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## Textile millers expect bumper SALES THIS EID

Confidence of businesses rises as Covid-19 peters out

REFAYET ULLAH MIRDHA

Local textile millers are expecting bumper sales in the upcoming Eid-ul-Fitr, the biggest shopping season in Bangladesh, since people are apparently set to celebrate the festival joyously as Covid-19 has petered out.

Two mega-events, namely Eid-ul-Fitr and Pahela Baishakh, which celebrates the first day of the Bengali calendar, make up the biggest shopping season in the country.

But spinners, weavers, dealers, wholesalers, and retailers across the country could not make a good business because of on and off countrywide lockdowns in the last two years because of the higher prevalence of coronavirus caseloads, dampening the mood of the people.

But this year might be different as infections have declined sharply and only one person died because of the virus yesterday, the first death in five days.

The improvement in the coronavirus situation in recent months has restored the confidence of businesses, and textile millers are sanguine as most of the local consumers buy clothes to celebrate the occasions.

Spinners start selling yarns to weavers more than two months before the start of Ramadan as weavers target to finish the production of fabrics a lot earlier so that they can supply the finished goods in the first week of the fasting month, which begins next week.

Weavers are now at the end of their sales of textiles as Eid-ul-Fitr is only a month away. Many are still busy making the textile material and will send them to the stores in Baburhaat, Shekherchar and Gausia in Narsingdi, Belkuchi in Sirajganj, Tangail, Chattogram and other major wholesale hubs across the country.

More than 2,500 power looms are running at full capacity alone in Madhabdi, Chowala, Baburhaat, Shekherchar as well as Arahazar of Narayanganj to produce fabrics.

Usually, textile millers sell fabrics like saris, lungis, and salwar kameez and the fabrics used in making trousers and shirts worth Tk 25,000 crore in the run-up to the Eid-ul-Fitr festival alone.

Of the amount, nearly Tk 1,500 crore worth of fabrics are donated as part of Zakat, said Monsoor Ahmed, chief executive officer of Bangladesh Textile Mills Association (BTMA).

Zakat refers to the obligation that an individual has to donate a certain proportion of wealth each year to charitable causes.

"I am expecting a very good sale this year as the Covid-19 situation has improved," said

Helal Mia, chairman of Amanat Shah Group, a clothing maker that sells saris and lungis in bulk quantity.

"The sales have been on the rise for the last six months thanks to the full reopening of the economy."

Almost 35 per cent of the products made ahead of Pahela

Baishakh last year remained unsold, but weavers are hopeful this year that they will be able to clear all of the goods.

Khorshed Alam, chairman of Little Group, a spinner, says products aimed at the Eid-ul-Fitr market have already been made and sales would soon pick up.

The annual consumption of fabrics in Bangladesh is 692 crore metres considering the current population of the country. The value of the quantity is \$9.02 billion and nearly 20 lakh people are directly employed in the primary

textile sector, according to Mohammad Ali Khokon, president of the BTMA.

However, the sales ahead of Pahela Baishakh, which falls on April 14, may not fully recover since the event will be celebrated in the middle of Ramadan.

The sales ahead of Pahela Baishakh, which fetches Tk 1,500 crore to Tk 2,000 crore for clothing sellers every year, will be 40 per cent of the pre-pandemic level because of Ramadan.

"But the preparation for both festivals is going on in full swing," Khokon said. Meanwhile, higher yarn price

**BY THE NUMBERS**

- Eid-ul-Fitr sales of clothing items fetch **Tk 25,000cr**
- Zakat clothing sales stand at around **Tk 1,500cr**
- Pahela Baishakh sales range from **Tk 1,500cr to Tk 2,000cr**
- Annual clothes consumption **6.92b metres** valued at **\$9.02b**
- 35pc** clothing items remained unsold last Pahela Baishakh

**SALES REBOUNDING**

- Spinners, weavers, wholesalers and retailers could not make good business for Covid-19
- Local textile millers are expecting bumper sales this Eid-ul-Fitr

**CHALLENGES**

- Yarn price rose **60pc** locally since August
- Globally, cotton price hit the highest since 2011
- Higher cotton price is affecting profitability of spinners

Sales have been on the rise for the last six months thanks to the full reopening of the economy.

**Helal Mia**  
Chairman of Amanat Shah Group

has emerged as a headache for the primary textile sector.

Spinners have raised the price of yarn by as much as 60 per cent since August, owing to the price hike of cotton in the international market for the demand surge.

The item may become costlier after the supply chain disruption caused by the Russia-Ukraine war sent the price of cotton to more than a decade high last week. Bangladesh relies on global markets for cotton amid scanty local production.

As a result, many cottage and small fabrics mills, dyers and weavers are struggling to run their operations despite the business recovery.

"The high price of cotton is affecting the profitability of the clothing business," said Mia of Amanat Shah Group.

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## BSCIC looks to utilise 500 vacant plots

SUKANTA HALDER

The Bangladesh Small and Cottage Industries Corporation (BSCIC) is scheduled to publish newspaper advertisements today, seeking applications from entrepreneurs to allot 500 plots lying vacant for years in its industrial estates.

According to BSCIC sources, a Gopalganj estate has the highest number of vacant plots (131), followed by one in Moulvibazar (119), Chuadanga (50), Jhalakathi (43), Barguna (40), Madaripur (38) and Khagrachari (33).

Though the BSCIC says the estates have all the necessary utility services in place, many in reality lack proper roads and security services, resulting in the lack of interest from entrepreneurs.

