

# Star BUSINESS



An aerial view of Plummy Fashions Ltd, the greenest knitwear factory in the world, located in Narayanganj. It is one of the 157 green apparel factories in Bangladesh certified by the United States Green Building Council. The photo was taken yesterday.

PHOTO: SANAD SAHA

## Green garment efforts not yielding better prices

Manufacturers express disappointment at CPD event

**STAR BUSINESS REPORT**

Entrepreneurs yesterday expressed disappointment as their green operations are not fetching better prices although the costly move has allowed buyers to source products from eco-friendly factories and benefit from the improving image of the whole supply chain.

Garment exporters in Bangladesh have pumped hundreds of crores of taka into setting up the green factories, which are helping them consume 30 per cent less energy and water and have brightened the image of the industry.

The move is also helping international buyers and retailers as consumers globally are increasingly becoming conscious about the sustainability of the supply chain.

"However, we are not getting premium prices from retailers and brands," said Md Fazlul Hoque, managing director of Narayanganj-based Plummy

Fashions Ltd, the greenest knitwear factory in the world.

He said many developments had taken place in the garment sector in recent years as per the demands of buyers. But the green garment factories get only a 2 per cent rebate on the final settlement of income tax, he said.

The entrepreneur was speaking at the launching programme of an initiative of the Centre for Policy Dialogue (CPD) and the embassy of Sweden in Bangladesh at the Brac Centre Inn in Dhaka.

The initiative - Securing Green Transition of the Textile and Readymade Garments Sector in Bangladesh - aims to contribute towards the enhancement of environmentally sustainable and climate-neutral growth with productive employment opportunities for women and youth.

In recent years, Bangladesh has made impressive strides in improving working conditions. The country is now home to the highest number of green garment factories in the world.

Currently, the number of green apparel factories stands at 157 as the United States Green Building Council yesterday awarded the certification to two more factories. Nearly 500 more garment factories are waiting to

should also pay attention to the welfare of the workers, especially to female workers, she said.

Shams Mahmud, managing director of Shasha Denim, said he had partnered with Turkey investors to secure better prices.



be LEED (Leadership in Energy and Environmental Design)-certified.

Nazma Akter, founder and executive director of the Awaj Foundation, a labour rights organisation, suggested buyers pay fair prices for the garment items produced at the green factories since manufacturers have spent hugely to build them. The green factories

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said although consumers were paying more for the goods produced in the green garment factories, exporters were not getting the prices accordingly.

He demanded the government waive the duties

on the imported chemicals used in the garment factories and reduce the source tax to encourage more green initiatives.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said the sector was ready to change a lot if needed, but buyers are not paying better prices.

"Cleaner and greener production can't come free of cost."

Christine Johansson, deputy head of mission at the embassy of Sweden, called for marketing drives to get better prices.

Swedish companies account for 10 per cent of Bangladesh's annual garment exports.

Saber Hossain Chowdhury, a lawmaker and the chairman of the parliamentary standing committee on the environment, forest and climate change ministry, called for taking measures for increasing the prices of garment items in order to solve the problems facing the industry.

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**INVESTMENT ABROAD**

## Scope aims at curbing capital flight: Kamal

**STAR BUSINESS REPORT**

Finance Minister AHM Mustafa Kamal yesterday said the government has granted the scope to businesses to invest abroad in order to curb the transfer of money out of the country through illegal channels.

"It is not wrong to invest abroad. If you don't allow it, it will go to different countries through hundi. It is better to do it officially," he said, responding to a query during a media briefing after the meeting of the cabinet committee on purchase.



His comment came days after the finance ministry issued rules on equity investment abroad, allowing Bangladeshi exporters to invest a portion of their overseas sales in other countries.

Now, businesses will be able to invest abroad 20 per cent of their average exports in the previous five years or 25 per cent of net asset values based on the latest audited reports, whichever is lower.

READ MORE ON B3

## Freelancers to get 4pc incentive for software export

**STAR BUSINESS REPORT**

There is good news for about six lakh freelancers in the country as they now will get a 4 per cent incentive against export of software or IT-enabled services.

Freelancers who work at 55 marketplaces and have been selected by the ICT ministry will get the incentive, according to a Bangladesh Bank circular issued yesterday.

A freelance services marketplace is an online site where businesses or individuals find and hire individuals to do work remotely.

Popular marketplaces such as Upwork, Fiverr,

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STOCKS	
DSEX ▼	CSCX ▼
0.51%	0.46%
6,991.55	12,308.31

COMMODITIES	
Gold ▼	Oil ▲
\$1,792.11	\$87.40
(per ounce)	(per barrel)

CURRENCIES				
BUY TK	85.05	94.10	113.16	13.13
SELL TK	86.05	97.90	116.96	13.80

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.13%	▲ 2.09%	▼ 0.42%	▼ 0.97%
57,200.23	26,717.34	3,246.33	3,361.44



With Covid-19 making digital shopping more popular than ever, e-commerce platforms such as Chaldal have stepped up their efforts to ensure fast and safe deliveries both in and around Dhaka city. Here, a Chaldal deliveryman is seen wading through traffic. The picture was taken recently.

