



Shoes made of canvas, textiles, rubber, synthetics, foam and denim, mostly imported from China and ranging from Tk 300 to Tk 1,000 in price, put on sale by vendors on the footpaths of New Market. The photo was taken yesterday.

PHOTO: AMRAN HOSSAIN

# Weak yen has merits and demerits

Japan's top currency diplomat says

REUTERS, Tokyo

Japan's top currency diplomat Masato Kanda said a weak yen has both merits and demerits for the economy due to the country's changing export patterns and increasing reliance on imports.

The remark underscores how a weak yen has become a tricky political issue for Japan's finance ministry, which has historically focused on preventing a strong currency from hurting the country's export sector.

On recent yen moves against the dollar, Kanda said the currency pair now appeared to be "lacking a clear sense of direction", having risen steadily last year.

"The yen's decline last year was said to be driven mostly by widening US-Japanese interest rate differentials. The dollar was rising against most other currencies on the back

of heightening US inflation expectations," he told Reuters in an interview conducted on Monday.

"That has changed somewhat this year," as jitters over a resurgence in Covid-19 infections and the varying pace of recovery in each country induced risk-off sentiment, he said.

Kanda, the country's vice finance minister for international affairs, said the boost a weak yen gives to Japan's export volumes is now smaller than it used to be, as manufacturers target shipments to high-end, state-of-the-art products overseas rather than compete with price cuts.

A weak yen, however, still inflates the yen-denominated profits Japanese companies earn overseas, he said.

"The demerits of a weak yen are that it pushes up the import cost of energy and food, thereby increasing household burdens,"



he said, acknowledging growing domestic concerns about the potential side-effects of a weak currency.

"There are both positive and negative effects (on the economy) from a weak yen. It's hard to say which is bigger, because the pros and cons of a weak yen differ for each entity."

Kanda's comments highlight a shift in Tokyo's perception on currency moves away from

one focusing on the boost a weak yen gives to the export-reliant economy, to one paying more attention to the potential disadvantages of yen declines.

Bank of Japan Governor Haruhiko Kuroda has also said the hit to households from a weak yen may have become bigger due to Japan's rising reliance on raw material imports.

Kanda said imports play an

increasingly important role in Japan's economy, making up 16 per cent of gross domestic product (GDP) now, compared with just 9 per cent two decades ago.

"We need to guide policy based on the understanding that the mechanism in which exchange-rate moves affect the economy has changed," he said.

But Kanda stressed that global energy and commodity inflation, rather than the weak yen, was mostly to blame for pushing up the cost of living for households.

In a sign China's growing presence is affecting Japan's economic policy, the government plans to submit a bill to parliament that allows it to screen foreign investment in key infrastructure.

Kanda said the finance ministry will ramp up efforts on this front, such as increasing staff overseeing economic security.

## Stocks make strong recovery

Investors return as firms declare earnings

STAR BUSINESS REPORT

The domestic stock market has made a strong recovery from four days of decline as investors are showing renewed interest in select sectors after some listed companies declared their latest earnings.

After losing 106 points in the past four trading sessions, the DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), soared by 71 points, or 1.02 per cent, to hit 6,997 yesterday.

Of the 380 stocks traded at the Dhaka bourse, 239 advanced, 95 declined and 46 remained unchanged.

Thanks to the increased investor participation, turnover, an important indicator of the market, rose 11 per cent to Tk 1,325 crore at the same time.

Following four days of correction, the market opened higher yesterday as investors entered a buying spree in select sectors based on the recent earning declarations, International Leasing Securities said in its daily market review.

Among major sectors, ceramics (4.8 per cent), cement (4.2 per cent) and life insurance (4.1 per cent) achieved the highest price appreciation.

Meanwhile, the tannery and general insurance sectors witnessed the highest price correction.

Investor activity was mostly concentrated on the engineering (14.7 per cent), miscellaneous (13.8 per cent) and pharmaceutical (10.4 per cent) sectors. Stocks of Beximco Ltd traded the most, worth Tk 96 crore, followed by LafargeHolcim Bangladesh, Bangladesh Shipping Corporation, Bangladesh Building Systems, and Orion Pharmaceuticals.

Alltex Industries topped the gainers list, rising 19 per cent, followed by Bangladesh Building Systems, Khan Brothers PP Woven Bag, Acme Pesticides, and Yeakin Polymer.

Envoxy Textiles slipped the most, dropping 3.4 per cent, followed by Fortune Shoes, SEML Lecture Equity Management, Queen South Textiles, and Social Islami Bank.

## Islami Bank 'strongest Islamic retail bank in Bangladesh'

STAR BUSINESS DESK

Islami Bank Bangladesh has been recognised as the "Strongest Islamic Retail Bank in Bangladesh" in a 7th Islamic Retail Banking Awards by UK-based Cambridge IFA and Islamic Retail Banking Awards.

The Cambridge Institute of Islamic Finance conducted their consensus for the award based on a global ranking of Islamic banks and retail financial institutions from the US, Asia and Africa, said a press release.

Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, handed over the award received recently to Md Nazmul Hassan, chairman of the bank.

The same organisation also recognised Islami Bank Bangladesh as the "Strongest Islamic Retail Bank in Asia".



