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Fisheryghat fish market on the bank of the Karnaphuli river in Chattogram. It is one of the largest wholesale fish trading centres in the country, housing some 200 shops. Fish from both the sea and freshwater bodies from around the country is traded here every day from 3:00am to 8:00am. The photo was taken recently.

PHOTO: RAJIB RAIHAN

# SME stocks soar in tepid market

Spiralling prices raise question of manipulation

**AHSAN HABIB**

At a time when the key index of the Dhaka Stock Exchange (DSE) is on the decline and turnover plummeting, the SME index has skyrocketed for an influx of investors lured by “risky” shares on speculations that they would rise further.

The DSE SME index surged around 170 per cent to 1,573 points in the past month, data from the premier bourse of Bangladesh showed on Tuesday.

The DSE-SME, a small-cap board, was rolled out on April 30, 2019, so that small and medium enterprises (SMEs), having a paid-up capital

between Tk 5 crore and Tk 30 crore, could avail of financing from the stock market.

Considering the risk of the SME companies, the Bangladesh Securities and Exchange Commission (BSEC) did not allow general investors to trade on the new board without prior permission. The investment requirement was set at Tk 50 crore.

But due to the absence of general investors, the stock prices of the SME companies had remained low, and most of the shares were in the hand of institutional investors.

This prompted the BSEC, in February, to relax the

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requirement, saying if an investor has an investment of Tk 20 lakh, they will not need to take any permission to trade on the SME board and they will be eligible to buy shares automatically.

This allowed the institutional investors to get the chance to

sell the stocks to general investors.

“The SME board may become a cause for concern for the general investors as had small capital-based companies posed in the main market,” said Mohammad Saiduzzaman, an

investor who has been in the market since 2009.

As the number of shares of the SME companies is low, investors speculate that the stock price will rise further and so they are buying the shares, he added.

The SME index has started to soar after the BSEC brought the new rule into effect. However, the main index of the DSE remains low.

In the last month, the DSEX, the benchmark index of the Dhaka Stock Exchange, shed 62 points. Turnover dropped to the lowest in the past year to Tk 490 crore on Wednesday.

READ MORE ON B3

# Trade deficit heads to historic high

AKM ZAMIR UDDIN

Bangladesh’s trade deficit escalated by 80 per cent in the first eight months of the ongoing fiscal year in the wake of a surge in import payments against lower exports receipts.

Between July and February, the trade deficit, which occurs when the value of imports exceeds the value of exports, totalled \$22.30 billion in contrast to \$12.35 billion during the same period a year ago, data from the Bangladesh Bank showed.

The shortfall may surpass the previous peak of \$23.77 billion, registered last fiscal year, as import payments are expected to maintain the current momentum to feed the growing economy since global commodity prices are showing little signs to cool off anytime soon.

The widening of the trade gap has intensified pressures on the exchange rate of the taka against the US dollar, which will ultimately reduce the foreign exchange reserves as well.

Against the backdrop, the country may have to increase its borrowing from foreign sources to a large extent as the ballooning trade deficit has already created a record deficit in the current account.

Imports stood at \$54.37 billion in the first eight months of FY2021-22, an increase of 46.7 per cent year-on-year. Exports grew 30 per cent to \$32.07 billion.

The trade deficit might hit \$35 billion at the end of the fiscal year if the ongoing trend continues, according to Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

READ MORE ON B3

**STOCKS**

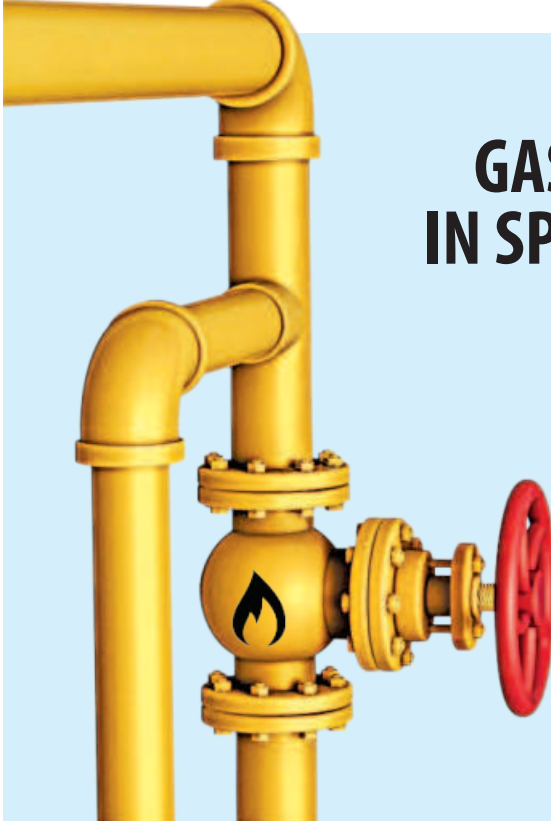
DSEX ▼	CSCX ▼
0.31% 6,641.23	0.32% 11,700.31