PHOTO: PRABIR DAS

## Chaldal on expansion spree

**MAHMUDUL HASAN**

Local online grocery store Chaldal is expanding at a faster clip outside of Dhaka to cater to customers who have become habituated with digital shopping throughout the coronavirus pandemic.

In the past few months, it expanded its footprint in two cities: It started its operation in Khulna on November 10 and in Sylhet on January 18, taking the number of big cities covered by the company to six.

It expanded to Chattogram in March last year, Jashore in April and Narayanganj towards the end of 2020. It has partial operations in Tangail and Cox's Bazar.

"We are now prioritising expansions due to the increased demand for online purchase across the country," Waseem Alim, chief executive officer of Chaldal, told The Daily Star.

READ MORE ON B3





Organic duck farming for eggs is widespread among women in Atrai upazila of Naogaon, thanks to numerous water bodies scattered throughout the region. Bangladeshi farmers mostly raise an indigenous "Deshi" duck alongside other breeds including Khaki Campbell, Indian Runner and Jinding. While the Deshi ducks average 60 to 70 eggs per year, the Khaki Campbell ducks are the most prolific layers, becoming mature at approximately 7 months and averaging 300 eggs per year. There were 617.46 lakh domesticated ducks in Bangladesh in fiscal year 2020-21, according to the Department of Livestock Services. The photo was taken at Patisar village recently.

PHOTO: MOSTAFA SHABUJ

# Global gas rally to kickstart long-stalled US LNG projects

REUTERS, Houston

High global natural gas prices are breaking a two-year logjam of new US liquefied natural gas (LNG) projects with at least three of the multibillion-dollar proposals likely achieving enough supply contracts to start construction this year, said developers and industry experts.

A Louisiana project that received a green light in 2019 was the last wholly new US plant to receive a go-ahead, benefiting from then-strong demand from China and utilities swapping to LNG from coal. A dozen others were stalled, first by the China-US trade war and then by the Covid-19 pandemic and environmental concerns.

But super-hot demand for the fuel in northern Europe and China have pushed global gas prices to near record highs, reviving financing prospects for plants that chill natural gas into liquid for transport by seaborne tankers.

A key benchmark price for natural

gas deliveries in northern Europe has more than quadrupled from a year ago, to about \$30 per million British thermal units per day (mmBtu).

Europe's declining gas production and increased dependency on Russia for its supplies also has driven worldwide LNG prices higher and focused attention on the need for new LNG plants in the United States and Asia.

China stopped taking most US LNG by imposing a 25 per cent tariff on imports in mid-2019 at the height of a US-China trade war. But in November, top Chinese energy companies agreed to buy more US gas than ever before through long-term contracts.

Such contracts are key to winning financing for these \$4 billion to \$8.5 billion projects and breaking the development logjam, said Carlos Sole, an attorney at law firm Baker Botts who has been involved in the development and financing of multiple US LNG export projects.

"Last year capital was not willing

to deploy itself on a speculative basis without long-term contracts," Sole said. "Assuming those are achieved, which is the general expectation given current market conditions, then capital should be available."

Atop the list of proposals likely to get financial approval are Venture Global and Tellurian Inc plants, both in Louisiana, and a Cheniere Energy Inc project in Corpus Christi, Texas, said Craig Pirrong, a finance professor at the University of Houston and commodity trading expert.

"The banks are finally realizing that this is an existential issue," said Tellurian Executive Chairman Charif Souki, referring to the recent lack of energy investments.

Construction on the first phase of Tellurian's Driftwood project that would export about 11 million tonnes per annum (MTPA) of LNG, or around 1.5 billion cubic feet per day (bcfd) of natural gas, could start this summer once financial hurdles are cleared, he

said earlier this month.

The three new projects would increase US export capacity by about a third at mid-decade. Plants already under construction should lift peak US capacity to 13.9 bcfd by the end of this year, estimates the US Energy Information Administration, a figure surpassing Qatar and Australia, now the two largest LNG exporters.

"This is the best macro environment that the LNG business has ever seen," Delfin LNG Chief Executive Dudley Poston said in an interview, adding he was "very confident" that Delfin's project off the Louisiana coast would be approved for construction this year.

Still, optimism has never been in short supply among project developers despite repeated setbacks.

Financial go-aheads for projects including Tellurian's Driftwood, NextDecade Corp's Rio Grande and Sempra Energy's Port Arthur LNG plants were promised and delayed last year, in some cases for a second time.

# bti bringing housing solutions for ultra-rich

STAR BUSINESS REPORT

In order to cater to the growing demand for luxury apartments in Bangladesh, building technology and ideas (bti) Ltd is developing spacious housing solutions with high-end features in Dhaka's Gulshan.