Some entrepreneurs seek to deviate from conditions set in allotments and abandon the plots when they are unable to do so, a BSCIC official said.

Gaurab Das, assistant general manager of the BSCIC's Gopalganj office, said their estate is comparatively new with the works being completed in December 2020.

Of 138 plots, seven have been allocated, he said.

He said though many entrepreneurs had not shown interest for the Covid crisis, a turnaround may come about once the notification is published as there were many more who had expressed genuine interest.

The BSCIC had published another advertisement on August 24, 2021 mentioning 913 vacant plots.

BSCIC Chairman Mahbubor Rahman said most of the vacant plots were in estates established between 2017 and 2019.

He too blamed the pandemic and similarly expressed hope on the notification bringing results in a month or two.

Interested candidates have to apply with their respective district BSCIC offices within the next 45 days by paying 20 per cent of the value of the plot.

Entrepreneurs can either make a single payment of the remaining amount or pay it in 10 instalments over five years.

The plots will be allotted through a "district plot allocation committee". Each plot is leased out for 99 years.

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STOCKS	
DSEX ▲	CSCX ▲
0.24%	0.07%
6,758.16	11,871.02

COMMODITIES	
Gold ▼	Oil ▼
\$1,935.1	\$105.31
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.10%	▼ 0.73%	▲ 0.54%	▲ 0.07%
57,593.49	27,943.89	3,431.99	3,214.50

## Improve ease of doing business for more trade

British MP urges govt

DIPLOMATIC CORRESPONDENT

The UK wants Bangladesh to improve the ease of doing business and governance as it looks to have a stronger trade and investment partnership with the country, a British lawmaker said yesterday.

"Good governance is an important framework where our businesses operate," British Prime Minister's Trade Envoy for Bangladesh Rushanara Ali told journalists at a briefing at the British high commission.

She began a week-long visit to Bangladesh yesterday and held meetings with the officials of the Bangladesh Investment Development Authority (BIDA) and the Bangladesh Securities and Exchange Commission.

She is scheduled to meet with the officials of the commerce, foreign, and education ministries and the Prime Minister's Office.

Ali said she is eager to boost trade with Bangladesh and create awareness among UK companies about Bangladesh, a rising economy and a large market. The areas of investment are varied and include finance, banking, education, and services.

"We want to make sure that our trade partnership creates more jobs. The economic growth also needs to be inclusive and that people are not left behind."

Asked about the challenges British companies face in Bangladesh when it comes to making investments, she said legal and bureaucratic procedures need to be simpler. At the same time, the UK also considers the issues of human rights and democracy as they build

READ MORE ON B3



Hundreds of millions of people around the world, including Bangladesh, Nepal and different parts of Southeast Asia and Africa, suffer from seasonal poverty and acute deprivation, often associated with a pre-harvest lean season.

PHOTO: MOSTAFA SHABUJ

## Cash support can help poor in lean season

Say experts

STAFF CORRESPONDENT, Ctg

Cash transfer or temporary loans can be helpful for extremely insolvent families during the pre-harvest lean season, characterised by seasonal poverty and famine known as "monga", speakers told a discussion.

There has been improvements to the situation resembling "monga" but it still remains an important problem, they opined.

They were addressing a public lecture on "Innovation to address seasonal poverty" organised online by the Bangladesh Institute of Development Studies (BIDS).

Ahmed Mushfiq Mobarak, a professor of economics at Yale University, delivered the lecture based on his research.

READ MORE ON B3



**Alamgir Morshed**

## Icdol appoints new executive director and CEO

STAR BUSINESS DESK

Infrastructure Development Company Ltd (Icdol) has recently witnessed the appointment of its new executive director and chief executive officer (CEO).

The appointee, Alamgir Morshed, earlier was working with Standard Chartered Bank Bangladesh as managing director and head of financial institutions, a press release said.

He was head of global markets at Standard Chartered Bank, covering foreign exchange, asset liability management, debt capital market and corporate finance.

He also chaired the bank's sustainable finance committee.

He is a key member of syllabus and exam review committee at the institute of bankers, Bangladesh (IBB).

Morshed holds an MBA from the Institute of Business Administration, the University of Dhaka.

## Heineken to exit Russia

REUTERS, Amsterdam

Dutch brewing giant Heineken said on Monday it has decided to exit its business in Russia at an expected cost of 400 million euros (\$438 million), after previously saying it would only halt new investment and exports to the country.

The company joins a raft of Western brands shuttering businesses in Russia following its invasion of Ukraine, with Heineken's move likely to dial up pressure on Danish rival Carlsberg, the owner of Russia's biggest brewer, Baltika.



Sacks full of puffed rice being transported to Pirojpur town as wholesalers are stocking up on the popular iftar item ahead of the fasting month of Ramadan. The photo was taken at Hulerhat canal in Pirojpur sadar upazila last week.

PHOTO: HABIBUR RAHMAN

# Stocks bounce back

Turnover crosses Tk 900cr mark after four days

STAR BUSINESS REPORT

The Dhaka stock index rose yesterday on falling the day before while turnover crossed the Tk 900 crore mark after four days thanks to the regulator announcing plans to sit with stakeholders to give a boost to the market.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 16 points, or 0.24 per cent, to 6,758.

At the DSE, 176 stocks advanced, 153 declined and 50 remained the same. Turnover, an important indicator of the market, increased 7 per cent to Tk 924 crore from that the day before.