**COMMODITIES**

Gold ▲	Oil ▲
\$1,932.6 (per ounce)	\$97.68 (per barrel)

**ASIAN MARKETS**

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.97% 59,034.95	▼ 1.69% 26,888.57	▼ 0.55% 3,404.23	▼ 1.42% 3,236.70



**GAS CRISIS IN SPINNING MILLS**

Production in major industrial zones halted

Severe gas crisis continuing for six days

Millers fear losing export orders

Production affected in peak season

**BY THE NUMBERS**

Gas pressure needed: 15-20 PSI	But pressure now declined to 1 to 2 PSI	Bangladesh has nearly 500 spinning mills	Average production fell to 5 tonnes from 30 tonnes a day
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# Gas crisis plagues textile, spinning mills

**REFAYET ULLAH MIRDHA**

Production in spinning mills in this peak season has remained halted over the past six days because of a severe crisis of gas for overhauling at the Bibiyana gas field.

Following the suspension in production, the millers are fearing that the export of garment items will be affected because of delayed supply of yarn to the export-oriented garment factories.

Usually, textile and spinning mills require supplies of a substantial amount of gas.

The suffering spinning and textile mills are in the major

industrial zones like Gazipur, Savar, Ashulia, Shreepur, Dhaka, Narayanganj, Narsingdi and Bhaluka.

The gas pressure came down to 1 pound per square inch (PSI) to 2 PSI whereas the requirement was 15 PSI to 20 PSI, for which the production in the mills had remained almost suspended.

On an average day, Md Khorshed Alam, chairman of Ashulia-based Little Star Spinning Mills, can produce 12 tonnes of yarn.

But over the last five days he is producing 2.50 tonnes of yarn per day to serve weavers for the production of garment for the

domestic markets.

Primarily, he has been incurring Tk 40.50 lakh in production losses every day, Alam told The Daily Star, adding that the gas crisis had been prevailing for quite some time but worsened over the last five days.

Similarly, Estahak Ahmed, managing director of Bhaluka-based Nortex Textile Mills and Basher Spinning Mills, said his production capacity declined to 8 tonnes to 9 tonnes instead from 50 tonnes per day because of the gas crisis.

He supplies yarn to export-oriented garment factories. “If we

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Dhaka Bank Limited, a leading private commercial bank in Bangladesh with a vision to deliver “Excellence in Banking” through providing high quality products and services backed by latest technology and a team of highly motivated employees, intends to recruit Management Trainee Officer (MTO) for FUTURE LEADER development program.

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**Last date of online application submission is Saturday, 23 April 2022.**

**DHAKABANK LIMITED**  
EXCELLENCE IN BANKING



## Canada-China firm to invest \$5.74m in Bepza EZ

### STAR BUSINESS REPORT

A Canada-China owned company will invest \$5.74 million to set up a diversified product manufacturing plant in Bepza Economic Zone. The company will produce annually 10,000 tonnes of wooden disposable cutlery (knife, fork, spoon, and stirrer) and medical products (swab, tongue depressor) and it will create 1,990 job opportunities for Bangladeshi nationals. Ali Reza Mazid, member for investment promotion at Bangladesh Export Processing Zones Authority (Bepza), and Li Xin, project manager of Goodwood (Dhaka) Co Ltd, signed an agreement in this regard at Bepza Complex in Dhaka on April 5. Bepza Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman was also present at the signing ceremony. Including Goodwood (Dhaka) Company, Bepza has approved seven companies to set up industries in Bepza Economic Zone.

## Standard Bank's seminar on Ramadan Taqwah, banking

### STAR BUSINESS DESK

Standard Bank Ltd (SBL) virtually organised a seminar titled "Ramadan Taqwah and Banking" on the first day of the fasting month. Khondoker Rashed Maqsood, managing director of the bank, presided over the seminar, where Md Saifullah, a member of the Shariah Supervisory Committee at SBL, presented a keynote. Md Touhidul Alam Khan, additional managing director, Mohammad Rafiqul Islam, M Latif Hasan, deputy managing directors, and Md Mohon Miah, head of SBL Shariah Secretariat, also joined the event.