For example, THREE is an upcoming residential complex in the area that is all about living an elite lifestyle in fully automated units, according to Asif Iqbal, chief executive officer (CEO) of bti.

The project, driven by contemporary living concepts designed by bti experts in line with international trends, aims to cater to the country's ultra-rich who will consider the aesthetics, functionality, and concept of their apartments.

"So, bti is providing the finest in the luxury sector," he said.

Iqbal went on to say that the 7,000 square feet (sqft), five-bedroom units available at THREE facilitate the smooth flow of light and air as full-height windows and doors promise an unobstructed view of the locality. THREE is set to be handed over by June 2022 with most units already sold out.

Customers will have to spend up to Tk 25,000 per sqft to purchase an apartment at THREE, according to bti sources.

"With only 14 units in the large complex, two elevators for the residents and a separate staff lift, the building gives an idea of the kind of luxury that can be enjoyed by those who can afford it," Iqbal said.

The project is located in north Gulshan, where THREE's magnanimous facade is easily recognisable from Kemal Ataturk Avenue, towering over Gulshan Lake.

In addition, the facility will feature a green manicured lawn with a BBQ zone cleverly merged with the meet and greet lounge, and a semi outdoor infinity pool and jacuzzi, all of which will overlook the lake.

"Besides, a fully-equipped gymnasium and dedicated wi-fi zones instantly give this residence the feel of a five-star luxury hotel," he added.

Regarding the security measures in place at THREE, he said each corner of the building, from its entrance to the units itself would be fully covered by various security measures.

Apart from 24-hour surveillance, THREE has an automated entry bar at the entrance connected to the security room as well as apartments so that residents can view and speak with anyone entering the premises, Iqbal said.

Each unit will be allotted three parking spots in a highly secured parking zone with automated garage doors.



Elite Hitech Industries, master distributor of Midea Air Conditioner and manufacturer of Elite Air Conditioner, organised a "5th Dealer Conference" with the theme of "Moving Forward" at a local hotel in Dhaka on Saturday. The best dealers were awarded in presence of Managing Director Md Shafiqul Islam and Deputy Managing Director Md Noor A Alam.

PHOTO: ELITE HITECH INDUSTRIES

# Dhaka 4.0: Towards a more

FROM PAGE B4

Availability of healthcare for residents of Dhaka will continue to influence the city's liveability.

Bangladesh has made great strides in controlling and eradicating some of the diseases that spread due to poor sanitation and drinking water. However, tropical diseases such as seasonal surges in dengue remain an important health issue.

The city has already demonstrated its willingness to adopt contemporary technologies such as drone-powered surveys to understand the risk of dengue spread. Dhaka 4.0 needs to increase such adoption of new technologies and incorporate them into regular health services to improve liveability.

However, there are other areas beyond health services. Liveable infrastructure is one of those important

components. While development of the mass rapid transit system like metro rail is ongoing, telecommunication infrastructure in Dhaka needs improvement. A more liveable city should have robust infrastructure to facilitate telecommuting.

New generation technologies such as 5G are expected to close the infrastructural gaps in this area. While the trial run started with one mobile network operator in December 2021, the spectrum auction is likely to happen in 2022, followed by a rollout for the public. A more liveable city also focuses on environment-friendly infrastructure to keep the city greener. Adoption of green tech in all programmes would help achieve this.

For example, increasing the adoption of electric vehicles (EVs) would help curb carbon emissions, thereby

improving air quality. The apex regulatory body, the Bangladesh Road Transport Authority, has started finalising the EV policy to expedite the import and manufacturing of EVs in Bangladesh. Leveraging these new climate-friendly policies to improve the city's infrastructure will enhance its liveability.

Another critical component of a liveable city is the availability of education infrastructure. With the onset of the pandemic, educational institutions have been largely shut down for two consecutive years. While the government has taken many effective measures to facilitate remote learning, the overall impact on children's education has been significant.

According to a situational analysis report published by the Unicef and the Unesco, the education of 37 million children in Bangladesh

has been disrupted due to the pandemic-induced lockdown of educational institutions. Being an urban area with higher affordability of smartphones for education, children in Dhaka have probably had better access to remote education. A more liveable city should ensure uninterrupted education for all categories of students living there.

As the city is passing through the third wave of the pandemic, the aspirations towards making Dhaka 4.0 a more liveable city must factor in the current circumstances. The authorities responsible for the development of Dhaka should also start assessing their ongoing and upcoming development initiatives and reconfigure their plans towards the goal of greater liveability.

The writer is a partner at PwC. Views are personal.

# bKash honours top 10 agents

STAR BUSINESS DESK

bKash awarded motorcycles to its top 10 agents in recognition of catering outstanding bKash services to the customers.

Ali Ahmed, chief commercial officer of bKash, handed over the motorcycles to the agents at the mobile financial service (MFS) provider's head office on Saturday, a press release said.

