2,586 crore over the last 15 consecutive sessions. The top 10 stocks to be traded captured around 22 per cent of the total trade. Both the gainers' and losers' lists comprised small cap stocks, said International Leasing Securities.

The investors' activity was mostly centred on financial institutions, general insurance and textile sectors, it said.

"The NBFI (non-bank financial institutions) booked the highest gain of 2.51 per cent followed by telecommunication, food & allied," said Brac EPL Brokerage in its update.

Engineering experienced the highest loss followed by fuel & power, bank and pharmaceuticals, it said.

Bangladesh Export Import Company was the most traded share with a turnover of Tk 87.3 crore, it added.

Effective supply chain a must for safe food

FROM PAGE B4

"The BSTI is working on creating awareness but for that we need concerted efforts. The BSTI is also trying to expand its activities at the district level," he said.

Md Saleh Ahmed, chairman of Kernal Foundation, said a GAP policy was recently framed but now it needed to be implemented through the PPP.

Ambareen Reza, managing director of Foodpanda, said last year about 5,000 restaurants stayed closed due to a lack of an efficient supply chain system.

She also suggested replicating the successful garment supply chain model in the food value chain system.