Mounds of watermelon are seen at the Shah Ali wholesale market in Dhaka's Mirpur-1. With the first week of Ramadan nearing to a close, it comes as no surprise that many people prefer to break their day of fasting with fresh fruits such as these. Big-sized watermelons were selling for between Tk 300 and Tk 350 at the market on Wednesday.

PHOTO: PALASH KHAN

# War, energy crisis force UK into fossil fuels rethink

### AFP, London

Given the climate emergency, the UN chief says that investing now in fossil fuels is "moral and economic madness". But given the energy shock from the war in Ukraine, Britain is set to do just that. Prime Minister Boris Johnson's government will on Thursday release a much-delayed energy strategy that will call for more renewable power from nuclear, offshore wind and solar. But it will also invite new licences to drill for North Sea oil and gas and help alleviate price pressures "in the nearer term", according to an outline of the plan released in advance by the government. The strategy "will reduce our dependence on power sources exposed to volatile international prices we cannot control, so we can enjoy greater energy self-sufficiency with cheaper bills", Johnson said in a statement. When Britain hosted the COP26 climate summit in November, the prime minister sounded as ominous as any environmentalist in warning governments

about the dangers of inaction. But the government says the market shock from sanctions on Russia requires a temporary reappraisal of fossil fuels, as rocketing energy prices leave Britons facing the worst cost-of-living crisis since the 1950s. "Scaling up cheap renewables and new nuclear, while maximising North Sea production, is the best and only way to ensure our energy independence over the coming years," Business and Energy Secretary Kwasi Kwarteng said. But for UN secretary-general Antonio Guterres, there is lunacy in backing fossil fuels at all, as he spelt out Monday at the release of the latest UN report on climate change. The 3,000-page report warned that countries risk ending up with trillions in worthless assets such as offshore platforms and pipelines when demand for fossil fuels wanes in coming decades. For the UK government, however, political pressure to tackle the energy crisis is heating up ahead of nationwide local elections on May 5. The new strategy envisions enough offshore wind production to power every

UK home by 2030, and one-quarter of all electricity coming from both large and smaller "modular" nuclear reactors. It also projects a five-fold increase in solar power and a doubling in energy derived from "low-carbon" hydrogen. If all the bets come off, according to the statement, Britain could derive 95 percent of its electricity from low-carbon sources by 2030. No costings were given, but the government said it was underpinned by 100 billion (\$130 billion, 120 billion euros) of private-sector investment in "clean energy" leading to 480,000 new jobs by 2030. Up to eight large-scale reactors could begin to be built this decade under the plan. Modular reactors power the Royal Navy's nuclear submarines but are untested at scale, and their part in the energy strategy is "subject to technology readiness from industry", the statement said. Since the invasion of Ukraine, the government is also reviewing a long-stalled plan to harness the enormous tidal power of the Severn Estuary between Wales and southwest England.

## BAY TERMINAL South Korean JV appointed as consultant

### STAFF CORRESPONDENT, Ctg

Chattogram Port Authority (CPA) has appointed a South Korean joint venture company as the international consultant for the construction of the much-awaited Bay Terminal which would enable the country's premier sea port to accommodate bigger vessels. The cabinet committee on purchase yesterday approved the appointment of the joint venture of the Kunhwa Engineering and Consulting Company and DaeYoung Engineering Company for Tk 126.50 crore. The terminal is being constructed on around 2,500 acres of land. It will have a length of 6.15 kilometres, stretching from the back of Chattogram Export Processing Zone to Rasmonihat on the Halishahar coast of the Bay of Bengal. It was initially decided that one single firm would build the whole terminal under a public-private partnership model. Vessel movement to and from the port through the Karnaphuli channel is reliant on high tide. Once the proposed Bay Terminal is constructed, vessel operation at the terminal would be possible round the clock. Bigger vessels with a draft of up to 12 metres would also be able to berth. Currently the port jetties can accommodate vessels of up to 9.5 metres of draft.

