

Star BUSINESS



DBL to invest in Vietnam to make sewing thread

REFAYET ULLAH MIRDHA

DBL Group, one of the leading local garment exporters, is going to invest in Vietnam to produce thread as many international clothing retailers and brands have nominated the group's product to stitch clothes.

"We will invest in Vietnam to produce our branded sewing thread Eco-Thread as our buyers are demanding for supplying more thread to them," said MA Jabbar, managing director DBL Group.

"We are already supplying a lot of sewing thread to many international retailers and brands," he said.

The group has a plan to start running the Vietnam unit within the next two or three years.

DBL Group exported garment items worth \$480 million in 2021 and expects 25 per cent higher shipment this year

"Setting up a sewing thread factory is one kind of a support for our buyers as many Western buyers are sourcing from Vietnamese garment factories," said Jabbar.

"The buyers have nominated our sewing thread," he said without mentioning the amount to be invested in Vietnam.

Currently, the DBL produces 10 tonnes of sewing thread in a day of which 80 per cent is sold to other garment manufacturers and the rest used by the group's own garment factories.

Earlier, DBL Group invested in the garment sector of Ethiopia but was now facing trouble running that unit because of a war in the landlocked African nation.

As a major exporter, DBL Group exported garment items worth \$480 million in 2021 and at the end of this year the group is expecting 25 per cent more export earnings from garment shipments, Jabbar said.



AT A GLANCE

- Sewing thread is a yarn used to stitch garments
- Bangladesh now exporting sewing thread
- But 10 years ago, Bangladesh was a net importer
- Local companies want to grab bigger share of global market
- DBL Group to set up a sewing thread factory in Vietnam
- Garment makers use local sewing thread to maintain lead time

BY THE NUMBERS

- Total investment in local market so far: Tk 1,000cr
- Daily requirement in the country: 100 tonnes
- About 200 export-oriented millers are in operations
- Contribution of sewing thread to garment making: less than 1pc
- More than 100 small millers serve domestic market
- Annual sales of sewing thread in the country: \$150m

Sewing thread: a new avenue of growth in textile

Hundreds of factories have sprung up in recent years

REFAYET ULLAH MIRDHA

Hundreds of sewing thread manufacturing units have sprung up in Bangladesh in recent years, allowing the country to nearly attain self-sufficiency in the major garment accessory.

As a result, apparel manufacturers have been able to cut their over-reliance on the imported raw materials and maintain strict lead time.

Sewing thread is mainly used in stitching garment items. And 10 years ago, local garment manufacturers and exporters were fully dependent on imported sewing thread.

But now some of the major producers are even exporting the accessory after meeting local demand.

Currently, 20 local and multinational sewing thread mills produce more than 100 tonnes of the item a day.

Although the contribution of the sewing thread is less than 1 per cent to the total garment export of \$36 billion, it is vital for manufacturing a finished garment item.

In the past decade, the sewing thread sector witnessed an investment worth Tk 1,000 crore, according to industry people.

Sanzi Textile Mills, located

in Kalurghat of Chattogram, invested Tk 100 crore in 1995 to make sewing thread. Today, it produces 30 tonnes of thread per day.

"We are meeting the rising demand in the domestic and international markets," said Syed Nurul Islam, chairman

Sanzi Textile Mills' market share in the sewing thread segment is 30 per cent, raking in \$20 million annually. It also ships more than \$6 million worth of the accessory a year.

Islam puts the local sewing thread market at \$150 million. Previously, garment

Of the produce, the company consumes 20 per cent and the rest 80 per cent is sold to other garment manufacturers, said MA Jabbar, managing director of the group.

DBL Group is eyeing expansion in the segment. "I have a plan to set up a unit to produce sewing thread in Vietnam within two to three years as buyers are nominating our thread for their products due to its higher quality," Jabbar said.

Eco Threads & Yarns sells sewing thread worth \$25 million annually at present and plans to double the sales by 2025.

"Even a few years ago, local garment manufacturers were mainly dependent on multinational companies to procure sewing thread, but now local companies are capable of producing internationally standard sewing thread," Jabbar said.

Although the country has become self-reliant on sewing thread, the associated raw materials need to be imported, according to Abdul Kader Khan, managing director of Khan Accessories and Packaging Ltd.

He invested Tk 7 crore to



of Well Group, the owning company of the textile company.

Islam plans to invest in another factory to produce leather sewing thread since the leather and leather goods industry is also growing in Bangladesh. Currently, almost all of the required leather sewing thread is imported.

"Leather sewing thread has a very bright future in Bangladesh because leather and leather goods industries are performing strongly," he said.

manufacturers relied on China and Hong Kong for sewing thread. Now, local manufacturers can supply 95 per cent of the accessory, while the rest is imported owing to the special requirement from international retailers and brands.

DBL Group, a garment exporter, invested Tk 200 crore in 2016 to set up Eco Threads & Yarns to make quality sewing thread. It produces 10 tonnes of sewing thread a day at its Kashipur factory in Gazipur.

Remittance hits 8-month high

MD FAZLUR RAHMAN

Remittance to Bangladesh rose to an eight-month high in March as migrant workers sent home a higher amount to help their families meet an increased expenditure during Ramadan, official data showed yesterday.