Beximco became the stock to be traded the most, with shares worth Tk 48 crore changing hands, followed by LafargeHolcim Bangladesh (Tk 46 crore), Fortune Shoes (Tk 39 crore), Genex Infosys (Tk 38 crore) and BDCOM Online (Tk 34 crore).

Stocks ended higher as investors are putting in fresh funds to sector-specific issues expecting positive interventions



from tomorrow's coordination meeting between the securities regulator and market intermediaries, said International Leasing Securities in its daily market review.

The Bangladesh Securities and Exchange Commission (BSEC) is trying to increase the fund flow to the capital market and taking initiatives accordingly, it said.

At the end of the day, the DS30, the blue-chip index, and DSES, the Shariah based index, gained 5.15 points and 7.39 points respectively.

Among the sectors, cement rose 4.9 per

cent, tannery 3 per cent and IT 2 per cent whereas financial institutions witnessed the highest price correction, falling 1.1 per cent.

Investors' attention was mainly concentrated on engineering which accounted for 12.6 per cent of the turnover followed by IT (12.1 per cent) and pharmaceuticals and chemicals (11.2 per cent).

Bangladesh Lamps topped the gainers' list, rising 8.74 per cent, followed by Paper Processing and Packaging (8.7 per cent), Bangladesh National Insurance Company (8.6 per cent), Bangladesh Monospool Paper Manufacturing Company (8.2 per cent) and LafargeHolcim Bangladesh (7.12 per cent).

Khulna Power Company shed the most, dropping 2 per cent, followed by Pragati Life Insurance, Khulna Printing and Packaging, Atlas Bangladesh and Imam Button Industries.

Chittagong Stock Exchange (CSE) also rose yesterday. The Caspi, the main index of the bourse of the port city, edged up 18 points, or 0.09 per cent, to 19,789.

Among the 295 companies to witness trade, 110 rose, 140 fell and 45 remained unchanged.

**Bangladesh Securities and Exchange Commission is trying to increase the fund flow to the capital market and taking initiatives accordingly, as per a market review**

## Huawei expands local foothold

STAR BUSINESS REPORT

Huawei has seen its business in Bangladesh expand on the back of strong sales in telecommunication equipment and other technologies despite the declining popularity of its smartphone devices following US sanctions in 2019.

The company is in a leading position in providing 2G, 3G, 4G networks for all operators in the country.

Huawei made a leap forward when it provided technical support to Teletalk to roll out 5G networks on a trial basis in six locations at the end of last year.

The Chinese tech giant's wearable devices, including smartwatches are also popular in Bangladesh, according to the company.

Now, Huawei wants to work intensively on digital power and cloud services in the country, the information and communications technology (ICT) infrastructure provider said yesterday.

Huawei has a strong presence in government projects related to its agenda of "Digital Bangladesh" as it worked on the Info Sarker project for the construction of government ICT network infrastructure, built more than 800 video conferencing systems for public offices, and developing a smart city in Sylhet.

"Huawei has been working in Bangladesh for the last 23 years. During these years, Bangladesh has come a long way in the field of ICT and we are very happy to be an active member of this transition," said Pan Junfeng, chief executive officer of Huawei Technologies (Bangladesh) Ltd.

He was speaking at an event marking the global release of Huawei's annual report yesterday.

"We want to work through innovation, localisation and collaboration in the immense potential of Bangladesh," Junfeng said.

Huawei Technologies' net profit rose 76 per cent in 2021 despite its first-ever decline in revenue.

## SBAC Bank DMD promoted

STAR BUSINESS DESK

South Bangla Agriculture and Commerce Bank (SBAC) recently witnessed the promotion of its deputy managing director to the post of senior executive vice-president.

The promote, Md Nurul Azim, had been serving the bank in preceding capacities, a press release said.

He joined SBAC in 2014. Azim started his banking career with Premier Bank in 2001 as a management trainee officer.

He also served Southeast Bank and National Bank during his 22-year-long professional career.

Azim obtained his BA Honour's and MA Master's degrees in economics from Rabindra Bharati University in Kolkata, India.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, addresses a Business Development Conference at Zila Shilpakala Academy, Barishal recently. Muhammad Qaisar Ali, additional managing director, Md Altaf Hossain, deputy managing director, and Mohammed Shabbir and Md Maksudur Rahman, senior executive vice-presidents, were present.

PHOTO: ISLAMI BANK BANGLADESH

## Pran Dairy wins AGRO Award-2021

STAR BUSINESS DESK

Pran Dairy Ltd, a sister concern of Pran Group, has received the Standard Chartered Channel i AGRO Award 2021 for its outstanding contribution in the country's agriculture sector.

Ahsan Khan Chowdhury, chairman of Pran-RFL Group, received a crest and certificate from Muhammad Abdur Razzaque, minister for agriculture, at Hotel Sheraton Dhaka in the capital's Banani on Sunday, a press release said. This year the award was given to 10 individuals and institutions, wherein Pran Dairy won the award as the best agricultural exporter.

Shykh Seraj, director and head of news at Channel i, and Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bank, were present.



Ahsan Khan Chowdhury, chairman of Pran-RFL Group, receives a crest and certificate from Muhammad Abdur Razzaque, minister for agriculture, at Hotel Sheraton Dhaka in the capital's Banani on Sunday.

