

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.66%	▲ 0.72%	\$1,813.64	\$72.96	▲ 1.16%	▲ 1.08%	▼ 1.52%	▲ 0.45%	BUY TK 84.25	98.45	115.11	12.75
6,869.24	11,985.72	(per ounce)	(per barrel)	57,552.39	28,089.54	3,055.05	3,543.94	SELL TK 85.25	102.25	118.91	13.40

Star BUSINESS

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Padma Bank seeks to merge with state bank

STAR BUSINESS REPORT

Padma Bank, the erstwhile Farmers Bank, in a letter to the finance ministry recently has sought to be merged with any state bank that fits the bill, in what seems to be a desperate effort to avoid further deterioration of its financial health.

"We have recently received an application from the bank for a merger," ABM Ruhul Azad, additional secretary to the ministry's financial institutions division, told The Daily Star.

"No decision has been taken yet," he said.

The merger plea comes around three years past the government rescuing the lender from collapse in the wake of massive financial irregularities.

Established in 2013 as Farmers Bank, the lending agency had fallen prey to scamsters. A Bangladesh Bank investigation found that more than Tk 3,500 crore was siphoned off between 2013 and 2017.

The bank fell in deep trouble after depositors, which included government agencies, started pulling out their money as allegations of corruption arose against Muhiuddin Khan Alamgir and Md Mahabubul Haque Chisty, the then board chairman and chairman of the audit committee respectively.



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Premium Quality Tiles Brand

Apparel export to EU awaits severe competition: experts

STAR BUSINESS REPORT

Bangladesh will face severe competition in garment shipments to the European Union (EU) once it makes the United Nations status graduation from a least developed to a developing nation, a noted economist said yesterday.

Bangladesh will lose a 12 per cent duty benefit while Vietnam will enjoy zero duty benefit for signing a free trade agreement (FTA), said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

So, Bangladesh will face a disadvantage of nearly 22 to 23 per cent in duty to the EU, he added.

Vietnam will also enjoy duty benefits to major markets like Canada, the US and Australia since it is a member of a Trans-Pacific Partnership (TPP) Agreement and has signed a Regional Comprehensive Economic Partnership (RCEP) agreement.

So, there is scope for limitations to come about for Bangladesh's garment sector in the next seven to eight years if the government does not take up necessary action plans to expand the business horizon, Rahman said.

It is the state's responsibility to get FTAs, preferential trade agreements (PTAs) or comprehensive economic partnership agreements (CEPA)

CHALLENGES AND WAY OUTS

Bangladesh will face 24% disadvantageous duty to EU after LDC graduation

EU-Vietnam free trade agreement coming into force soon

Vietnam to enjoy duty benefit in Canada, US and Australia for signing TPP and RCEP

Unemployment benefit scheme needs to be formed for workers

Workers are yet to be benefitted from welfare fund

Product and market diversification key to future expansion

More investment needed in man-made fibre garments for better prices

Price of Bangladeshi garments fell 2.43% in EU

signed with countries concerned, bring massive reforms and protect labour rights for enjoying duty benefits.

Otherwise, the bad impacts of business end up falling on workers, Rahman told a virtual discussion on "Dealing with the aftermath of Covid-19

Adjustments and Adaptation Efforts of the Apparel Workers in Bangladesh", organised by Nagorik Platform and Christian Aid.

Garment manufacturers, exporters, union leaders, researchers and experts participated in the discussion

moderated by Debapriya Bhattacharya, a distinguished fellow of the CPD and convener of the Citizen's Platform for SDGs, Bangladesh.

Rehman Sobhan, chairman of the CPD, said it was either miscommunication or something else, but the sudden reopening

announcement after the latest lockdown prompted a large number of workers to rush to their workplaces.

They did so despite the risks posed to their lives as they thought they may lose their jobs or face other problems.

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Edible oil consumption rises 20pc in 5 years

Study finds

STAFF CORRESPONDENT, Chattogram

The per capita consumption of edible oil in Bangladesh increased by 20 per cent in the last five years to reach 18.4 kilogrammes (kgs) in 2020, according to a survey by the Council of Palm Oil Producing Countries (CPOPC).

In 2016, the per capita consumption of edible oil stood at 15.3 kgs.

As per the CPOPC report, the country's annual consumption of oils and fats currently stands at 30.3 lakh tonnes, 92 per cent of which is met through imports. Bangladesh imported 27.73 lakh tonnes of edible oil, fats and oil seed worth \$2.12 billion in fiscal 2019-20.

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SME stimulus way lower than regional peers: study

STAR BUSINESS REPORT

The government's allocation for helping small and medium enterprises (SMEs) overcome coronavirus-induced losses is less compared to the funds set aside for the same purpose in India, Thailand, and Malaysia, according to a recent study.

