

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.10%	▼ 0.36%	\$1,758.30 (per ounce)	\$81.19 (per barrel)	▲ 0.82%	▲ 0.54%	▲ 0.56%	▲ 0.90%	BUY TK 84.65	96.79	114.16	12.89
7,342.96	12,879.21			59,677.83	27,678.21	3,101.15	3,568.17	SELL TK 85.65	100.59	117.96	13.55





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BUSINESS

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 starbusiness@thedailystar.com

BARRIERS THAT HINDER TRADE

Some **39** govt approvals needed for customs clearance from Ctg port

Ctg port faces congestion for delay in goods release

For the delay at port, cost of doing business rises

Small businesses suffer the most while obtaining certificates

Regulatory complexities major trade barrier

Poor infrastructure and road connectivity also hinder trade

Businesses find scarcity of land as a major challenge



Doing business outside Dhaka is really difficult. We need to diversify growth beyond Dhaka

Syed Nasim Manzur
Former president of MCCI



39 approvals needed to release goods from Ctg port

Says Bangladesh Business Climate Index report

STAR BUSINESS REPORT

Entrepreneurs in Bangladesh need as many as 39 approvals from various government agencies before their goods are released from Chattogram port, a sad circumstance that hurts businesses, a new report said.

"Very often, the Chattogram port faces severe congestion for the delay in releasing the goods, eventually raising the cost of doing business for the users," said the Bangladesh Business Climate Index (BBX) report, which was launched virtually yesterday.

The Policy Exchange,

Bangladesh (PEB), and the Metropolitan Chamber of Commerce and Industry (MCCI) jointly prepared and introduced the country's first such index to measure business climate.

The report said small businesses, particularly those involved in trading goods, suffered the most as they needed certificates from government agencies, but they did not have much knowledge and

financial capability.

Regulatory complexities, scarcity of land, poor infrastructure, and poor road connectivity are major trade barriers, although Bangladesh has progressed a lot and economic development is laudable.

Syed Nasim Manzur, managing director of Apex Footwear Ltd, called for making rules easier for everybody.

"Running businesses outside of Dhaka is really difficult," he said, adding that businesses also needed to move beyond the capital city.



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StanChart forecasts 7.2pc GDP growth

STAR BUSINESS REPORT

Bangladesh's economic growth will rebound to 7.2 per cent in the current fiscal year, riding on domestic consumption, global recovery, steady flow of remittance and rising exports, said Standard Chartered yesterday.

The forecast is in line with the government projection for gross domestic product (GDP) and higher than that of the World Bank and the Asian Development Bank.

"Bangladesh's economy will grow by 7 per cent to 7.2 per cent in the current fiscal year," said Saurav Anand, economist for South Asia at Standard Chartered.

"If we don't have any more wave of coronavirus infections, we will probably see a GDP growth that is higher than 7 per cent."

He reasoned that the economies where Bangladesh ships most of its exports and the countries that account for a majority of remittance for the country are also doing well. Anand hopes the government's fiscal and monetary policies would remain supportive of growth.

"Bangladesh's debt-to-GDP ratio is one of the lowest across the globe. And this provides a lot of room for the government to push for growth."

He reiterated the bank's estimate that Bangladesh would become a \$500-billion economy by the fiscal year of 2025-26, and per capita income would rise to \$3,000.

He spoke at the virtual Global Research Briefing Bangladesh 2021 organised by the bank.

The multinational bank said Bangladesh's taka has been the best-performing among the emerging market currencies and will continue to outshine them thanks to robust remittance flow and healthy foreign exchange reserves.

The local currency will remain the strongest currency in the region despite the strengthening of the US dollar and the rising crude oil prices.

Divya Devesh, head of foreign currency research at Standard Chartered for Asean and South Asia, said: "Recently, we have seen some amount of appreciation of the US dollar against the taka."

"But if you look at the taka's performance versus other emerging market currencies, you will see that the taka outperformed them last month."

"The taka is still the best-performing currency across emerging market economies in Asia."

One of the main drivers for the higher USD-taka exchange rate is the commodity prices, particularly oil prices. Brent crude oil rallied since August, rising from about \$65 a barrel to about \$80 a barrel now.

Devesh said Bangladesh enjoyed a



- Taka best-performing among emerging market currencies
- USD to trade at Tk 86 towards the end of December
- Bangladesh to become \$500b economy by FY26
- 5.6pc inflation in FY22
- Non-food inflation is likely to be higher
- Private investment picking up

very important buffer compared to other emerging economies in Asia as well as South Asia. One of them is remittance, although it slowed in recent months from a very strong level last year.

"That has been quite supportive to the taka. We think this will remain the case for the remainder of 2021 and next year," Devesh said.

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Beximco to build 230MW solar plants

Cost Tk 1,700cr

STAR BUSINESS REPORT

Beximco Ltd yesterday announced that it was going to build 230-megawatt (MW) solar utility-scale power plants at Gaibandha at a cost of Tk 1,700 crore.