PHOTO: PRAN-RFL GROUP



Mahbubur Rahman, chairman of Eastland Insurance Company, inaugurates the First Quarterly Business Conference-2022 at the Dhaka Chamber of Commerce and Industry in Motijheel, Dhaka recently. Kamal Uddin Ahmed, ASM Quasem, Rizwan-ur Rahman and Mahbub Jamil, board members, Ghulam Rahman, executive vice-chairman, and Abdul Haque, chief executive officer, were present.

PHOTO: EASTLAND INSURANCE COMPANY

## Be competitive

FROM PAGE B4

"We also have skilled workers."

"You will be close to the main consumer market. So, we see synergies. We are seeing many companies coming to our country. Two Sri Lankan garment companies have already invested."

The envoy applauds Bangladesh's competitive advantage, quality products and affordable price of pharmaceuticals, saying there is huge potential for the country to export medicines to the Dominican Republic.

The Dominican Republic exports mainly scrap metal, leather machinery and tobacco to Bangladesh.

Bilateral trade stood at \$20 million in 2021, with Bangladesh exporting products worth \$17 million, mostly pharmaceuticals and textile, the envoy said. "Trade between the

two countries can be increased."

During his week-long stay in Dhaka, he met with officials of the Bangladesh Bank, commerce and foreign ministries, leaders of business chambers, including the Bangladesh Garment Manufacturers and Exporters Association, and cultural personalities.

"We need to understand the tax regime for import and exchange our mutual prospects of relations."

Bangladesh and the Dominican Republic also collaborate at the United Nations in the areas of peace and climate change.

"We are an island country and Bangladesh is a low-lying country. We need to cooperate and coordinate in order to push for more climate assistance. We have been victims of climate change, so the responsibility lies more on the developed countries."



Subrata Ranjan Das, executive director of ACI Motors, inaugurated Yamaha's new showroom at Uttara in Dhaka recently. Customers will be able to avail sales, after sales service and spare parts from the showroom. ACI Motors, the sole distributor of Yamaha in Bangladesh and a subsidiary of ACI Group, has more than 90 Yamaha dealer points across the country.

PHOTO: ACI MOTORS

## Sri Lanka seeks further \$1b

FROM PAGE B4

"Discussed the economic situation and India's supportive response," Jaishankar said on Twitter, with a photograph of the two officials next to each other.

In addition to the

credit lines, India extended a \$400-million currency swap and a \$500-million credit line for fuel purchases to Sri Lanka earlier this year.

Sri Lanka's imports stalled, causing shortages of many essential items, after foreign currency

reserves fell to \$2.31 billion by February.

The nation just off India's southern tip has to repay debt of about \$4 billion in the rest of this year, including a \$1-billion international sovereign bond that matures in July.

## Bitopi Group to invest \$9.58m in Dhaka EPZ

STAR BUSINESS REPORT

Sonar Manufacturing Limited, a sister concern of Bitopi Group, is going to establish a garment industry in the Dhaka Export Processing Zone (DEPZ) with an investment of \$9.58 million.

The fully Bangladeshi owned company will produce 2.93 million pieces of woven and knit garments items (jackets and bottoms) each year.

Some 1,551 Bangladeshi nationals will get employment opportunities at the factory, the Bangladesh Export Processing Zones Authority (Bepza) said in a statement yesterday.

Ali Reza Mazid, member for investment promotion of Bepza, and Mishal Ali, managing director of Sonar Manufacturing Ltd, signed an agreement in this regard

**The company will produce 2.93 million pieces of woven and knit garment items each year, and 1,551 Bangladeshi nationals will get jobs**

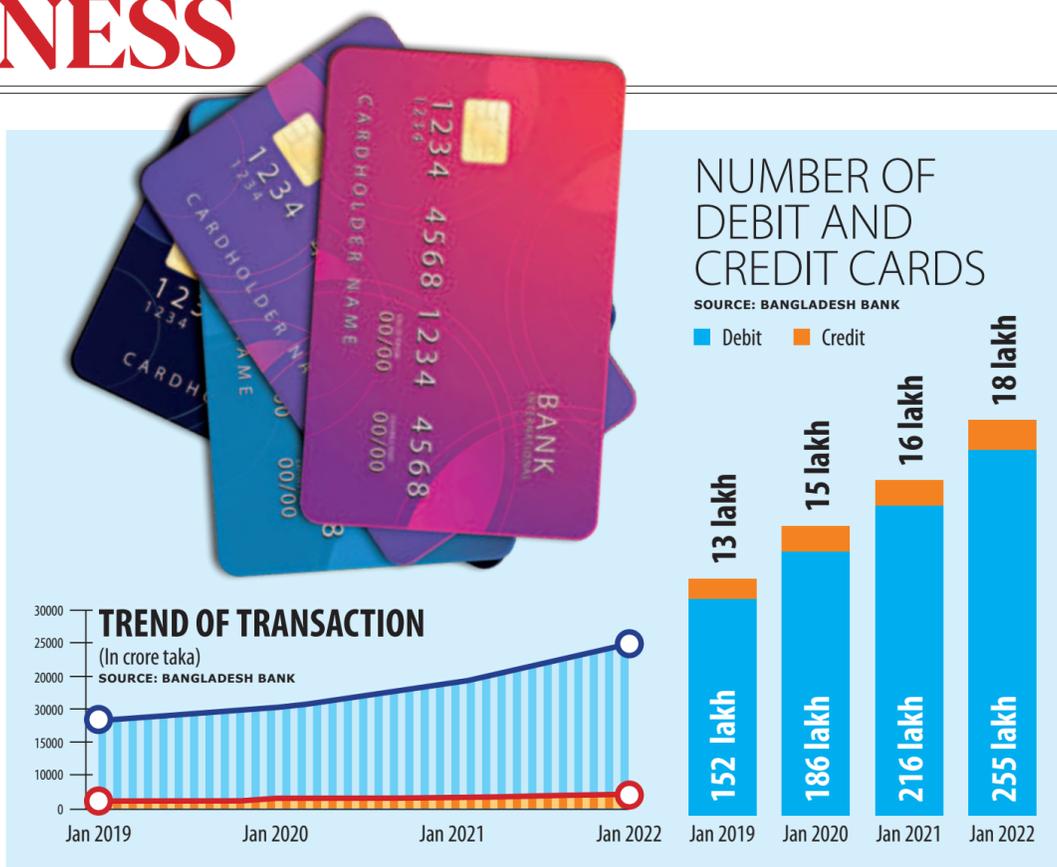
at Bepza Complex in Dhaka yesterday.