Expatriates transferred \$1.86 billion last month, the highest since July when \$1.87 billion flew into the country, according to the Bangladesh Bank.

March's receipts were nearly 25 per cent higher than February's \$1.49 billion but down 2.67 per cent from \$1.91 billion recorded in the same month last year.

Families of migrant workers usually receive a higher amount of remittance ahead and during Ramadan and ahead of Eid, said Arfan Ali, managing director of Bank Asia. The fasting month began yesterday.

"The exchange rate has also been adjusted upwards amid higher demand for US dollars," he said.

Because of the escalated commodity prices, the US dollar supply in Bangladesh has come under strain as import payments have outstripped export receipts. Exports and remittances are two major sources of American dollars for the country.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, also credited Ramadan, banks' efforts to attract more American dollars, and the government's incentive for the increased flow of remittance.

"Banks are offering higher rates for incoming US dollars in order to facilitate imports," he said. The government also provides a 2.5 per cent cash subsidy on remittance to prop up the flow of foreign currencies with a view to tackling the foreign exchange crisis.

Bangladesh received \$15.30 billion in remittances in the first nine months of the current fiscal year, a decrease of 21.56 per cent compared to the same period a year ago.

Last fiscal year, migrant workers sent home a record \$24.77 billion. Remittance flow had rocketed to an "abnormal level" during the pandemic-induced two years for "abnormal factors" compared to the pre-crisis levels, said Zahid Hussain, a former lead

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STOCKS	
DSEX ▲	CSCX ▲
0.20%	0.38%
6,771.91	11,893.41

COMMODITIES	
Gold ▼	Oil ▼
\$1,928.8	\$99.57
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI ▲	TOKYO ▼	SINGAPORE ▲	SHANGHAI ▲
1.21%	0.56%	0.31%	0.94%
59,276.69	27,665.98	3,419.11	3,282.72

New patents bill passed

RASHIDUL HASAN and JAGARAN CHAKMA

The parliament yesterday enacted Bangladesh Patents Bill 2022, aiming to make a century-old patents law more time-befitting and safeguard intellectual property rights.

The law, among others, extends the validity period of patents from 16 years to 20 years.

Analysts say this would attract foreign investment as it protects intellectual property and works as a safeguard in stopping generic versions of new products or innovations from coming up, according to experts.

Sheikh Faezul Amin, additional secretary (policy, law and international co-operation) to the industries ministry, said the new law included provisions enabling joint registrations if needed.

The pre-existing patent and design law was enacted in 1911. In 2016, the law was divided into two parts, a patent law and a design law.

According to him, the act was needed to enable updates and enabling staying attuned with the current growth of the economy and expansion of trade and commerce.

The bill states that any technological product would be patentable if it has something new in it.

However, inventions, scientific theories and mathematical methods, business methods, rules or methods of performing purely mental work or sports and any such computer programme would not be patent protected.

In addition to the need to prevent commercial use within the borders of Bangladesh in order to protect public order and ethics, a number of other issues have been left out of patent protection, including innovation.

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Popular fruits and vegetables that are copiously enjoyed during Ramadan are seen on display at a store in Karwan Bazar, one of the biggest kitchen markets in Dhaka. However, prices of such daily essentials were high on just the first day of the month as lemons cost as much as Tk 120 per dozen while cucumbers and tomatoes each sold for about Tk 40 per kilogramme. The picture was taken yesterday.

PHOTO: ANISUR RAHMAN

'Can't visit market every day to control prices'

Says Tipu Munshi

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday said the price of daily essentials drop whenever he visits a kitchen market but ultimately rise again once he leaves.

"This is not right," he told reporters at the Islamiya Shanti Samiti in Karwan Bazar after visiting the kitchen market in Dhaka.

Traders offer various discounts during festive seasons abroad, such as Christmas in the US or Durga Puja in India.

"But if we businessmen take advantage of the month of Ramadan, when people are supposed to show restraint, then Allah will not forgive us. So we need to keep fair prices," Munshi said.

The commerce minister went on to say that if any product prices go up due to extortion, then

READ MORE ON B3



Litchi orchards on Mission Road in Dinajpur town. Growers of the seasonal fruit are passing busy times tending to the trees as those have started flowering. The photo was taken last week.

PHOTO: KONGKON KARMAKER

WAR IN UKRAINE

US defence contractors see long-term benefits

AFP, New York

US arms manufacturers are not cashing in directly from the thousands of missiles, drones and other weapons being sent to Ukraine, but they do stand to profit big-time over the long run by supplying countries eager to boost their defenses against Russia.

Like other Western countries, the United States has turned to its own stocks to furnish Ukraine with shoulder-fired Stinger and Javelin missiles, for instance. These weapons from Lockheed-Martin and Raytheon Technologies were paid for some time ago.

So these companies' first quarter results, due to be released in coming weeks, should not be especially fatter because of the rush to arm Ukraine as it fights off the Russian invasion.

But those US military weapons stockpiles being tapped for Kyiv will need to be replenished.

The Pentagon plans to use \$3.5 billion earmarked for this purpose in a spending

bill approved in mid-March, a Defense Department spokesman told AFP.