A utility-scale facility is one which supplies the electricity generated to the grid. Such facilities have a power purchase agreement with a utility for a fixed term.

However, the company's share price on the Dhaka Stock Exchange (DSE) dropped 4.54 per cent to Tk 140 yesterday.

The stock price has doubled from Tk 69 in a span of the last six months.

Teesta Solar Limited and Korotoa Solar Limited, two subsidiaries of Beximco Power Company Limited, will deliver 200MW and 30MW respectively, according to a disclosure from the company.

"This will make Beximco the undisputed leader in utility-scale solar power production in Bangladesh," it said.

AT A GLANCE

Subsidiaries Teesta Solar and Korotoa Solar to deliver **200MW** and **30MW**

LONGi Solar Tech to install solar modules

Rays Power Infra and Zetwerk Manufacturing Businesses to build and maintain plants

The plants will be commissioned by mid-2022

Confidence Infrastructure to put up **35.35-kilometre** transmission line

The 230MW in alternating current (ac) will require the plants to produce 325MW in direct current (dc) and then conducting the conversion using inverters, explained Rafiqul Islam, an executive director of Beximco Group.

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Kalurghat factories at high risk of natural disasters: study

STAFF CORRESPONDENT, Ctg

The geographical location of Chattogram's Kalurghat industrial area puts nearly every factory there at high risk of natural disasters, including waterlogging, floods and cyclones, in the next 25 years to 50 years.

This was stated in a study of Programming Division, a wing of Bangladesh Planning Commission, which made it public at a programme in Chattogram yesterday.

However, the risk is lower in the coming decade, said the study, "Industry Sector Risk Profile: The Case of KEPZ and Kalurghat Industrial Area in Chattogram".

Researchers of the Institute of Water Modelling (IWM) under National Resilience Programme project analysed past climate data of the area and collected

KALURGHAT INDUSTRIAL AREA

Some **134** factories producing goods in Kalurghat

Major goods produced: chemicals, electric items, food, garments, metal items, paper, leather, tobacco and plastics

Almost all factories in Kalurghat face high risk of natural disaster in next **50** years



primary and secondary data for over a year.

This study is a pioneering exercise for further risk reduction measures in the industrial sector

of Bangladesh. Such risk profiles can be utilised by investors, industrial planners, policy makers, development planners and other stakeholders.

Established beside the Karnaphuli river, Kalurghat is the oldest industrial area in Chattogram city.

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T-BILLS AND BONDS

BB relaxes banks' investment rules

STAR BUSINESS REPORT

Bangladesh Bank yesterday relaxed rules regarding banks' investment in Treasury bills and bonds in order to help them avoid generating lower-than-expected profits in the secondary bond market.

Many banks now face lower profits than what they had expected as interest rates of T-bills and bonds have recently declined, creating an uneasy situation for the lenders.

Against this backdrop, the central bank increased the investment ceiling for banks on held-to-maturity (HTM) securities.

Banks have to keep HTM securities until maturity of the instruments, meaning that there is no scope to sell those in the secondary bond market.

There is another type of securities, which are held-for-trading (HTF).

Lenders have to sell the HTF in the secondary market as per the rules.

Banks have to segregate all their purchased T-bills and bonds in the two categories soon after investing their funds in the government securities.

The country's banking sector has faced pressure from excess liquidity, which has forced them to invest their idle funds in the instruments.

This has subsequently lowered the interest rate of T-bills and bonds.

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Shoppers are thronging markets to make purchases ahead of the upcoming Durga Puja, the biggest religious festival of the country's Hindu community. Last year celebrations took place on a limited scale amidst the coronavirus pandemic, with restrictions imposed on devotee numbers at markets and special food distributions. But as the situation has improved this time around, sale of clothes is substantially higher, according to shopkeepers. The photo was taken at Boro Bazar in Khulna city yesterday.

HABIBUR RAHMAN

Insurance a necessity for car owners

MD ABU TALHA SARKER

Motorised modes of transport, such as cars, buses and motorcycles, are a daily necessity for most residents in a busy metropolis like Dhaka.

With the world ever-changing, motor vehicles are now preferred over manual modes of transport such as rickshaws even for small distances.

In short, motor vehicles are an integral part of urban life and with the rising number of cars, buses and bikes on the road, the risk of accidents is increasing as well.

This means that the owners, operators or passengers of such services run the risk of physical injury, loss of property and life.

This is where insurance can come in to mitigate the risk of such losses.

Car insurance is necessary in Bangladesh mainly for two reasons, according to Shubasish Barua, executive vice president of the Green Delta Insurance Company.

"As an insurance practitioner, I can say that both life and property have financial value and insurance provides support against losses," he said.

Insuring one's car is especially important when the vehicle is purchased through bank loans.

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