



Mohammed Younus  
Shahjalal  
Islami Bank  
gets new  
chairman, 2  
vice chairmen  
STAR BUSINESS DESK

Mohammed Younus has been elected as chairman of Shahjalal Islami Bank Ltd at the lender's 333rd board meeting in Dhaka recently.

He is the managing director of Sobhan Ice & Cold Storage Ltd, Younus Cold Storage Ltd and Ananta Paper Mills Ltd.

Mohiuddin Ahmed and Mohammed Golam Quddus, have been elected as vice-chairmen of the bank.

Ahmed is the proprietor of Rupsha Trading Corporation and Mohiuddin Auto House, and a director of the Bangladesh Chamber of Industries. Quddus is a director of the bank.

Anti-graft  
agency probes  
China insurance  
tycoon

AFP, Shanghai

The chairman of China's biggest insurer is under investigation by the Communist Party's anti-corruption commission, the agency said Saturday, as the government pushes a campaign against graft and a clean-up of the country's chaotic financial industry.

Wang Bin is being investigated for suspected "serious violations of discipline and law", the Central Commission for Discipline Inspection said in a brief statement, wording that typically indicates impending graft charges.



Stocks of sugarcane brought for crushing at Darsana Sugar Mills in Darshana of Chuadanga district. The compound houses the country's lone state-run distillery Carew & Company (Bangladesh), run by the Bangladesh Sugar and Food Industries Corporation. The company is planning to double liquor production and expand the market. The photo was taken recently.

PHOTO: STAR

Carew plans to double  
liquor production

AMANUR AMAN, back from Chuadanga

The country's lone state-run distillery Carew & Company (Bangladesh) is planning to double liquor production through an automation project and go for market expansion observing a recent hike in sales.

A proposal has already been sent to the industries ministry.

Sales rose by over 50 per cent year-on-year in the October to December period last year, said officials.

In October it was 18,579 cases, November 19,446 cases and December over 21,000 cases. One case contains 12 bottles which are each of 750 ml capacity, 24 bottles of 375 ml and 48 bottles of 175 ml.

Around 12,000 to 13,000 cases are sold on an average every month. Production is also set to this tune, but currently only half of the capacity at the distillery in Darshana of Chuadanga district is in use.

In fiscal year 2020-21, the company made a profit of Tk 195 crore from liquor sales.

**The government is implementing a Tk 102.21cr project automating the full use of the distillery's capacity. The Department of Narcotics Control has given approval to two of the new sales centres while a deal will be signed with Parjatan Corporation to run the sales centres**

The government is implementing a Tk 102.21 crore project scheduled to be completed in 2022, automating the full use of the distillery's capacity, Managing Director Mosharraf Hossain told The Daily Star.

The market expansion is being planned through the opening of three more sales

centres at Rooppur, Cox's Bazar and Kuakata and two warehouses at Rajshahi and Ramu of Cox's Bazar.

The company currently has 13 warehouses and three sales centres.

The Department of Narcotics Control has already given approval to two of the new sales centres while a memorandum of understanding will be signed with Bangladesh Parjatan Corporation to run the sales centres, said officials.

Products

The 83-year-old company has nine brands – Yellow Label Malted Whiskey, Gold Ribbon Gin, Fine Brandy, Cherry Brandy, Imperial Whiskey, Orange Curaçao, Tsarina Vodka, Rosa Rum and Old Rum.

According to the company sources, the distillery currently produces 10.80 lakh proof litres of "foreign liquor", 26 lakh litres of "domestic spirits" and 8 lakh litres of "denatured spirits" a month.

It also produces vinegar, hand sanitiser, fertiliser, sugar and molasses.

No growth in  
real wages

ZAHID HUSSAIN

The Bangladesh Bureau of Statistics (BBS) data provides a somewhat mixed picture on how labour is benefitting from the ongoing economic recovery in Bangladesh.

Nominal wages overall have barely kept pace with headline inflation. There is no growth in real wages after accounting for inflation. So, the only way labour is benefitting from recovery is through growth in employment on which we have no nationally representative data.

Anecdotal, it appears employment is returning to pre-pandemic levels, particularly in the worst-affected services sector in the urban areas.

Nominal wage growth is over 2 per cent ahead of inflation in the industrial production sector. The BBS data on industrial production in September 2021 showed significant year-on-year production growth in knitwear, garments, clothing, yarn, pharmaceuticals, iron, and steel. The labour demand in these sectors is likely to have increased leading to increase in real wages.

Real wage growth in the industrial production sector is not representative of the entire economy.

The real wages in construction, a large employer, declined 1.75 per cent. Overall, the real wage growth in agriculture is barely keeping up with inflation while workers in fisheries suffered a 3.4 per cent decline. Real wage in the service sector, which absorbs about 40 per cent of the total labor force, is also nearly stagnant.

The pandemic caused large displacement of labour in urban areas. Many flocked back to their rural roots. This may be changing with the lifting of restrictions on mobility and assembly.

However, Omicron is looking ominous. The employment recovery may experience a setback if flattening the Omicron spread curve requires recourse to draconian public health measures.

The good news is employment of Bangladeshi workers overseas is increasing.

Bangladeshi workers have thus the opportunity to benefit not just from recovery in the domestic economy but also in economies which host workers from the country.

The author is a former lead economist of the World Bank Bangladesh.