Three companies of Bitopi Group are operating their businesses in export processing zones.

The world's top ranked eco-friendly, LEED Platinum certified factory Remi Holdings Ltd started its business in the Adamjee EPZ in 2016.

The two other companies of this group – Baridhi Garments Ltd in Cumilla EPZ and Croydon-Kowloon Designs Ltd in Dhaka EPZ – are operating their businesses as well.

Among others, Bepza's Executive Director for Administration Md Zakir Hossain Chowdhury, Executive Director for Public Relations Nazma Binte Alamgir and Executive Director for Enterprise Services Md Khorshid Alam were present.



## EBL, Visa team up to help banks cut card operations cost

AKM ZAMIR UDDIN

Visa Worldwide Pte Ltd has partnered with Eastern Bank Ltd to roll out a solution to offer trustee services to its member banks, the first of its kind in Bangladesh.

The arrangement will help banks operate card transactions by maintaining cash collateral.

A virtual signing ceremony was held yesterday between EBL and Visa to introduce the solution.

"This is the first time a local commercial bank in the Asia-Pacific region is going to provide such a service," said M Khorshed Anowar, deputy managing director of the private commercial bank, at the programme.

Only one international bank provides the national net settlement service for Visa in Bangladesh, he said.

"With the improvement in technological infrastructure in our country, I firmly believe that there exists scope for local banks to provide the national net settlement service."

Currently, Visa has 29 member banks in Bangladesh and the total collateral amounts to about \$25 million.

Currently, such collateral, both for domestic and cross-border settlement obligations, is provided by the way of USD-denominated standby letters of credit (SBLC) issued by the international bank in favour of Visa.

An SBLC is a legal document that guarantees a bank's commitment of payments to a seller in the event the buyer, or the bank's client, defaults.

In exchange for the SBLC facility, member banks of Visa give commission to the foreign bank, which makes payments to merchants if the card-issuing lender fails to repay the sellers.

But the arrangement between Visa and EBL will help the banks avoid the SBLC for settlement for domestic card transactions.

Subscriber banks will keep collateral with EBL to avail of the service. EBL will provide a certain amount of interest against the deposits as well.

But thanks to the new initiative, banks will largely be able to sidestep the SBLC and thus charges since around 80 per cent of total card transactions routed through Visa are domestic. The member banks will, however, have to follow the SBLC facility to settle foreign transactions.

"From now on, EBL will be engaged as the trustee for this structure of Visa. With the introduction of the service, the collateral execution structure of Visa member banks will get a new dimension," Anowar said.

Ahmed Jamal, a deputy governor of the Bangladesh Bank, hailed the initiative, saying it would reduce the outflow of foreign exchanges from the country.

He believes most banks will be interested in signing up for the alternative

arrangement for domestic settlements instead of subscribing to the SBLC.

Ali Reza Iftekhar, managing director of EBL, described the deal as a new chapter in the EBL-Visa relationship and a historic one for the local banking industry.

EBL has always been a pioneer in product and service innovation.

"This alternative solution to the USD-denominated standby letters of credit is not only a cost-effective option for Visa member banks in Bangladesh but has also other additional benefits for its stakeholders," Iftekhar said.

Soumya Basu, Visa's country manager for Bangladesh, Nepal and Bhutan, thanked EBL for partnering with Visa in rolling out the collateral arrangement and urged Visa's member banks to take advantage of the seamless and cost-efficient business arrangement in the market.

The EBL-Visa tie-up will help the partner banks of Visa cut card operations costs, said an official of a commercial bank.

The arrangement will be hassle-free since banks have to have their subscription to the SBLC facility renewed every year. Besides, if card transactions go up, more money will be spent in the form of charges, he said.

What is more, the banker says, the initiative will promote Visa cards in Bangladesh where the company currently has around 90 lakh card users.

## Indian credit disbursement nearly doubles

STAR BUSINESS REPORT

Fund disbursement from India's line of credit (LoC) programme has nearly doubled in a year and the amount will soon hit the \$1-billion mark, the Indian high commission in Dhaka said yesterday.

Bangladesh is India's largest development partner under its LoC with commitments totalling \$7.86 billion, said a press note from the commission after the second meeting of the high-level project monitoring committee to review India-funded projects on Sunday.

The meeting took place at the Economic Relations Division (ERD), Indian High Commissioner Vikram Doraiswami and ERD Secretary Fatima Yasmin co-chaired the event.

Delegates, including officials of the ERD, the Prime Minister's Office, the foreign and home ministries, the National Board of Revenue, the finance division, the Indian high commission and the Exim Bank of India, were also present.