The awarded agents are: Helal Uddin (Barishal), Mohammad Kader (Bogura), Ali Hosan (Chattogram), Mashud Alam (Cumilla), Shib Shanker Halder (Dhaka North), Md Omar Faruk (Dhaka South), Md Wahiduzzaman (Khulna), Kawsar Akbar (Mymensingh), Md Sharik Alam (Rangpur) and Nazmul Alam (Sylhet).

bKash, a subsidiary of Brac Bank, conducts its nationwide MFS through nearly 300,000 agents, who have been playing a pivotal role in moving the sector forward for the last 10 years since its inception.

The agents are known as "Human ATMs" as they facilitate financial services to customers who heavily depend on them for having uninterrupted financial services in any need, including emergencies.



Chowdhury Nafeez Sarafat, chairman of Padma Bank Ltd, virtually inaugurates the bank's Town Hall Meeting 2022 under the banner of "Power of Performance, Shaping the future" at the lender's corporate head office in Gulshan, Dhaka on Saturday. Faisal Ahsan Chowdhury, acting managing director of the bank, presided over the meeting. The members of the management team, managers of branches and officials of various departments from the head office and branches were also present.

PHOTO: PADMA BANK



Salim Rahman, chairman of Al-Arafah Islami Bank, virtually inaugurated an "Annual Business Development Conference 2022" on Saturday. Farman R Chowdhury, managing director, presided over the programme. The lender's total deposit stood at Tk 37,963 crore and it invested Tk 34,443 crore at the end of 2021, according to unaudited accounts. Import and export through the bank stood at Tk 26,157 crore and Tk 13,579 crore respectively.

PHOTO: AL-ARAFAH ISLAMI BANK



## China to beef up anti-monopoly efforts in pharma

REUTERS, Beijing

China will toughen law enforcement to curb monopoly practices and unfair competition in the pharmaceutical industry as the government seeks to foster a good business environment, the industry ministry said on Sunday.

The action follows November's regulatory guidelines to stamp out monopolies in active pharmaceutical ingredients (API). China leads the world in making and exporting these products.

In a statement, the ministry of industry and information technology said it would "strengthen law enforcement against unfair competition".

It will also stiffen enforcement of anti-monopoly laws in the areas of drug shortages and APIs, prepare and adopt antitrust guidelines in the API market.

## Turkey to cut interest rates further

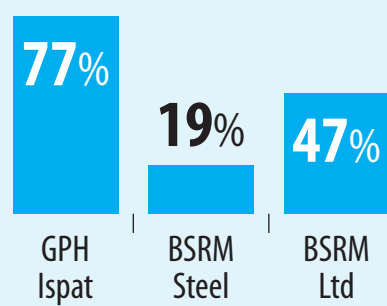
REUTERS, Ankara

Turkish President Tayyip Erdogan repeated his unorthodox economic policy on Saturday, saying interest rates would be lowered further and inflation would fall as a result, days before inflation data for January is announced, adding the country's economic woes would pass.

Embroided in a currency crisis fuelled by the central bank's move to slash rates by 500 basis points since September as part of an economic model engineered by Erdogan, Turkey saw December inflation soar to its highest level in Erdogan's 19-year rule.

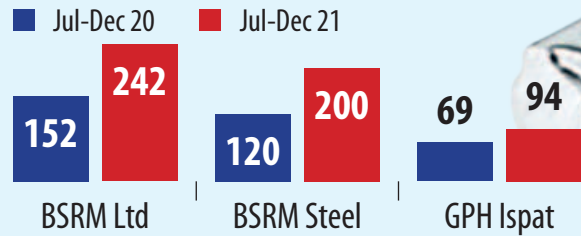
A Reuters poll on Friday showed it is expected to hit a near 20-year high of 47 per cent in January.

## SALES GROWTH OF LISTED STEELMAKERS (In %)



## PROFITS OF LISTED STEELMAKERS

In crore taka; SOURCE: FINANCIAL REPORTS



# Steelmakers' earnings soar on higher sales

AHSAN HABIB

Profits of listed steel manufacturers have soared thanks to higher volumes of sales made after the economy opened up in full swing.

The producers claimed the higher profits did not result from higher rod prices, explaining that they had raised rod prices to make partial adjustments to an increase in price of raw materials.

Among the five listed steelmakers, the BSRM, BSRM Steel and GPH Ispat have disclosed their financial reports. Of the remainders, SS Steel mainly deals with stainless steel while RSRM Steel has not disclosed its information yet.

The first three companies logged a staggering profit growth of more than 53 per cent on an average year-on-year in the first half of the current financial year of 2021-22.

Their average sales-induced revenue growth was more than 47 per cent in the six months.

The sales revenue climbed due to higher demand from government projects and private sector construction, said Tapan Sengupta, deputy managing director of the BSRM.

Many construction activities were brought to a halt during the early period of the pandemic and those resumed simultaneously, so the demand rose, he said.

Asked whether the higher prices of rods

resulted in the stunning profit growth, Sengupta responded that they had been forced to raise the prices as prices of raw materials had soared.