The Javelin anti-tank missile is made by a joint venture between Lockheed and Raytheon. The latter's Stinger anti-aircraft missile had ceased to be produced until the Pentagon ordered \$340 million of them last summer.

"We are exploring options to more quickly replenish US inventories and backfill depleted stocks of allies and partners," the spokesman said.

"It will take time to revive the industrial base -- at the prime and at sub-tier suppliers -- to enable production to resume," he added.

The profits that the companies make from these missiles, known for being simple to use, will not exactly be staggering, defense industry experts told AFP.

"If 1,000 Stingers and 1,000 Javelins get shipped to Eastern Europe each month for the next year, which is not unlikely given the current pace, in our view, we think it would equate to

\$1 billion to \$2 billion in revenue for both program manufacturers, which is material," said Colin Scarola of CFRA, an investment research firm.

Raytheon's and Lockheed's revenue figures last year dwarf that amount, however: \$64 billion and \$67 billion, respectively.

"Raytheon probably made more money off selling a Patriot missile system to Saudi Arabia than they will from making Stinger missiles," said Jordan Cohen, an arms sales specialist at the Cato Institute.

"They're only going to put so much effort into producing those weapons that are not that valuable," Cohen told AFP.

Lockheed, Raytheon and another arms manufacturer, Northrop Grumman, did not respond to AFP requests for comment.

General Dynamics said it has not raised its financial outlook since January, while Boeing just said it is up to governments to decide how to spend money earmarked for defense.

Some weapons manufacturing executives hinted when they last released quarterly results in late January that the situation around the world would benefit them.

Greg Hayes, Raytheon's CEO, said that rising tensions in Asia, the Middle East and Eastern Europe would lead to higher international sales -- not right away but later in 2022 and beyond.

His counterpart at Lockheed-Martin, James Taiclet, said he observed "renewed great power competition" that could trigger higher US military spending.

"The war in Ukraine reshuffles the geopolitical order, in a way that hasn't really been seen in the past 30 years," said Burkett Huey of Morningstar, a financial services company.

"People are starting to realize that the world is a lot less safe and there's probably going to need to be increased investment in defense products, which would benefit the contractors," Huey said.

Padma Bank promotes Zabed Amin to DMD

STAR BUSINESS DESK

Padma Bank Ltd has recently witnessed the promotion of its chief operating officer to the post of deputy managing director.



The promotee, Zabed Amin will look after entire bank's operations and AML division as chief operating officer and chief anti-money laundering compliance officer, a press release said.

Zabed joined Padma Bank in December 2018. He started his banking career with ANZ, Grindlays and Standard Chartered Bangladesh.

In his long spanning career, he has worked for Brac Bank, City Bank and Social Islami Bank Ltd.

China to remove hurdle to Sino-US audit cooperation

REUTERS, Shanghai/Beijing

China on Saturday proposed revising confidentiality rules involving offshore listings, removing a legal hurdle to Sino-US cooperation on audit oversight while putting the onus on Chinese companies to protect state secrets.

The draft rules, announced by China's securities watchdog, mark Beijing's latest attempt to resolve a long-running audit dispute with Washington that could lead to roughly 270 Chinese companies being forced to delist from US exchanges in 2024. Saturday's proposal scraps requirements that on-site inspection of overseas-listed Chinese companies be conducted mainly by Chinese regulators.

That could open the door to inspections by US regulators, who demand complete access to such firms' audit working papers, which are stored in China. The changes will facilitate "cross border regulatory cooperation, including joint inspections, which will help safeguard interest of global investors," the China Securities Regulatory Commission (CSRC) said in a statement on its website.

China is stepping up efforts to ensure Chinese firms remain listed in New York.

The commission said on Thursday that Chinese and US regulators had held multiple rounds of meetings and both sides had a willingness to solve their audit dispute.

But US securities and audit regulators have pushed back on speculation of an imminent audit deal with China. In March, the US Securities and Exchange Commission (SEC) identified 11 US-traded Chinese companies, including Baidu Inc and Yum China, that face delisting risks.

The draft rules make clear that Chinese companies are responsible for information security in overseas listings, reducing the chance that confidential information unnecessarily enters auditors' working papers, CSRC said.



Plumbing technicians of Charu Ceramic Industries Ltd across the country attended a daylong workshop organised by the company on its sanitaryware factory premises in Hobiganj in a bid to ensure the most efficient and smooth after-sales service.

PHOTO: CHARU CERAMIC INDUSTRIES

Focus on sustainability

FROM PAGE B4

price and convenience for customers. It is very important to us. Change is all around and it is getting faster and faster."

"And, we strongly believe that future is a combination of having very good technology and really great people," she said, adding that the partnership between technology and people makes difference for customers.

Speaking about the readiness of customers, Murphy says many customers were not ready to use automated teller machines during the initial days.

"Sometimes, it is push and pull." "You need to build the technology. You need to help companies understand how it brings value to their business. You need to make it easy to use."

"You also need to give customers a reason to use it. That reason might be price and might be easier and secure for their companies."

HSBC has introduced a trade transaction tracker in Bangladesh, enabling businesses to track the whereabouts of goods.

The bank, which has fully automated 96 per cent of its payments, has digitalised Unilever Bangladesh's supply chain finance,

making doing business easier for customers as well as suppliers.

