

Sonali Bank, Dhaka Polytechnic Institute sign deal

STAR BUSINESS DESK

Sonali Bank Ltd and Dhaka Polytechnic Institute recently signed an agreement at the latter's office in Dhaka for using the bank's online banking services.

Under the agreement, the institute's students can easily pay their fees and other charges using the bank's online banking services, a press release said.

Subhash Chandra Das, general manager of Sonali Bank, and Kazi Zakir Hossain, principal of Dhaka Polytechnic Institute, signed the agreement on behalf of their respective parties.

Md Mazibur Rahman, deputy managing director of the bank, and Md Abdul Quddus, general manager, were present.

Japan's consumer prices rise

REUTERS, Tokyo

Japan's core consumer prices rose for a fifth straight month in January but at a slower pace than in the previous month, boosting the likelihood the country's central bank will lag behind other economies in raising interest rates.

Consumer inflation is expected to pick up in the coming months due to surging energy prices, while last year's mobile phone fee cuts are also set to fall out of calculations and will no longer be a drag on prices.



Imported food grain being unloaded at Majhir Ghat of Sadarghat area in Chattogram city recently. Customs-based imports in December of fiscal year 2021-22 increased sharply by 56.56 per cent year-on-year to \$8.44 billion, according to the Metropolitan Chamber of Commerce and Industry.

PHOTO: RAJIB RATHAN

Economy making a comeback: MCCI

STAR BUSINESS REPORT

Bangladesh's economy is now rebounding from the pandemic-induced slowdown thanks to the government's time-befitting steps alongside the implementation of stimulus packages, said the Metropolitan Chamber of Commerce and Industry (MCCI) yesterday.

In its review of the "Economic Situation in Bangladesh" for the October-December period of 2021, the chamber said economic conditions seem to have been gradually improving after the easing of restrictions in late May 2020.

However, challenges are emerging for a recent price rise of essential commodities, decreasing remittance, chances of a new wave of infections and slow vaccine rollouts, it said.

The MCCI said the growth of the agricultural sector reduced to 3.45 per cent in the fiscal year 2020-21 from 4.59 per cent in the previous year.

This was in spite of favourable natural factors and government support in terms of timely availability of inputs and finance, it said.

The sector employed about 39 per cent of the workforce and accounted for about 13.47 per cent of the gross domestic product (GDP) in 2020-21.

The MCCI said data on the performance of the industrial sector for the second quarter was yet to be available.

However, due to the ongoing Covid-19 pandemic, though it is now on the wane, the sector registered a growth of 6.12 per cent in 2020-21, nearly double the 3.25 per cent of 2019-20.

The share of the industrial sector in GDP increased slightly to 34.99 per cent in 2020-21 from 34.78 per cent in 2019-20.

Within manufacturing, sub-sectors of large and medium-scale industries performed comparatively better than what they did in the previous fiscal, growing at 6.56 per cent in 2020-21, compared to 1.39

per cent a year ago.

The small-scale manufacturing industries grew at a very low rate of 1.73 per cent in the last fiscal year against 3.96 per cent in 2019-20.

Overall, the share of the manufacturing sector in the GDP increased marginally.

The MCCI said the general point-to-point inflation increased in November and December of 2021 mainly due to increased prices of both food and non-food items.

Export receipts soared in the first half of 2020-21 riding on garment shipments.

A gradual decline in Covid-19 infections and subsequent relaxation of restrictions has encouraged businesses to revive imports.

Besides, customs-based imports in December of 2021-22 alone increased by 56.56 per cent to \$8.44 billion as compared to \$5.39 billion of the same month of the previous fiscal year, said the MCCI.

Berger to be used at airport extension project

STAR BUSINESS DESK

Berger Paints Bangladesh has recently signed an agreement with Amin Mohammad Construction on use of its paints and construction chemicals at Hazrat Shahjalal International Airport's 3rd terminal construction project.

Md Mohsin Habib Chowdhury, senior general manager for sales and marketing at the paint maker, and Md Ramzanul Haque Nihad, managing director of the construction company, signed the agreement at the latter's head office, said a press release.

AKM Sadeque Nawaj, general manager for marketing at the Berger, Md Hasanuzzaman, national sales manager for non-decorative, Shabbir Ahmad, head of project for prolinks, experience zone, Mohammad Tariqul Islam, head of prolinks, Mohammad Tanvirul Islam, executive director (operation) of the Amin, SM Elias Amin, head of accounts and finance, Md Rasheduzzaman, head of business development, and Ahsan Habib, head of supply chain management, were present.

Surging oil prices add another worry for frazzled investors

REUTERS, New York

A US stock market, already on edge from a hawkish Federal Reserve and a conflict between Russia and Ukraine, now has another worry: higher oil prices.