Prices of scrap more than doubled to stand at \$560 to \$580 per tonne at present from \$250 to \$275 in the pre-pandemic period, he said, adding that the price of the finished goods was not raised at the same extent.

**Among the five listed steelmakers, BSRM, BSRM Steel and GPH Ispat have disclosed their financial reports. Of the remainders, SS Steel mainly deals with stainless steel while RSRM Steel has not disclosed its information yet**

The price of the 60-grade rod and 40-grade rod went up by around 32 per cent and 31 per cent respectively in the last one year, according to the state-run Trading Corporation of Bangladesh.

"Due to the supply chain disruption during the pandemic and sudden demand from all the buyers, the raw material prices rose," said Sengupta.

Along with the raw material prices,

logistics costs also soared, he said citing an example of freight charges.

In cases where the freight charge was \$30 to \$35 in the pre-pandemic period, the cost had gone up to \$110 to \$120 at present, he said. "Container charges also more than doubled, so our costs soared," he said.

"We could raise the price of finished goods partly," he added.

Raw material costs ate up 90 per cent of the BSRM's revenue in the recent half year, which was 84 per cent in the same period of the previous financial year, shows financial reports of the BSRM.

Abu Bakar Siddique, company secretary of GPH Ispat, said their higher sales and profits were a result of starting production in new projects.

Its new Tk 2,390-crore plant began production in late 2020 using state-of-the-art technology, which is an expansion of GPH Ispat's existing operations.

The unit has an annual capacity to produce 840,000 tonnes of mild steel (MS) billets and 640,000 tonnes of MS rod and medium section products, such as support beams and flat bars.

"Now, our capacity has risen and range of products diversified. If the raw material prices had not soared, our profits would be much higher," he said.

As the income level of the people rose and many people are sending remittance to the rural areas, demand for rods is soaring, he added.

## Chaldal on expansion

FROM PAGE B1

The company plans to roll out its operation in Rajshahi, Gazipur, Mymensingh and Cumilla within a few weeks as it looks to establish its presence in 15-20 districts by 2022.

"We have gained the confidence that if we invest outside of Dhaka, we will be able to attain profitability by a year," said Alim.

In Bangladesh, customers are more aware of online shopping and feel more confident now than ever. The coronavirus pandemic has accelerated e-commerce.

"We could expand at a faster pace, but the development of skilled workforce takes time. We don't want to go for any expansion without skilled employees since there are concerns about the safety and security of customers," said Alim.

Chaldal has 25 delivery warehouses in six cities. Of them, 17 are in Dhaka and eight are outside of the capital. It wants to lift the number of warehouses

across the country to 100 by 2022.

How the pandemic has turbocharged its growth can be inferred from the increase in the number of orders placed on the site.

Before the crisis, it used to make 2,500 deliveries daily on average. It has increased to around 12,000 deliveries now driven by the growing demand for home delivery for groceries, hygiene products and other consumer staples.

Its revenue clocked more than 200 per cent growth in 2020 and 65 per cent in 2021.

Before March 2020, when the pandemic hit the country, Chaldal was a team of around 950 people. By the end of 2020, it grew to 1,700 and in 2021, Chaldal hired another 1,000. Currently, it employs around 3,000 employees.

About 600 employees work at its office in Sheikh Hasina Software Technology Park in Jashore, making it the largest employer in hi-tech parks in Bangladesh.

"Jobs are being created not only for the delivery segment. Many graduates are now working with us in the technology and customers care services," Alim said.

Now, customers can select from more than 15,000 different products at Chaldal, which is the second-largest grocery operator and the largest e-grocery company in Bangladesh after retail chain giant Shwapno.

Alim credits pricing for another reason for the growth spurt of Chaldal.

"We can deliver some products at lower than the market price since we buy them in bulk. However, it does not mean we sell products without making any profit."

The recent expansion of Chaldal follows its announcement in September last year of raising \$10 million. It has raised \$28 million to \$30 million since its inception in 2013.

Generally, most of the online platforms in Bangladesh receive

orders from customers and deliver products from the warehouses of the suppliers. But Chaldal has taken a different approach.

It delivers products from its own warehouses instead of retail stores or the warehouses of suppliers, merchants or producers.

For that, it utilised two layers of warehouses. One was used to source products from suppliers and the other was used to make the delivery to end customers.

"This model helps us deliver products quickly as there are a number of micro-warehouses in a city," said an executive of the company.

Chaldal has recently added another layer to its warehouse system as it introduced an "export warehouse" in order to serve customers from outside of Dhaka. It recently opened such a warehouse spread over 70,000 square feet of area in Savar.

The company acquired e-pharmacy startup BanglaMeds recently.

## Scope aims at curbing capital

FROM PAGE B1

However, only export-oriented firms have been allowed to make the investment, according to a notice issued by the Bangladesh Bank.

"It is a good initiative. Our competitiveness has increased. The people of the country are now very

innovative.