Murphy says supply chains account for 80 per cent of the planet's carbon emissions, so developing a sustainable production network is one of the most important levers for banks and businesses on the net-zero transition.

"HSBC wants to encourage companies throughout the supply chain to focus on sustainability, as we have seen how this sparks innovation and generates value."

HSBC has kept investing in digitalising trade to support its clients with faster, safer and easier transactions.

"We would like to play the leading role in the digital transformation that the country's financial services are experiencing."

Murphy is upbeat about Bangladesh's economic advancement and calls the country a very important market for the bank.

"We know there is a fast-growing, stable market, and there is an abundance of entrepreneurial spirit. Those entrepreneurs are some of the biggest established names but there are also a number of smaller companies coming

up. They will be the big names tomorrow."

"I think it is a good place to do business."

Bangladesh's large population, now nearly 17 crore, and the growing purchasing power are making the country attractive to international companies.

As the local economy continues to grow, the bank anticipates an increased international movement of people in and out of Bangladesh, where payments processing are becoming more digitalised, more wealth is being created, and domestic consumption is growing.

"Bangladesh is becoming increasingly integrated into the global economy as import, export and remittances increase. I think that's a good sign for Bangladesh," said Murphy.

The multinational bank looks to continue financing sectors such as infrastructure, construction, consumer electronics, e-commerce, IT, and digital.

Consumer goods and consumer durables are expected to become more prominent as the middle class expands. And Murphy describes the change in healthcare as interesting.

"As people have a little more

money in their pocket, they can afford healthcare. I don't think we can underestimate e-commerce and technology. Digital will become even more part of our life."

HSBC supported the launch of Bangladesh's first communications satellite, Bangabandhu Satellite-1, in 2018. The following year, it financed Bangladesh's largest urea fertiliser manufacturing plant.

In the aftermath of business losses caused by the coronavirus pandemic, the bank provided a 90-day extension of import liability for delays in shipments.

It extended short-term loans to help clients pay wages and overheads, particularly for the clients in the textile and apparel sector, during the period.

Since her first visit to Dhaka nearly a decade ago, banks in Bangladesh have improved significantly, Murphy says.

"The regulations have improved. The understanding of how to regulate the financial sector has improved."

"We all understand banks have a role to play, in partnership with the government and the private sector, to help bring prosperity. That is why I think the longevity of a bank in a country is important."



Md Ataur Rahman Prohnan, managing director of Sonali Bank Ltd, and Ahmed Kamal Khan Chowdhury, Group adviser of SSLCOMMERZ Ltd, exchange signed documents of an agreement for using Bangla QR merchant payment service at Pan Pacific Sonargaon Dhaka on Saturday. Ziaul Hasan Siddiqui, chairman of Sonali Bank, Md Murshedul Kabir, Niranjana Chandra Debnath, Md Mazibur Rahman and Sanchia Binte Ali, deputy managing directors, and Subhash Chandra Das, general manager, were present.

PHOTO: SONALI BANK



Mamoon Mahmood Shah, managing director of NRB Bank, inaugurates its 50th branch in Barishal recently. Md Mukhter Hossain, adviser, Oli Ahad Chowdhury, head of retail banking, Md Jahidul Islam, deputy director of Bangladesh Bank's Barishal office, and Md Jahangir Hossain Manik, senior vice-president of the Barishal Chamber of Commerce and Industry, were present.

PHOTO: NRB BANK

Sirajganj industrial

FROM PAGE B4

Investors are keen on investing here for the confirmation on the availability of gas, electricity, environment department approvals and other necessary facilities, he said.

Abu Eusuf Surjo, president of the Sirajganj Chamber of Commerce and Industry, said the park would change the socioeconomic condition

of the northern region. Md Aiyub Ali, secretary of the Bangladesh Handloom and Power Loom Owners' Association, said Sirajganj was historically a hub for clothes makers, so weaving-related investments should get priority. "We hope dyeing and processing factories get space...for the sake of the weavers," he said.

Presence of big investors usually leads to the deprivation of small and medium investors, he claimed.

The project director, however, said the BSCIC always invites investors of small and medium industries. "When plot allotments start, investors must fulfil our conditions so there is no scope to deprive small and medium investors," Khaleque added.

Sri Lanka seeks Bangladeshi investment

STAR BUSINESS REPORT

Sri Lankan High Commissioner to Bangladesh Sudharshan Seneviratne has sought investment from Bangladesh in tourism and agriculture sectors of the nation, which is now going through an economic turmoil.

Seneviratne made the call in a meeting with Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at the federation building in Dhaka yesterday.

The Sri Lankan envoy said his country is offering attractive incentives for foreign investors, including tax holidays. Bangladeshi entrepreneurs can make profits by investing in huge uncultivated lands in Sri Lanka, the envoy also said.

The high commissioner also sought Bangladesh's cooperation in the development of tourism and shipping sectors.

The Colombo port now has four harbours and is equipped with more modern facilities, he said and urged the Bangladeshi cargo ships to go through Colombo. Jashim Uddin said a free trade agreement between the two countries would make it easier to increase bilateral trade and investment.

He stressed the need for increasing regional trade.

Most of Bangladesh's trade takes place with the United States and the European Union, but it is more profitable to do business with the neighbouring countries, he said.