The bilateral mechanism is one of several joint initiatives to further expedite the execution of projects, by addressing procedural issues and suggesting the way forward.

Both sides noted with great satisfaction that significant headway has been made under the LoC framework, the press note said.

The commission said with a concerted effort from both sides, the pace of disbursements has nearly doubled in one year as \$238.68 million was disbursed during the time, despite the serious challenges presented by the Covid-19 pandemic.

## Tesla suspends Shanghai factory output for Covid

REUTERS, Shanghai

US automaker Tesla is suspending production at its Shanghai factory for four days after the financial hub said on Sunday it would lock down in two stages to carry out mass testing for Covid-19, two people familiar with the matter said.

The company has notified its workers and suppliers of the move, the people said.

It initially attempted to create a closed loop to continue production and called workers in on Sunday, one of the sources said. However, it allowed them to leave that evening after it decided it did not have enough provisions for them, the source added.

Tesla declined to comment on whether production had been suspended. In a statement to Reuters it said that it always strives to fulfil its epidemic prevention responsibilities and that it believed Shanghai's Covid-19 measures helped lay the foundation for the city's future development.

Shanghai said on Sunday it would lock down the city in two stages to carry out Covid-19 testing over nine days.

## Cash support can help poor

FROM PAGE B1

He said hundreds of millions of people around the world, including Bangladesh, Nepal and different parts of South East Asia and Africa, suffer from seasonal poverty and acute deprivation, often associated with a pre-harvest lean season.

Though the situation has improved in Bangladesh and seasonal deprivation has become less of a pressing issue, it still remains a problem to be reckoned with, he said.

As working male members from rural areas migrate to urban areas in search of better wages during the lean season, their families back home suffer badly due to cash constraints, he said.

Seasonal deprivation causes problems like missed meals, malnourished children, lower agricultural productivity and poverty

traps due to high-interest borrowing, lower education and others, said Mobarak.

The migrant members usually fail to send money to their suffering families at the time of their need and mostly carry the earned wages only in the harvesting period when the family starts reaping harvests, he said.

Mushfiq underscored the need for arrangements of migration subsidies for the family members in the affected villages so that they can use the money.

Referring to his study, Mushfiq said temporary migration loan increase daily food consumption in villages by 550 calories to 700 calories.

BIDS Director General Binayak Sen said migration subsidies work, at least for the group of people who were extremely poor, landless and deprived of other opportunities.

## BSCIC looks to utilise

FROM PAGE B1

A factory must be built within 18 months on getting the allotment.

The BSCIC was set up in 1960 to develop industrial plots equipped with utility connections and connectivity for small-and-medium enterprises (SMEs) to spur industrialisation.

According to the BSCIC website and annual report, today there are 10,897 plots in 76 industrial estates across the country.

There are 4,570 factories in production and 901 are export-oriented. They employ over 67 lakh people and have invested Tk 63,318 crore so far.

The factories focus on knitting and garments, poultry and food processing, Jamdani and hosiery, active pharmaceutical ingredients, light engineering and electrical products, plastics, printing and chemicals.

## Improve ease

FROM PAGE B1

trade partnerships. After meeting Prime Minister's Private Industry and Investment Adviser Salman F Rahman, the envoy said Bangladesh is maintaining a strong relationship with the UK and the trade ties between the two countries is very important.

"I want to see more trade and investment relationships with Bangladesh ... There are many areas to work together," she said, adding that many British companies have expressed interest to run businesses in Bangladesh.

Salman F Rahman said the government is working to ensure a congenial business atmosphere. This is a continuous process, reports BSS.

"We have already introduced a one-stop service centre through the BIDA. We are also providing digital online services. The environment is improving gradually," he added.

He also mentioned Roshanara's point of view about the situation at the Hazrat Shahjalal International Airport as it is the entry point for foreign investors.

"I informed her that we are constructing the third terminal to ensure international standard airport services and the construction work of the terminal will be completed by next year."

British High Commissioner to Bangladesh Robert Chatterton Dickson, among others, also attended the meeting.

## Foreign cash fleeing China adds insult to injury

REUTERS, Hong Kong

Beijing's close ties with Moscow may be rattling foreign investors. A study by the Institute of International Finance found that China has been experiencing "unprecedented" capital flight since Russia invaded Ukraine.

The study found no similar outflows from other emerging markets, adding insult to injury.

China's technocrats have only started to make progress attracting global portfolio managers long way of the People's Republic. While Chinese shares comprise 9 per cent of global equity values, mainland-listed companies constituted only 2.7 per cent of international investors' fund allocations in 2020.

Strict capital controls, unpredictable policymaking and a shareholder base dominated by day-traders put off serious financial institutions; hedge fund manager Jim Chanos once referred to Chinese markets as a "roach motel" - easy to get money in, hard to get it out.

It is now easier for money managers to repatriate funds at will, and embarrassing distortions - like arbitrary trading halts - have been fully or mostly closed. Passive index providers started to include onshore Chinese shares and bonds in their benchmarks, and international funds began steadily upping their China exposure, disregarding both the trade war and the pandemic.

The Ukraine invasion may be giving them reason for pause. Investors were already traumatized by two years of rambling crackdowns on listed companies, read more War is pushing up commodity prices, and if Beijing forces its local companies to help Russian leader Vladimir Putin evade sanctions, US retaliation seems imminent. Chinese bourses are the world's worst-performing outside Russia, with IIF data showing daily average outflows touching nearly \$500 million at one point.