Md Hedayetullah, chairman of the executive committee at Mutual Trust Bank, cuts a ribbon to inaugurate the bank's lounge at Hazrat Shahjalal International Airport (HSIA) in Dhaka yesterday. Sadikur Rahman Chowdhury, member of operations and planning at the Civil Aviation Authority of Bangladesh, AHM Touhid-ul Ahsan, executive director of the HSIA, AKM Ibrahim, executive chairman of Goldhill Alliance, Syed Mahbubur Rahman, managing director of the bank, were also present.

PHOTO: MUTUAL TRUST BANK

## Digital repository

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Digital contamination and the lack of logistics and infrastructure to protect them in a contagious environment is a big threat to our economic stability and sustainability.

Undoubtedly, the RMG industry has proved its resilience in preventing infections within the industry through a wholehearted response by the entrepreneurs, workers and employees by strictly following the health protocol. But the question remains around the hygiene of the places where they reside, the sanitation facilities and the transportation.

Similarly, we need to know the status of their other fundamental necessities, including nutrition and education. All these require having a data repository of the workers so that it can be used to formulate policies and plan development activities better. While pursuing the vision of

Digital Bangladesh, having a demographic/socioeconomic/livelihood-based profiling of the workers digitally bears significant strategic importance.

With that view, the BGMEA has taken an initiative in collaboration with the Brac University to develop a digital repository of the workforce of the RMG industry.

This includes the number of workers and their personal profile, including age, sex, marital status, information on infant and child, origin, residence, education, financial and digital literacy; professional profile, including skill competency and experience; health profile, including blood group, BMI (body mass index), health and nutrition-related aspects; and financial inclusion.

Thus, a digital repository or census for the RMG workforce is very important to ensure that the industry

has an accurate and up-to-date scenario of its workers. This will help minimise the misinformation about the sector.

It is important to have such a database using appropriate technologies like the Geographic Information System (GIS) so that new categories of data can be collated in additional layers, and those are comparable and can be updated at fixed intervals.

The repository will be a useful tool to analyse the pattern of workers health and nutrition-related issues such as non-communicable and contagious diseases and maternity-related complications, hygiene-related issues at the workplace and at residence, food habits, access to healthcare facilities and expenses. It can also help assess the scope of re-skilling and up-skilling of the workers and employees.

Developing such a repository will be a huge task and will require collaboration

from stakeholders and development partners. In this phase of our economic transition, workers are our major strength and it would continue to remain so in the next few decades. Therefore, investing in them can't be low profile and this can't be done uninformed.

Under the visionary leadership of honourable Prime Minister Sheikh Hasina, Bangladesh's economy has made remarkable progress over the past 13 years, and consequently our per capita income and standard of living have gone higher. To keep the momentum of the positive transformation in our economy and cope with the changes, strategic engagement and deployment of resources will be critical, and information will be vital for this.

The author is the president of the Bangladesh Garment Manufacturers & Exporters Association

## Farmers selling potatoes

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The situation is similar in other northern regions such as Thakurgaon and Panchagarh, farmers said.

In Joypurhat, farmers are selling their produce dirt cheap.

Growers from all over come to sell potatoes at Natunhat in Joypurhat every morning but the prices being offered are a cause for despair, farmers said.

Each maund (around 37 kgs) of good quality potato is trading between Tk 300 and Tk 350 depending on variety.

Khandakar Md Mezbahul Islam, a former agronomist of the Rangpur DAE, said such problems occur year after year due to a lack of planning in this respect.

Such problems arose as the market supply increased after harvesting of the seasonal crop started altogether across the country.

"The solution is to harvest the potatoes being grown in different districts at separate times," he said, adding that around 1.06 crore tonnes of potato are produced in the country each year against an annual consumption of about 80 lakh tonnes.

"Farmers suffer losses for such surplus production. Each kg of potato should be available for between Tk 25 to Tk 30 in local markets," Islam added.

## India to grant \$2.6b for solar manufacturing

REUTERS, Chennai

India will allocate an additional 195 billion rupees (\$2.62 billion) to boost investment in solar equipment manufacturing, Finance Minister Nirmala Sitharaman said yesterday.

"Production Linked Incentive for manufacture of high efficiency modules, with priority to fully

integrated manufacturing units from polysilicon to solar PV modules, will be made," Sitharaman said while presenting the federal budget. Sumant Sinha, chief executive of renewable energy producer and solar equipment maker ReNew Power, said the additional allocation was a welcome move, adding that the new estimated expenditure was over four times last year's allocation.



United Commercial Bank (UCB) launched a UCB visa business card at the bank's corporate head office in Dhaka yesterday. Uzma Chowdhury, director finance at Pran-RFL Group, Arif Quadri, managing director of the bank, and Md Abdullah Al Mamoon, Mohammed Habibur Rahman, Mohammed Khorshed Alam and ATM Tahmiduzzaman, deputy managing directors, were present.

PHOTO: UCB



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, cuts a ribbon to inaugurate six schemes and services at Le Meridien Dhaka recently. Quazi Osman Ali, adviser, Md Habibur Rahman, additional managing director, Hasan Iqbal and Md Nazrul Islam, deputy managing directors, and Golam Mostafa, senior executive vice-president, were present.

PHOTO: UNION BANK