Referring to the huge volume of inter-trade in North American Free Trade Agreement and the Association of South East Asian Nations, the FBCCI president said if the South Asian Free Trade Agreement was implemented, the development of Saarc countries would have been accelerated.

He also emphasised the importance of cooperation in the energy sector among the Saarc countries.



Potato exports near last year's total in 9 months

SOHEL PARVEZ

Outbound potato shipments are set to exceed last year's total as local exporters are able to supply the vegetable at more competitive prices than Pakistan and China, various exporters said yesterday.

Bangladesh shipped 63,320 tonnes of potato between July 1 and March 28 in fiscal year 2021-22.

The amount is just around 1,500 tonnes below the total potato exports recorded in fiscal year 2020-21, according to data from the Department of Agricultural Extension (DAE), which issues plant health certificates for international shipments.

"We have been able to deliver potatoes at more competitive prices than Pakistan," said Shaikh Abdul Qader, president of the Bangladesh Potato Exporters Association (BPEA).

Bangladesh ships potato mainly to Malaysia, Singapore, Sri Lanka and Middle Eastern countries, namely the United Arab Emirates and Saudi Arabia. Nepal also imported 15,000 tonnes of potato this year, said Md Rezaul Karim, deputy director of the DAE's Plant Quarantine Wing.

"We expect the total potato exports will be 100,000 tonnes at the end of this fiscal year," he added.

Exporters shipped 100,000 tonnes of potato once in fiscal year 2013-14, which is the highest on record. Shipments of the

tuber later declined but there has been a rising trend for the last two years, as per DAE data.

Farmers cultivated potato on 4.77 lakh hectares of land this fiscal year and the DAE expects that production would cross one crore tonnes. Growers bagged 98.8 lakh tonnes of potato last fiscal year, according to the Bangladesh Bureau of Statistics (BBS).

Farmers cultivated potato on 4.77 lakh hectares of land this fiscal year and the DAE expects that production would cross one crore tonnes. Growers bagged 98.8 lakh tonnes of potato last fiscal year, according to the Bangladesh Bureau of Statistics

Bangladesh is the seventh biggest potato producer in the world but the amount exported is insignificant.

Quader said lack of exportable variety of potato has been a major barrier to boost export. And removal of restrictions on the introduction of new varieties of potato

seeds, and their production and marketing for three years by the agriculture ministry, has helped them introduce some new varieties.

"We were able to start exporting potato from January this year as we brought extra of the early variety. Earlier, we could begin export from February," he said, adding the new variety matures in 60 to 65 days.

Kazi Mahabub Morshed, owner of Kanak International, another exporter, said they shipped a good amount of the vegetable in the January-February period. The quantity shipped in March was comparatively low though.

"There was a supply shortage of quality potatoes from Pakistan and China to the markets we export to," he said.

However, exporters are not going to be able to export to Russia this year despite the removal of a ban imposed by the country in this regard.

The problem is that freight rates are around \$14,000 per container for potatoes worth \$8,000 in total, Morshed said.

"I do not see any prospect of exporting this year. Maybe next year though if freight rates decline and global tensions ease," he added.

Quader said the freight rate was \$3,600 per container when Russia slapped on the ban in 2015.

"Freight fares are so high that we cannot export even after the reopening of export opportunities," he added.

US envoy praises investment environment

STAR BUSINESS REPORT

Bangladesh has an attractive economic sector for investment, US Ambassador Peter Haas said yesterday.

Bangladesh has an investment-friendly environment along with demographic dividend and skilled manpower, the ambassador said, adding that he will inform the US businesses about the investment opportunities the country has.

He also spoke highly of the south Asian country's economic progress and capabilities.

Haas made the comments in a meeting with Finance Minister AHM Mustafa Kamal at the latter's office in the secretariat.

The envoy also assured that the United States would stand by Bangladesh in its development efforts. He also lauded the steps, including the vaccination programme, taken by the Bangladesh government to address the health and socio-economic challenges posed by the Covid-19 pandemic.

In the meeting, Kamal said the diplomatic relations between Bangladesh and the United States have expanded to various fields, including trade and commerce.

He said Bangladesh is no longer a "development miracle". The country is now a "role model of development" for others, Kamal said.

He said Bangladesh is currently 41st in the world in terms of the size of the economy which was 60th in 2006. "After independence, it took 38 years for our economy to reach \$100 billion in GDP [gross domestic product], but in the last 12 years, it has quadrupled to \$411 billion."

Two new digital services launched

STAR BUSINESS REPORT

The planning ministry yesterday launched two services to digitalise the formulation of the Annual Development Programme, project preparation capabilities, and develop its overall office management system.

Planning Minister MA Mannan inaugurated the services at an event at the National Economic Council's auditorium.

The two installed services are "Project processing, appraisal and management system" and "Research management system (RMS)".

According to a press release from the ministry, the first software can be used by the agency to draw up project details, send them to the concerned ministry, and after processing, send them to the Planning Commission for approval.

The RMS will help receive research applications from the Social Science Research Council, and select and approve them.

Through the use of these services, the time, cost, and visits required to prepare a project will reduce, and this will ensure transparency and accountability, the press release said.