US crude prices stand at around \$91 a barrel after surging some 40 per cent since December 1 and earlier this week touched their highest level since 2014. Prices for Brent crude, the global benchmark, have also soared and are near 7-year highs.

Rapidly rising oil prices can be a troubling development for markets, as they cloud the economic outlook by increasing costs for businesses and consumers. Higher crude also threatens to accelerate already-surging inflation, compounding worries that the Fed will need to aggressively tighten monetary policy to tamp down consumer prices. "The stock market would really run into trouble if we went north of \$125 per barrel and stayed there for a while because that would overheat high levels of inflation," said Peter Cardillo, chief market economist at Spartan Capital Securities.

Uneven recovery

FROM PAGE 1
"About 1,000 small member factories are in trouble as they are not getting an adequate amount of work orders. We are providing them technical supports and have reduced the service charge at the BGMEA

so that they can get a small relief," said Faruque Hassan, president of the BGMEA.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, suggested the consolidation of some small factories so that

they can cater bulk orders with a view to growing bigger.

"With the increased flow of orders, the bigger units have expanded their capacity, so they are not placing many orders with subcontractors."

Fortune Shoes

FROM PAGE B1

Fortune Shoes has pumped more than Tk 44 crore in the stock market. Almost all of the fund was invested in Sonali Paper, Genex Infosys, Bangladesh National Insurance, and Asia Insurance.

In the last eight months, stocks of Sonali Paper surged 267 per cent to Tk 724, Genex Infosys climbed 160 per cent to Tk 159, Bangladesh National Insurance rocketed 529 per cent to Tk 106, and Asia Insurance rose 464 per cent to Tk 97, DSE data showed.

"If listed companies invest in the stock market, sometimes they may get involved in insider trading, so the Bangladesh Securities and Exchange Commission (BSEC) should look into it," the merchant banker added.

"We are doing well in our shoe operation. And, we have invested in the stock market to get a good return," said Riaz Uddin Bhuiya, company secretary of Fortune Shoes.

The company's

operating profits from shoe operation rose 54 per cent to Tk 18 crore in the first half compared to the same period a year ago, financial statements showed.

"If we can generate a good return by investing in the stock market, our shareholders will surely be happy," he said.

Answering the risky share choice, Bhuiya says a separate department looks after it and has made the investment decision considering them good picks.

"Banks and non-banking financial institutions also invest in such stocks. The stocks have got approval from the BSEC. What is the problem if an investment is made into these stocks?"

A senior official of the BSEC says any listed company can invest in the stock market.

"We will keep our eye on seeing whether it involves any insider trading or manipulation."

Fortune Shoes closed 3.65 per cent lower at Tk 134.50 on the Dhaka Stock Exchange on Thursday.

Inflationary pressure

FROM PAGE B1

Fazle Kabir, governor of Bangladesh Bank, said the central bank was closely monitoring the inflationary situation.

"The economy has fallen into challenges due to the pandemic, but it is performing relatively well owing to resilience of the private sector," he said.

"Our GDP and total size of the economy have increased which is a good sign and reflects that we are on the right course," said Fazle, who was the chief guest at the webinar.

Light engineering, jute, leather, information and communication technology and pharmaceutical sectors are doing better alongside the RMG sector. There is a need to nurture them for better export diversification, he said.

He urged enhancing soft and hard skills of human resources to overcome challenges stemming from making the graduation from a least developed to a developing country.

Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of

Commerce & Industry, said banks would face the pressure of default loans and provisions need to be kept to cope with the loan classification relaxation policy coming to an end.

Banks, which are not preserving extra provisions compared to their existing requirement, will feel the pinch from the increase in non-performing loans, he said.

Naser, also the chief executive officer at Standard Chartered Bangladesh, requested the central bank to bring the SME loans, which were not covered by the stimulus packages, under its credit guarantee scheme.

Rizwan Rahman, president of the DCCI, said Bangladesh's exports have increased 28.4 per cent in the first half of this fiscal year in spite of the global supply chain disruptions.

He suggested full automation of tax, VAT, customs assessment, returns and credit to increase revenue collection and improve services to taxpayers.

Citing that there are 78

lakh cottage, micro, small and medium entrepreneurs in Bangladesh, he said these firms constitute over 97 per cent of the total industrial units.

For this sector, collateral-free, cash flow-based loans are needed, said Rizwan, recommending the establishment of a dedicated SME bank.

For increasing local and foreign investment, he suggested reducing the cost of doing business and removing discriminatory policies between local and foreign investors.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce & Industry, said the economy was still at the recovery stage and now gas and energy price hikes would hamper lives and livelihoods.

Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh, said the economy was growing and the size of the GDP was quite big. He stressed on the export of services, having an effective exchange rate and diversification of products.

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