The country has now evolved from a least-developed country to a developing nation. If this is not done now, we will lag behind other countries," Kamal said.

Responding to another query whether Bangladesh's economic

growth would slow this year, Kamal said the government's estimate is the GDP growth would be 7.2 per cent in the current financial year.

The International Monetary Fund has projected that Bangladesh's economy would expand by 6.6 per cent.

"The IMF is always conservative. I believe our goals will be achieved," Kamal said.

The size of the economy would be \$455 billion in the current fiscal year.

"Through this, we would be able to cross the half-trillion dollar milestone," he added.

## Prices of power-assisted bikes on rise in Japan

ANN/ THE JAPAN NEWS

Prices are on the rise for power-assisted bicycles, which are becoming fixtures as a means of transportation in everyday life.

This is not only because they have become increasingly popular during the Covid-19 pandemic as a means to get around while avoiding trains and buses crowded with commuters, but also because there have been global shortages of raw materials, parts and components.

Although battery-powered

bicycles have drawn a lot of attention as "a winning product" because of their growing sales during the pandemic, price hikes cast a shadow over their future success in the market.

Power-assisted bikes make up a section at a retailer in central Tokyo, where models boasting energy-saving functions and lightweight features are on display.

The retailer said there has been an increase in consumers who say, "I don't want to commute on crowded trains," and purchase the bikes to

travel to work.

But popular models, on which a child seat can be fitted, have shot up in price by about 10 per cent since last year, to as high as about ¥150,000.

"There's a likelihood that the number of people who shy away from buying one after seeing the price tag will increase," the shop clerk in charge said, expressing concern. Bridgestone Cycle Corp. embarked on a price hike of such bikes ranging from 2 per cent to 5 per cent in October.

## Beximco Pharma profits jump on vaccine income

STAR BUSINESS REPORT

Beximco Pharmaceuticals' profit jumped by a whopping 41 per cent year-on-year during the first half of the financial year 2021-22 thanks to higher incomes in the form of coronavirus vaccine distribution fees.

The drug maker's profit stood at Tk 313 crore in the six months, which was Tk 222 crore in the same period of the previous year.

The income of the company increased predominantly for incomes from vaccine distribution fees, which was not there in the period being compared with, the company said in its unaudited financial report.

From vaccine distribution fee, the drug maker earned around Tk 61.92 crore in the six-month period.

"These have contributed towards an increase in consolidated earnings per share," said the document.

Consolidated operating cash flow per share also increased due to the higher revenue and improved net working capital.

The company achieved over 17 per cent growth year-on-year in consolidated sales as it logged sales of Tk 1,696 crore in the latest half yearly.

The transfer of ownership of Sanofi Bangladesh was completed on September 30, 2021 for Tk 469.6 crore, according to the financial report.

Sanofi Bangladesh was not included in the financials of Beximco Pharmaceuticals.

## Stock investors to get monthly e-statement

STAR BUSINESS REPORT

Central Depository Bangladesh Ltd (CDBL), the sole securities depository enterprise in Bangladesh, is offering a monthly e-statement service for stock market investors in order to ensure transparency in trading activities.

Without any charge, beneficiary owner (BO) account holders will get the monthly transaction statement service through e-mail.

The statement would be sent in the first week of each month giving the information of every transaction of a BO account in the previous month.

To avail the service, investors need to update their e-mail address and mobile number with the BO account and they will get it automatically.

Yesterday, the service was launched at an event that was organised by CDBL at the Bangladesh Securities and Exchange Commission building at Agargaon.

BSEC Chairman Prof Shibli Rubayat Ul Islam was the chief guest at the event which had speakers including commissioners Shaikh Shamsuddin Ahmed and Md Abdul Halim and CDBL's Managing Director and CEO Shuvra Kanti Choudhury.

## Green garment Freelancers to get

FROM PAGE B1

For instance, buyers' price amounts to only 15 per cent of the retail price of a garment item. "If the price is raised to 30 per cent, it will be better for all stakeholders."

Mohammad Zahidullah, head of sustainability at DBL Group, one of the largest garment exporters, said buyers always wanted to hear good stories but they were not paying fair prices to manufacturers.

Khondaker Golam Moazzem, research director of the CPD, thinks green initiatives should be pro-workers.

The garment industry has already set a standard in labour issues and is expected to do the same when it comes to setting environmental standards, he said.

Fahmida Khatun, executive director of the CPD, moderated the discussion.

Freelancer and Guru were among the selected marketplaces.

The freelancers in Bangladesh will get a boost with the incentives, something they have been seeking for a long time.

It is really encouraging that the government is now giving special attention to the freelancers and the move will definitely give a boost to them, said Rashad Kabir, managing director of Dream71 Bangladesh.

The government has been providing a 10 per cent cash assistance against the export of ICT products and services since 2018.

But only institutional IT and freelancing companies having membership with the BASIS are eligible.

With the BB circular, almost all of the freelancers irrespective of their

membership with the BASIS will come under the 4 per cent incentive package.