An exodus of pension funds and insurers who buy and hold assets for long periods of time will be painful. Although small in absolute terms, their presence helps anchor market valuations and reassure local traders, who tend to distrust local analysts and ratings agencies. State media presents global investor enthusiasm for China as endorsing its authoritarian government.



Mohammed Nurun Newaz Selim, chairman of Electro Mart and Trade International Industries, inaugurated a Partners' Meet-2022 at the Brac Centre for Development Management in Savar recently. Md Nurussafa Mazumder, deputy managing director, Morshed Alam Chowdhury, executive director, Mohammed Akteruzzaman, executive director (plant), and Mahmudun Nabi Chowdhury, general manager for marketing, were present.

PHOTO: ELECTRO MART

## Sinopec plans its biggest capital expenditure in history

REUTERS, Beijing

China Petroleum & Chemical Corp, better known as Sinopec, is planning its highest capital investment in history for 2022 after recording its best profit in a decade, echoing Beijing's call for energy companies to raise production.

Sinopec expects to spend 198 billion yuan (\$31.10 billion) in 2022, up 18 per cent from a year ago, beating the previous record of 181.7 billion yuan set in 2013, according to a company statement filed to the Shanghai Stocks Exchange on Sunday.

It plans to invest 81.5 billion yuan in upstream exploitation, especially the crude oil bases in Shunbei and Tahe fields, and natural gas fields in Sichuan province and the Inner Mongolia region.

"Looking ahead in 2022, the market demand for refined oil will continue

to recover, and demand for natural gas and petrochemical products will keep growing," Sinopec said in the statement.

It also warned of potential impacts of geopolitical challenges and volatile oil prices on the investment and operation at overseas businesses. But the firm did not name any specific project.

Reuters reported that Sinopec Group had suspended talks for a major petrochemical investment and a gas marketing venture in Russia, heeding a government call for caution as sanctions mount over the invasion of Ukraine.

Brent oil prices have gained 52 per cent so far this year and hit as high as \$139 a barrel in early March, stoked by fears of supply disruption in the wake of Russia's invasion of Ukraine.



A worker at a plastic recycling factory in Saidpur upazila of Nilphamari is seen raking plastic chips into rows for drying under the sun. Once processed and packed, these chips are sold to various factories in the country while much of it is also shipped abroad, where they are reused to make new products. PHOTO: KONGKON KARMAKER

# Plastic recycling takes hold in northern districts

KONGKON KARMAKER

Bangladesh's northern region has turned into a plastic recycling hub as many people in eight districts are now engaged in turning hazardous waste such as discarded PET bottles and disposable syringes back into resources for these products.

Plastic has long been an integral part of human life across the globe even though its continued use poses a significant threat to the environment.

And in the absence of proper management, the growing number of discarded plastic products is starting to take its toll in Bangladesh.

However, the people of Rangpur and Dinajpur regions seem to have found a solution as nearly 1,000 plastic recycling factories have sprung up across eight districts in the region.

Aside from the obvious benefit of ensuring a cleaner environment, the initiative has generated employment for many locals, most of whom learned about how to recycle plastic from YouTube.

Environmentalists in the two districts said that thousands of tonnes of plastic waste are produced in the country each day.

This waste can be found lying on the

ground and choking waterbodies due to the lack of proper monitoring but thanks to the introduction of recycling plants, pollution has decreased at the local level while also generating employment for many marginal people.

Md Moti, a resident of Debiganj village under Dinajpur's Chirirbandar upazila, said he started his discarded plastic recycling business beside the Dinajpur-Rangpur highway with about 20 employees two years ago.

Moti crushes the plastic waste into crumbs after collecting them through ragpickers.



**People of Rangpur and Dinajpur regions have found a solution to the plastic menace as nearly 1,000 plastic recycling factories have sprung up across eight districts**

After processing, the plastic chips are sold to factories in Dhaka and other districts that use them to make new products.

Ragpickers can earn about Tk 200 daily by selling collected plastic products to scrap shops and traders such as Moti, who prefer to buy easily recyclable items such as disposable bottles and syringes.

Moti sells the plastic chips for between Tk 8 to Tk 60 per kilogramme depending on their quality.

"The innovative business of recycling discarded plastic is changing the quality of life in the region while also reducing

pollution," he said.

During a recent visit to different places in Dinajpur, Rangpur and Nilphamari, this correspondent found huge piles of discarded plastic items in the yards of local recycling plants.

Workers were seen drying processed plastic crumbs while others were busy breaking up various items taken from the pile.

Kabita Rani, a resident of Panga Matukpur village under Domar upazila of Nilphamari, has earned around Tk 5,000 per month ever since a plastic waste recycling factory opened in the area.

Like her, many other local people got employment there.

Kabita sells discarded plastic items to traders after collecting them from different places. She even works at the factory itself by sorting discarded plastic items to make extra earnings.

"I can support my family through the earning," she said.

Tapan Roy, a machine operator at the recycling factory, said his task is rather simple as it requires him to just operate the crumbling machine while others sort out the plastic chips after cleaning them.

After cleaning, the chips are dried in the sun before being packaged for sale,

he added.

Atia Parveen, a resident of Kamarpukur village under Saidpur upazila of Nilphamari, also found a better living through the factory.

"My four-member family is living better than ever," said Parveen, who was previously a housemaid.

Kamal Roy, owner of the plastic recycling plant, said he sells the chips to millers while much of the product is even exported.