"We can do everything sitting in our office. Our officials will not have to run after other line ministries to hold meetings about projects," Mannan said.

Remittance hits 8-month

FROM PAGE B1

economist of the World Bank's Dhaka office. The abnormal factors include the disruption faced by the unofficial money transfer channel as international travels came to a halt due to Covid-19, fuelling the use of banks and other official channels to transfer funds.

Since the global economies are returning to normalcy thanks to improved coronavirus situations, the global hundi cartel, which operates an illegal cross-boundary financial system, has become active again, evidenced by a lower flow of remittance to Bangladesh so far in the current fiscal year.

Hussain is, however, upbeat that remittance would increase in the

second half of 2022 if there is stability globally since an increasing number of workers are going abroad in search of jobs.

Alone in 2021, about six lakh workers, which also include the labourers who had to return home after losing jobs after the virus outbreak, went back. The manpower export has kept the upward trend since the demand for low-skilled workers internationally has spiked.

According to Hussain, the fundamental determinant of remittance is how many workers of a country work abroad.

"If the number of workers goes up, remittance will climb. We are seeing an improvement in that fundamental."

The economist thinks

the elevated level of oil price, caused by the Russia-Ukraine war, would give a boost to the oil-producing Middle Eastern economies and this will have an impact on the labour market in the countries, in terms of wages or demand.

The Middle Eastern countries are home to 75 per cent of Bangladesh's about one crore citizens working abroad, said Shariful Hasan, head of migration of Brac, citing data from the Bureau of Manpower, Employment and Training and other sources.

Because of the pandemic-induced disruptions, only about 2.17 lakh people went abroad in 2020. But nearly 3 lakh workers have already left the country in the first three months of 2022, he said.

taken," he added.

Munshi also informed that about 80,000 to 90,000 tonnes of soybean oil has arrived in the country since the government's move to reduce value-added tax on imports of cooking oil.

As such, there is adequate stock against domestic demand, so no unscrupulous businessman should take advantage and the consumer rights watchdog has been directed to not make any concessions in this regard.

Besides, there is no reason to stock up on a whole month's supplies during Ramadan as it is better to buy only as much as needed, Munshi said while assuring that there will be no shortages in the market. However, there is still a

big gap between retail and wholesale prices despite efforts to prevent such disparities.

"We are coming to the market again and again to sit with traders as product prices have gone up. Although there is not much of a problem in wholesale markets, there is a big difference in price when it comes to retail," he said.

"I have seen some inconsistencies in the rice market. Coarse rice is Tk 43-44 per kilogramme at wholesale but it increases at retail," Munshi added.

Tapan Kanti Ghosh, secretary of the commerce ministry; AHM Safiquzzaman, director general of the Directorate of National Consumer Protection; and Monjur Mohammad Shariar, director, were present.

Sewing thread: new avenue



FROM PAGE B1

establish a sewing thread unit in Tongi a few years ago to produce 70 tonnes of thread a month. Nearly 200 manufacturers are engaged in producing sewing thread for export-oriented garment factories, but few of them dominate the market, said Abul Quasem Haider, president of the Bangladesh Sewing Thread Manufacturers and

Exporters Association.

Local manufacturers can supply more than 90 per cent of cotton made sewing thread. But in the case of the synthetic-made thread, they can cater 70 per cent of the demand, and the remaining 30 per cent comes from imports, mainly from China.

More than 100 small and medium-sized mills serve the local sewing thread market.

Stocks turnover

FROM PAGE B4

JMI Hospital Requisite Manufacturing topped the gainers list with a 10 per cent rise while IPDC Finance, CAPM BDBL Mutual Fund One, National Housing Finance and Investments, and Imam Button also saw major gains.

IPDC Finance became the most traded stock with shares worth Tk 57 crore changing hands followed by Provati Insurance, Beximco Ltd, Fortune Shoes, and GSP Finance.

The Chitagong Stock Exchange (CSE) also rose yesterday. The CASPI, the main index of the CSE, edged up 76 points, or 0.38 per cent, to close the day at 19,825.

Of the 279 stocks traded, 124 rose, 119 fell, and 36 did not see any price movement.

New patents bill passed

FROM PAGE B1

A registrar office will be there to issue or cancel patents of any single inventor or joint inventors of a technical innovation under the proposed law.

Mohammad Golam Sarwar, assistant professor of the Department of Law, University of Dhaka, said updating the patent law in tune with current trends had become necessary.

Demands had been raised to protect intellectual property, said Sarwar, who was also involved in reviewing the draft law.

Referring to a Global Innovation Index 2018 report, he said Bangladesh has been ranked the least innovative country in Asia.

So the new patent law will facilitate compliance with agreements on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) and other global standards relating to patent and innovation, he said.

The TRIPS agreement requires member countries to make patents available for any invention, whether products or processes, in all fields of technology without discrimination, subject to the normal tests of novelty, inventiveness and industrial applicability.

He said it would ensure the right balance between pharmaceutical innovation and access to medicine following the introduction of any pharmaceutical products. It will protect

intellectual property rights while inspiring innovators and businesses to invest more in better innovations and technologies, he said.

According to him, the new updated law will help Bangladesh cope with challenges stemming from its United Nations status graduation to a developing country.