The decision is likely to propel the flow of freelancers' earnings through official channels since some of the money comes through unofficial channels due to a lack of incentives.

"It's a common scenario in Bangladesh that many freelancers do not bring their whole remittance to Bangladesh," said Kabir, who is also a director of the BASIS.

"But with the introduction of an incentive facility they will be encouraged now to bring their whole income to the country, which will also add to the country's national GDP," he said.

The development comes at a time when the government has set a target

to increase export earnings in the IT and IT-enabled services sector from the current about \$1.1 billion to \$5 billion by 2025.

Bangladesh has six lakh IT service exporters or freelancers, and the number of team-based freelancing companies hovers around 1,600. Together they fetch roughly \$500 million annually, according to industry people.

Many freelancers are also growing big now and forming companies as the companies are getting 10 per cent cash incentives on foreign export.

The government should continue providing facilities to them as their growth not only will bring more remittance to the country but also create scopes for the emergence of a lot of jobs, added Kabir.





According to the Export Promotion Bureau, export earnings from jute and jute goods declined 12 per cent year-on-year to \$590 million in the July-December period of 2021-22. The photo was taken from a jute market in Shibbaloy, Manikganj.

PHOTO: ANISUR RAHMAN

# Jute traders, millers tired of artificial supply shortages

## Govt to launch drive against illegal stockpiling

### STAR BUSINESS REPORT

The government is set to launch a special drive against illegal stockpiles of raw jute to ensure a smooth supply in the domestic market and enable mills to make jute goods for export, the textiles and jute ministry said yesterday.

Golam Dastagir Gazi, minister of textiles and jute, made the announcement during a meeting with top leaders of the Bangladesh Jute Mills Association (BJMA), Bangladesh Jute Spinners Association (BJSJA).

The declaration came amid allegations from millers that traders were stockpiling raw jute in a bid to artificially increase prices, causing a decline in the shipment of jute goods.

In the face of rising raw jute prices, millers and spinners collectively decided that they would not buy the natural fibre for more than Tk 3,000 per maund from January 20.

According to millers and traders, each maund (about 37 kilogrammes) of raw jute is selling at Tk 3400 to Tk 3600. However, they retracted their decision following the objections of spinners.

In a statement, the textiles and jute minister said that production at jute mills hit a snag due to a dearth of raw fibres.

"The government will take stern action against dishonest hoarders in order to maintain the supply trend of

exporting jute and jute goods from Bangladesh," he said.

"The Department of Jute has been directed to take the necessary measures, such as prohibiting unlicensed dishonest traders from buying and selling raw materials and prohibiting the sale and purchase of wet jute," Gazi added.

**In the face of rising raw jute prices, millers and spinners collectively decided that they would not buy the natural fibre for more than Tk 3,000 per maund from January 20**

As such, raw jute dealers or storekeepers will not be able to stock more than 1,000 maunds of raw jute for more than one month. The effective measures have been taken to ensure proper seed supply for jute cultivation in the current season.

Gazi also said that the agriculture ministry, in collaboration with the textiles and jute ministry, has developed a five-year roadmap to achieve self-sufficiency in standard jute seed production.

The first phase of the programme

will begin this year and if everything goes as planned, Bangladesh will be self-sufficient in improved jute seed production by 2025, with no future seed imports.

Under the Annual Development Programme (ADP), the textiles ministry has undertaken a project titled "an advanced technology-based jute and jute seed production and expansion" to achieve autarky in high yielding jute seed production, and motivate and assist farmers in producing quality jute.

The project is being carried out in 230 upazilas across 46 districts in the country, Gazi said.

All project farmers will receive free high-yield jute seed fertilisers and other agricultural machinery, including pesticides, he added.

Contacted, Md Abul Hossain, chairman of the BJMA, said they sat with the minister yesterday and had a fruitful discussion.

"We demanded the implementation of the Jute Law 2017. We have been able to convince Gazi, who assured us that stern action would be taken soon," he said.

"We are not against the farmers, we just want to fight against some dishonest profiteers who have made huge profits by illegally hoarding raw jute and selling them at exorbitant prices by creating an artificial crisis in the market," Hossain added.

Hossain also told The Daily Star that

they took the decision but spinners were the ones to refuse it.

However, he mentioned that raw jute prices are now around Tk 3,500 per maund.

Earlier on January 25, the top leaders of jute mills said they were passing an exceptional situation as they had already lost around 40 per cent of their market share in Turkey due to the scarcity of raw jute.

According to the Export Promotion Bureau, earnings from jute and jute goods declined 12 per cent year-on-year to \$590 million in the July-December period of 2021-22.

Arzu Rahman, senior vice-chairman of the BJA, said the textiles and jute minister assured about taking immediate action, saying that the ministry has called an emergency meeting tomorrow (today) with different stages of government officials for giving direction against the dishonest and unlicensed hoarders who are making an artificial crisis.