The findings of the study styled "The Future of SMEs after the Coronavirus Crisis: Challenges and Opportunities" were revealed yesterday at a webinar jointly organised by the SME Foundation and Friedrich-Ebert-Stiftung, Bangladesh.

As per the report, India allocated 38 per cent of its total Covid-19 stimulus funds for the SME sector while it was 33 per cent in Thailand and 24 per cent in Malaysia.

On the other hand, Bangladesh's allocation is just 22 per cent.

Considering the situation, discussants suggested that the government should increase the incentives for SMEs and pay special attention to the sector.

"The revenue of the local SME sector has fallen by 66 per cent due to the ongoing coronavirus crisis as 76 per cent of their products remain unsold," said Atiur Rahman, former governor of Bangladesh Bank.

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Stocks bounce back after 3-day fall

STAR BUSINESS REPORT

Bangladesh's stock market bounced back yesterday after losing a total of 61 points over the last three days as investors started to buy stocks, thinking that the profit booking session had ended.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 45 points, or 0.68 per cent, to 6,869. On the same day, the DS-30, the blue-chip stock index, rose 10 points to 2,453.

"As the deposit rate in the banking sector is low, people now prefer investing their funds in the stock market," said a merchant banker preferring anonymity.

Besides, the market recently became vibrant after a long time, attracting more general investors in the process.

"However, they should remain cautious when investing since many stocks are quite overvalued and none but the investors themselves will suffer for wrong decisions," he said. Turnover, an important indicator of the market, rose 21 per cent to Tk 2,249 crore yesterday at the DSE, where 225 stocks advanced, 119 fell and 32 remained unchanged.

"The stock market index has been in a rising trend for the last few months, when many stocks rose 10 to 20 per cent, so a profit booking session was expected," a stock broker said.

Now, since many investors think the index may rise further, they started to buy again, he added.

Following corrections over the past few days, the market opened with the active presence of bargain hunters and this upbeat trend continued until the end of yesterday's session, International Leasing Securities said in its daily market review.

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NEW INTERNATIONAL ACCORD: THE DEBATE

A new International Accord for Health and Safety in the Textile and Garment Industry was formed in Amsterdam on August 25 with a view to improving workers' rights and health in different countries, including Bangladesh. The two-year agreement comes into effect from today. However, the new platform has generated a heated debate among industry leaders, unions and independent experts. Refayet Ullah Mirdha, senior staff reporter at The Daily Star, talked to them. The following are excerpts from interviews on the development.

New accord can't be formed

Farque Hassan, president of apparel makers' platform the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said a new international accord cannot be formed.

Bangladesh has already complied with a Corrective Action Plan in accordance with the recommendations of the previous Bangladesh accord, he said.

"It is just old wine in a new old bottle," he said.

The international accord's formation is unethical, contradicts the laws of the land and has no recognition in Bangladesh, Hassan



Farque Hassan

also said. Even the Bangladesh accord cannot issue any press release on the formation of the international accord as the former's operations came to a close through a court order in Bangladesh, he said.

Moreover, the international accord is not needed at all as the RMG Sustainability Council, a tripartite body, has been working towards ensuring safety in the country's garment sector, said Hassan.

In fact, the signatories of the international accord did not take any

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Separate int'l platform not needed

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD), said formation of this separate international accord platform was not needed.

The international accord has been formed mainly targeting protection of workers' rights like freedom of association and health safety in the garment sector worldwide, including Bangladesh, he said.

The two issues could have been incorporated in the existing RMG Sustainability Council (RSC) as it is a tripartite platform comprising



Khondaker Golam Moazzem

brands, unions and industry, he said.

Moazzem said he discourages such new platforms from becoming active in the country, as the RSC was already functioning here.

"We discourage the formation of the new platform as the RSC is in place. Since the union leaders are also involved in the RSC, they also need to be consulted over the formation of the international accord," he said. He also said the brands and retailers were already functional in Bangladesh as they were signatories to the RSC.

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A win for unaddressed health safety

The international accord was formed mainly to ensure occupational and health safety of workers, said Nazma Akter, a substitute executive committee member of IndustriALL Global Union, a union federation representing more than 50 million working people in more than 140 countries.

The previous accord worked only to ensure electrical, fire and structural safety in the garment sector in Bangladesh, she said.

The health and occupational safety was not addressed in the



Nazma Akter

previous accord although the issues were raised by the rights groups, she said.

"I hope the new accord will act to protect the occupational health, safety and good health of the workers so that they can work for a long time and get the benefits of service," Akter said.

"I also hope that the productivity in the garment factories will increase if the workers feel safe and have sound health. We fought for the new accord and we won. It is our victory," she also said. The new accord is applicable not only in Bangladesh but also in other countries, she added.

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