For this, Bangladesh needs to develop a robust protection mechanism in terms of innovation, technology and patent protection regime, he said.

He said the law would help mobilise foreign direct investment (FDI) in Bangladesh as investors give priority to strong laws for protection of innovation and idea generation.

He also said foreign investors and multinational companies might be discouraged to invest in Bangladesh unless there was a strong protection mechanism for their intellectual property rights and technical expertise.

However, he said, like other laws in Bangladesh, there were challenges in implementation and monitoring.

He also said the act was a strong base to adopt international standards to protect intellectual property.

"We did not have any innovation-related law although there was a policy. For this reason there was a possibility for ideas or innovations to be

hacked," he said, adding, "This act will protect the idea and innovation of the patent holder."

Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry, said they support modernisation and simplification of patent acts, which may be effective in protecting intellectual property and enabling international practices.

However, he emphasised on proper implementation of the law so that confidence grew among foreign investors over the protection of their intellectual property.

The government should implement the law in the greater interest of the industry, investment, innovation and products, he suggested.

Nurul Kabir, vice president of the Intellectual Property Association of Bangladesh, said there were weaknesses in the new act, such as a clause saying it would take an applicant 12 months from the day the request was registered to avail a patent.

He alleged that this unintentionally provided a scope for products and innovation to be copied.

"The foreign investors fear about copy of their innovation as this is a lengthy system of registration accompanied by a verification system of Bangladeshi databases with global databases," he noted.



Land development nearing completion by the Jamuna river for an industrial park of the Bangladesh Small and Cottage Industries Corporation in Sirajganj. However, only five out of 17 categories of works have been completed, with the authorities set to seek a one-year extension of the completion deadline. The photo was taken yesterday.

PHOTO: AHMED HUMAYUN KABIR TOPU

Sirajganj industrial park set for further delay

AHMED HUMAYUN KABIR TOPU, back from Sirajganj

Having already faced several cost revisions and deadline extensions, an industrial park of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Sirajganj is on way to be delayed by yet another year.

The project began its journey in December 1999 with an estimated budget of Tk 197 crore with a view to creating 1 lakh jobs, spurring economic activities and reducing poverty in the poverty-prone northern districts. The completion date was set at June 2004.

But the plan was scrapped altogether in April 2004 before being revived in August 2010 with a revised budget of Tk 379 crore and a completion date of June 2014.

Another revision took the project cost to Tk 489.96 crore and deadline to 2015.

The project suffered two more corrections, taking the cost to Tk 628.10 crore and then to Tk 719.21 crore and end dates to June 2019 and then to June 2021 respectively.

Afterwards, there has been only one single time extension, up until June 2022.

But the project director, Md Abdul Khaleque, now wants another year. He said he would apply for it soon and that the government would likely grant it.

Talking to The Daily Star, he assured that the cost would remain the same.

"We have already finished 73 per cent of the physical work while 63 per cent of the project cost has been spent," he said.

The recent developments give hope that the 829 industrial plots being prepared on 400 acres of land by the Jamuna river for investors of small and medium industrial units will create 2 lakh new jobs.

On the delays, the project director blamed land acquisition taking up too much time alongside necessary approvals from different authorities.

"We got the handover of land in 2014 but we were unable to start the work due to the lack of necessary approvals from different authorities," said Khaleque.

"After getting environment clearance, water ministry's clearance and other official papers, land development work began in 2018. Price revisions were in tune with the situation as of that moment," he added.

A visit to the project site revealed land development and construction of a BSCIC building nearing completion.

Construction of roads, drainage, boundary walls, power sub-station, gas connection and greening was underway.

"We have 17 items to work on and of them five have been completed while the rest are underway," Heronmoy Borthon, a BSCIC assistant engineer.

"Just 5 kilometres out of the planned 17 kilometres of roads have been constructed while 7 kilometres out of 34 kilometres of drainage," he said.

Apart from greenery, the industrial park will have 20 acres of ponds.

2 Lakh New Jobs
"...once investors come to invest...2 lakh jobs will be created," Md Saizidul Islam, assistant manager of the BSCIC's Sirajganj office.

READ MORE ON B2



Stocks turnover plunges 25pc

STAR BUSINESS REPORT

The main index of the Dhaka Stock Exchange (DSE) yesterday stretched its gaining streak to two sessions in a row despite a massive fall in market turnover thanks to renewed interest among investors.

The DSEX, the benchmark index of the country's premier bourse, edged up 14 points, or 0.20 per cent, to close the day at 6,771.

However, turnover, an important market indicator, dropped 25 per cent to Tk 836 crore at the same time, from Tk 1,116 crore the previous day.

Stocks ended on a positive note for the second day running as investors are showing interest in cheaper stocks while also putting fresh bets on sector-specific issues, International Leasing Securities said in its daily market review.

Investors were mostly focused on shares of non-bank financial institutions amid the release of their December-end declarations.

However, turnover decreased due to shorter trading hours for the month of Ramadan.

Besides, some investors are still following a cautious stance and reducing their exposure in fear of the price hike of necessary commodities during the month, it added.

Among the sectors, financial institutions rose 2.9 per cent, cement increased 2.9 per cent, and mutual funds edged up 0.9 per cent.