Meta's communications  
head leaves company

REUTERS

The head of communications at Facebook parent Meta Platforms Inc, John Pinette, is leaving the company, the Wall Street Journal reported on Friday, citing a post he made to employees.

"Today will be my last day at Meta," the newspaper quoted Pinette as saying.

JV to invest \$100m in hi-tech park

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In recent months, dozens of companies have been investing in the high-tech parks, 12 of which are now operational, to make and assemble semiconductors, digital devices, medical equipment, automated teller machines (ATMs), smartphones, televisions, networking devices, security surveillance and other electronics items thanks to generous incentive packages.

Companies that invest in the high-tech parks get lucrative tax breaks that include a 10-year tax holiday, duty-free import of capital machinery, tax waiver on foreign expats' salaries, and duty-free utility bills while foreign investors can withdraw their investment anytime.

Other than the incentives, another formidable strength of the company is its connections around the world, according to Sarwar.

"Almost all of the board directors of the company are of Bangladesh origin and have been living abroad and working for top firms around the world while the chairman of the company is Japanese," he said.

Most of the technology to be used at the unit will come from Japan and Australia.

"And since we have a big technology partner in Germany, international standards will be maintained while manufacturing these high-end technology products," the managing director said.

The company has formed partnerships with some foreign companies that have over 10 factories around the world, some of which manufacture cards while others make passports and driving licences, and everything will be integrated with the Bangladesh factory, he added.

There are currently around 12,500 ATMs in Bangladesh but the number should be 35,000 if the country's total population is taken into account.

"The price of an ATM machine depends on its functionality and we will offer prices that will be as much as 25 per cent less than that of imported ones," Sarwar said.

More than 35 per cent tax is usually levied on the import of ATMs.

"So, we will get a competitive edge thanks to the incentive packages dedicated to local manufacturing," he added.

Another big segment for the company would be making radio-frequency identification (RFID) clothing tags.

International buyers are increasingly asking local garment makers to include RFID tags with their products to ensure better tracking and management.

"And we will be able to capture this big market since local manufacturers are mostly import-dependent for such tags," Sarwar said.

Of the 660 employment opportunities to be

Rising  
inflation  
eats up  
wage  
gains

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Mohammad Jashim, a restaurant worker in the capital's Farmgate area, says his salary has increased to Tk 14,000 in December last year, up from Tk 12,000 in 2019.

However, the same restaurant has cut the number of employees to 10 from 14 in the pre-pandemic period.

"The employment situation can't be determined by the wage rate data; only the status of currently employed people can be understood," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

"The real purchasing power has remained stagnant since the inflation rate and the wage growth rate are almost the same."

Prof Rahman says inflation in the rice and edible oil and the transport cost has been in the double-digit, hitting the low-income groups.

"So, they are suffering more."

The wage growth in the fishery, one of the agriculture's sub-sectors where a large number of workforce is involved, saw a paltry increase of 2.68 per cent in December, down from 5.67 per cent in December 2020.

Weekend offers hope for sellers at DITF

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As such, many traders expressed satisfaction with their weekend sales, especially considering the limited turnout in the days prior.

This year, a total of 225 stalls, including 23 pavilions, 27 mini pavilions, 160 stalls and 15 food stalls have been leased out to various local and international organisations.

Joyeeta Foundation, an initiative of the women and children affairs ministry, set up a large pavilion where 25 female entrepreneurs from the grassroots level are selling different products, including garments and food items.

Anzumannahar, one of

the female entrepreneurs of the foundation who hails from Jashore, said they were able to sell their products directly to customers and get higher prices through Joyeeta.

"We are now hopeful about our business even though the number of buyers was too low before the weekend," she said.

However, some furniture and electronics companies expressed frustration over the lack of space at the venue as they were unable to secure enough room to properly display their products.

But to offset this drawback, they are focusing on promoting their online sale options.

Prosun Roberty, in-

charge of Brothers Furniture, said his company did not get adequate space to display its products.

"This fair has a market worth around Tk 20 crore but none of the companies got proper space," he added.

Roberty went on to say that customer turnout was very poor sans the weekend.

"So, digital display is only the hope to advertise our products but it's not the right way for clients," he said.

But despite rising tension over the recent wave of coronavirus infections sweeping across the globe, it was seen that many visitors and participants were ignoring health guidelines, such as

Dyeing sector can't keep  
up with robust apparel

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Last year, chemical prices rose 30 per cent mainly because of a 400 per cent hike in sea-freight charge and an increase of prices of other raw materials caused by the supply shortage and supply chain disruption owing to the coronavirus pandemic.

"Despite a lot of challenges, many spinning, weaving and dyeing units are expanding their capacity because of an inflow of orders from global retailers and brands,"

BKMEA seeks

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of the BKMEA, said they demanded 42 months as the repayment period as they wanted to pay back a third of each instalment every month to make a full instalment in every quarter.

After the pandemic hit Bangladesh in March 2020, the government allocated interest-free loans of Tk 7,500 crore to the garment exporters to help them pay salaries and wages to garment workers.

The exporters were supposed to repay the loans in 18 months in 18 instalments.

BKMEA's members are major contributors to Bangladesh's overall exports.

Knitwear shipment fetched \$17 billion in the last fiscal year, out of the total garment export of \$31.45 billion and the national receipts of \$38.75 billion.