"The most mishandling of hoarders' activities have been going on for the last two years due to the negligence of the local and central administrations," he said.

"If the ministry fails to take strict action, then we have to face a tough situation as foreign buyers are shifting their attention away from our jute products to alternative items after failing to buy the goods at their stipulated prices," Rahman added.

# Dhaka 4.0: Towards a more liveable city

ARJIT CHAKRABORTI

The year 2021 ended with multiple accomplishments for Dhaka city.

In December last year, it completed the third and largest trial run (11 kilometres) of its metro rail line with a peak speed of 100km per hour. Additionally, one of the mobile network operators kicked off its trial operations with 5G technology. While it will take some time to make these services operational and available to the public, the progress increases the optimism about the city's liveability.

While the pandemic has created a new normal, the adoption of Industry 4.0 is progressing fast and, in certain instances, at an accelerated speed.



In the era of Industry 4.0, it would be worthwhile to rethink Dhaka's redevelopment from the perspective of making it a more liveable city (Dhaka 4.0) and to benchmark its evolution with that of cities worldwide.

In June 2021, the Economist Intelligence Unit (EIU) published the Global Liveability Index to provide a perspective on the best and worst liveability conditions across various locations in the world. The study focused on how the Covid-19 pandemic has affected liveability worldwide.

The EIU ranking has seen significant changes in its past rankings. The pandemic has led all cities to repair and reconfigure their infrastructure in order to prepare for the new normal. Dhaka ranked 137th on the EIU's liveability index.

At the onset of the pandemic, most countries had imposed restrictions on international travel, both inbound and outbound. At the same time, most cities issued stay-at-home orders and locked down public places such as parks, restaurants, and theatres.

Quite interestingly, when countries enforced stricter border controls, cities within those countries realised that they could relax some of the restrictions safely. As a result, the cities that had been able to keep their public places open to residents while enjoying the stricter protection imposed at the international borders also ranked favourably with respect to liveability.

Also, relatively open cities meant relatively better job opportunities for urban workers. Hence, better liveability also supported better livelihoods.

The other important factor that emerged from the EIU study was the state of health infrastructure. Most cities struggled to provide adequate health infrastructure to their residents. Within this scenario, cities that could offer better care to their residents scored higher ranks.

Health infrastructure included taking care of sick residents, providing adequate testing and isolation facilities, and providing vaccines to all.

Many cities could not provide testing and hospitalisation facilities to residents who were sick with Covid-19. Similarly, others had to suspend regular healthcare operations to keep the basic Covid-19 care running. Quite obviously, those cities ranked lower on the index.

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**The city has demonstrated its willingness to adopt contemporary technologies such as drone-powered surveys to understand the risk of dengue spread. Dhaka 4.0 needs to increase such adoption of new technologies to improve liveability**

# China factory activity growth slows

REUTERS, Beijing

Growth in China's factory activity slowed in January as a resurgence of Covid-19 cases and tough lockdowns hit production and demand, but the slight expansion offered some signs of resilience as the world's second-largest economy enters a likely bumpy new year.

The official manufacturing Purchasing Manager's Index (PMI) registered 50.1 in January, remaining above the 50-point mark that separates growth from contraction, but slowing from 50.3 in December, data from the National Bureau of Statistics (NBS) showed on Sunday.

Analysts had expected the PMI to fall to 50.

The official results contrasted with those in a private survey of mostly small manufacturers in coastal regions, which showed activity fell at the fastest rate in 23 months.

China's economy started last year strong, reviving from a sharp pandemic-induced slump, but it started losing momentum in the summer, weighed down by debt problems in the property market and strict anti-virus measures that hit consumer confidence and spending.

Rising raw material costs and soft demand have also eroded corporate profit margins. Profits at industrial firms rose at their slowest pace in December for more than a year and a half.

With the real estate slump expected to drag on through at least the first half of this year and the emergence of more infectious Covid-19 variants, China's central bank has started cutting interest rates and pumping more cash into the financial system to lower borrowing costs.

Stability will trump everything ahead of a once-in-five-years Communist Party congress this year, with policymakers looking to ward off a sharper slowdown.



Workers produce protective suits for athletes, staff members and volunteers of the Beijing 2022 Winter Olympic Games at a factory in Binzhou in China's eastern Shandong province on January 27.

PHOTO: AFP

# Omicron takes toll on UK business growth

REUTERS, London

British businesses grew at the slowest pace since April 2021 during the past three months, after demand for face-to-face services slumped due to the Omicron variant of coronavirus, the Confederation of British Industry said on Sunday.

Britain's economy only recovered to its pre-pandemic size in November, before being hit by the highly infectious Omicron variant which led to government advice to work from home and restrictions on hospitality in Scotland and Wales.

"Consumer services have borne the brunt of 'Plan B' restrictions and general Omicron caution, with activity here shrinking sharply," CBI economist Alpesh Paleja said.

The CBI's monthly growth index fell to +12 in January from +21 in December.