Losers took a modest lead over gainers as out of the 379 traded issues, 195 declined, 129 advanced, and 55 remained unchanged.

The DS30, the blue-chip index, and DSES, the Shariah-based index, gained 13 points and 2 points respectively.

READ MORE ON B3

Focus on sustainability sparks innovation

Says Amanda Murphy, head of commercial banking of HSBC for South and Southeast Asia

SOHEL PARVEZ and AKM ZAMIR UDDIN

The Hong Kong and Shanghai Banking Corporation (HSBC) has set a goal to provide between \$750 billion and \$1 trillion in financing and investment globally in the next decade to support its clients to lower carbon emissions and achieve sustainable growth.

"HSBC is going to provide its clients the access to the fund to encourage them to turn their production facilities green in order to guide them towards net zero emission," said Amanda Murphy, head of commercial banking of the bank for South and Southeast Asia.

In recent years, the London-headquartered but Asia-focused lender has stepped up its green lending in Bangladesh as well.

HSBC Bangladesh has structured tailored sustainable finance solutions of more than \$300 million in the last two years. It also introduced the first-ever sustainability linked loan, which is connected to environmental, social and governance performance targets, for Square Group in 2020.

"We will continue to assist clients to achieve their sustainability goals. As part of that commitment, HSBC Bangladesh has taken the leading position in Bangladesh to drive sustainable financing," Murphy said in an interview with The Daily Star in Dhaka.

"We also believe, as a global bank, it is our duty to take a pole position in terms of tackling the climate challenge."

Murphy was in the capital last month to celebrate the silver jubilee of the international bank in the country.

The British multinational lender opened its first office in Dhaka in 1996.

Today, it accounts for 10.5 per cent of the market share in trade financing and facilitation as it offers a full range of banking services to customers through wholesale banking and wealth and personal banking.

HSBC has a presence in all of the eight export processing zones to facilitate international trade.

During her stay, Murphy visited several factories financed by HSBC, one of the world's largest banking and financial services organisations. "One of the things that really impresses me so much for Bangladesh's customers is that all of them are talking about their commitment to climate change. They are talking about their commitment to social goals," she said.

This was her third visit to the country.

She joined HSBC in 1994 and now oversees 13 markets, including Australia, Bangladesh, India, Indonesia, Malaysia, New Zealand and Singapore.

Murphy said there have been many changes in Bangladesh in the last 10 years.

"Leading factories are being built here. They are committed to sustainable principles and are working closely to be internationally recognised."

She thinks making factories green would benefit entrepreneurs.

Big buyers in the US and Europe want to source goods from the factories that have the right certified standards.

"So, we are seeing that shift," she said.

"Years ago, we did not necessarily have an understanding perhaps. Now all the western companies, the big buyers have expectations of what they want to see in the labour conditions."

The top official of HSBC shared the bank's focus on digitalisation.

"Technology is important for speed,

READ MORE ON B2



US labour market nears full recovery

AFP, Washington

The US labour market has almost recovered from the mass joblessness caused by the pandemic, adding hundreds of thousands of positions last month and sending the unemployment rate nearly to where it was before Covid-19 broke out nationwide.

The Labor Department reported Friday that the unemployment rate fell more than analysts had predicted in March to 3.6 per cent, a hair above its February 2020 level of 3.5 per cent, while the economy added 431,000 jobs in the month.

Though the hiring total was slightly below analysts' forecasts, it was nonetheless a strong figure that underscored how far the economy has come since the pandemic started two years ago.

The economy has "gone from being on the mend to being on the move," President Joe Biden said Friday at the White House, as his administration grapples with low approval ratings driven in part by inflation, which has hit record levels during his presidency.

The economy has also added millions of jobs since Biden took office last year, but analysts said they doubted that the robust pace of hiring could be maintained.

"Today's job report is great news as it means the economy has almost fully recovered from the blow caused by the pandemic," Mark Zandi of Moody's Analytics wrote on Twitter.

"But it is somewhat disquieting in that the job market must cool off quickly, or inflation, our number one economic problem, will soon be a much bigger one."

The data was released as the Federal Reserve undergoes a delicate process of fighting price increases by raising interest rates from the zero level they held them at when the pandemic was at its worst, while simultaneously trying not to harm the recovery.



People order food at a taco stand in Los Angeles, California. The US added 431,000 jobs in March and the unemployment rate fell to 3.6 per cent, bringing the labour market closer to where it was before the Covid-19 pandemic began, the government said on April 1.

PHOTO: AFP

Baltic states stop Russian gas imports

AFP, Riga

The head of Latvia's natural gas storage operator said Saturday the Baltic states were no longer importing Russian natural gas.

"If there were still any doubts about whether there may be any trust in deliveries from Russia, current events clearly show us that there is no more trust," said Uldis Bariss, CEO of Conexus Baltic Grid. "Since April 1st Russian natural gas is no longer flowing to Latvia, Estonia and Lithuania," he told Latvian radio.

He added that the Baltic market was currently being served by gas reserves stored underground in Latvia. The move comes as Russian President Vladimir Putin has sought to leverage Russia's status as an energy power.

With his economy crippled by unprecedented international sanctions, Putin warned EU members that they would need to set up rouble accounts to pay for Russian gas.