"This plastic waste is reused for manufacturing plastic products," he said.

Roy went on to say that he learned about plastic waste recycling from YouTube and following his success, many people are now leaning towards this profitable business.

Imran Hossain, owner of a plastic recycling plant in Bangalipur village of Saidpur, said they buy old plastic bottles from various scrap shops at prices between Tk 20 to Tk 35 per kilogramme.

The waste is then washed in machines to rid them of any hazardous material before being dried and crushed.

"I think the industry could have expanded further by now with government support," Hossain added.

Bijan Kumar Roy, assistant director of the environment department in Rangpur, said plastic waste is a major threat to the ecosystem and so, the idea of recycling discarded plastic products is amazing.

"It is a great concept to protect the environment. Besides, many are becoming self-sufficient by working in these factories," he added.

## Be competitive, stop relying on duty-free regime

Says first Dominican Republic envoy to Bangladesh

PORIMOL PALMA

Bangladesh should abandon the mentality of having a duty-free regime, cheap loans or foreign aid and focus instead on making products competitive by improving management efficiency, logistics and business environment as the country approaches graduation from the grouping of the least-developed countries (LDCs) in 2026.

That was the key suggestion from David Puig, ambassador of the Dominican Republic, in Dhaka.



"As an LDC, you rely on quota, cheap loan and aid. Now, you need to change that mentality and become competitive," he said in an interview with The Daily Star in Dhaka on March 23.

On the same day, he presented credentials to President Md Abdul Hamid to become the first envoy from the country to Bangladesh since the two nations established diplomatic relations in 2012. "As Bangladesh is growing, it seeks to boost the relations," said Puig, who is based in Delhi as he is the ambassador of the Dominican Republic to India.

He is also the ambassador of the country to Bangladesh and other South Asian countries.

Over the past 25 years, the Dominican Republic, now a developing country, has experienced robust economic growth.

**Bangladesh has expertise in textile industry and as the major destinations are the US and Europe, textile companies can also invest in the Dominican Republic and take advantage of its free trade zones and FTAs**

In 2008, the Dominican Republic became an upper-middle-income country from a lower-middle-income one as per the criteria of the World Bank. The Caribbean island is now aspiring to become a developed nation by 2030.

Bangladesh achieved the lower-middle-income status in 2015 and has targeted to become a higher-middle-income country in 2031 and a developed one in 2041.

"My first suggestion for you is: do not wait. Plan it now. It is not only for the LDC graduation but also for the latter stages," Puig said.

The Dominican Republic has signed free trade agreements with the US and Europe, established free trade zones to attract foreign investors and provided incentives.

It went for manufacturing high-end products such as electronic devices and medical devices and became the third-largest manufacturer for medical devices in Latin America.

The country has upgraded its traditional tourism sector and become a major tourist destination, drawing more than six million tourists a year before the coronavirus pandemic hit the hospitality industry and five million last year.

"Improving the business environment and making it enabling for investors is crucial," said Puig, who joined the Dominican Foreign Service in 2004.

He says Bangladesh has expertise in the textile industry and as the major destinations are the US and Europe, textile companies can also invest in the Dominican Republic and take advantage of the free trade zones and FTAs with the American and European markets.

READ MORE ON B2

## Sri Lanka seeks further \$1b credit line from India

REUTERS, Colombo

Sri Lanka has sought an additional credit line of \$1 billion from India to import essentials amid its worst economic crisis in decades, two sources said on Monday, as the Indian foreign minister began talks with the government of its neighbour.

The island nation is struggling to pay for essential imports of food and fuel after a 70 per cent drop in foreign exchange reserves since January 2020 led to a currency devaluation and efforts to seek help from global lenders.

New Delhi has indicated it would meet the request for the new line, to be used for importing essential items such as rice, wheat flour, pulses, sugar and medicines, said one of the sources briefed on the matter.

"Sri Lanka has requested an additional \$1 billion credit line from India for imports of essentials," the second source said. "This will be on top of the \$1-billion credit line already pledged by India."

Both sources declined to be identified as the discussions were confidential.

The finance and foreign ministries of Sri Lanka, as well as India's foreign ministry, did not immediately respond to requests seeking comment.

Sri Lankan Finance Minister Basil Rajapaksa signed the earlier credit line of \$1 billion this month in the Indian capital of New Delhi to help pay for critical imports. Indian Foreign Minister Subrahmanyam Jaishankar met Rajapaksa on Monday after arriving in the Sri Lankan capital of Colombo late the previous day.

READ MORE ON B2



A Sri Lankan woman celebrates when the first oil bowser with kerosene arrives as people wait to buy oil for cookers amid a shortage of domestic gas due to country's economic crisis, at a fuel station in Colombo on March 21. PHOTO: REUTERS

## Gazprom wants gas payments in euros from India's GAIL

REUTERS, New Delhi

Gazprom has asked India's largest gas transmitter GAIL (India) to pay for gas imports in euros instead of dollars, two sources said, in a sign the Russian energy giant seeks to wean itself away from the US currency in the wake of the Ukraine conflict.

European countries and the United States have imposed heavy sanctions on Russia since Moscow sent troops into Ukraine on February 24.

GAIL has a long-term gas import deal with Gazprom Marketing & Trading Singapore to annually buy 2.5 million tonnes of liquefied natural gas and has been settling trade with Gazprom in dollars.

GAIL, which imports and distributes gas, also operates India's largest gas pipeline network.