## EU's full ban on Russian coal to be pushed back

### REUTERS, Brussels

European Union envoys are set to approve on Thursday a ban on Russian coal that would take full effect from mid-August, a month later than initially proposed, an EU source told Reuters, following pressure from Germany to delay the measure. The phase-out of EU imports of Russian coal is the cornerstone measure in a fifth package of sanctions against Russia that the EU Commission proposed this week, as a reaction to atrocities in the Ukrainian town of Bucha. Once approved, it will be the EU's first ban on any import of energy from Russia since the start of what the Kremlin calls a "special operation" in Ukraine on February 24. Oil and gas, which represent far bigger imports from Moscow, are still untouched. Much of Europe's buying of Russian coal is in the spot market, rather than long-term contracts. Those spot purchases would be halted immediately after sanctions are imposed. The EU Commission had initially proposed a wind-down period of three months for existing contracts, meaning that Russia could effectively still export coal to the EU for 90 days after sanctions were imposed, according to a document seen by Reuters.

## Lankan president asks experts

FROM PAGE B4 Abeywardana warned Wednesday that the economic crisis could lead to starvation unless addressed within the week. Meetings with the IMF are set to begin by next week but Finance Minister Basil Rajapaksa – the president's brother – resigned on Sunday night along with nearly the entire cabinet. The country is still without a replacement, with his successor quitting after just one day in office. Public anger is at fever pitch, with crowds attempting to storm the homes of several government figures and demanding President

Rajapaksa's resignation. Security forces have dispersed protests with tear gas, water cannon and rubber bullets, and dozens have been arrested – many saying they were tortured in police custody. Opposition parties have rejected the president's overture to form a unity administration and joined calls for him to step down. But chief government whip Johnston Fernando reiterated Thursday that Rajapaksa would stay in office to lead the country out of the crisis. The government has lost its majority in parliament but there has so far been no clear signal that opposition legislators will attempt a

no-confidence motion to topple the administration. A critical foreign currency shortage has left Sri Lanka struggling to import essential goods, with the pandemic torpedoing vital revenue from tourism and remittances. Rating agencies have warned of a potential default on Sri Lanka's \$51 billion foreign debt, and authorities are unable to raise more commercial loans because of credit downgrades. Economists say the crisis has been exacerbated by government mismanagement, years of accumulated borrowing and ill-advised tax cuts.



Sheikh Rakibul Karim, chief executive officer (current charge) of Guardian Life Insurance Ltd, and Mujibul Hasan, country director of Swisscontact Bangladesh, exchanged signed documents of a group insurance agreement in Dhaka recently. Employees of Swisscontact Bangladesh will enjoy life coverage and medical benefits under the deal. Mahmud Afsar, executive vice-president of the insurer, and Anika Parvez, human resource specialist of Swisscontact Bangladesh, were present.

PHOTO: GUARDIAN LIFE INSURANCE

## Stocks fall

FROM PAGE B4 JMI Hospital Requisite Manufacturing topped the gainers' list with a rise of about 10 per cent. Imam Button Industries, Safko Spinning Mills, Anwar Galvanizing, and Fareast Finance and Investment also saw major gains. Uttara Bank shed the most, suffering a 13.8 per cent drop. Brac Bank,

Shahjalal Islami Bank, Mercantile Bank and Bangladesh National Insurance were among those incurring heavy losses. Beximco became the stock to be traded the most, with shares worth Tk 42 crore changing hands, followed by Sonali Paper and Board Mills, LafargeHolcim Bangladesh, GBB Power

and Bangladesh Building Systems. Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the main index of the CSE, edged down 65 points, or 0.33 per cent, to close the day at 19,501. Of the 265 stocks to undergo trade, 56 rose, 170 fell and 39 did not see any price movement.

## LafargeHolcim

FROM PAGE B4 In September last year, the industries ministry directed LafargeHolcim to stop producing aggregates by crushing the same raw material and marketing them locally as it had no legal layout plan and approval, according to a letter of the ministry. LafargeHolcim then filed a writ petition, challenging the ministry's instruction. In January this year the multinational cement manufacturer the final nod from the High Court to resume its aggregate business. The industries ministry then filed a petition challenging the judgment. The Appellate Division recently disposed of the petition, said a Dhaka Stock Exchange (DSE) website post of the company yesterday.

It took into consideration a recent industries ministry letter allowing temporary permission to continue the business until the government formed a policy. The letter also stipulated that once a policy was published, the company had to apply again for the permission. Stocks of LafargeHolcim Bangladesh, however, dropped 1.87 per cent to Tk 78.90 at the DSE yesterday. Built with an investment of Tk 40.1 crore, the company's plant has a capacity to produce 12 lakh tonnes of aggregate per annum. The annual demand is around 1.5 crore tonnes, for which Bangladesh relies on imports from the countries such as India, Bhutan, Vietnam, Oman and the UAE for supply.

## Dollar holds near 2-year highs

### REUTERS, London

The dollar hovered near two-year highs against a basket of major currencies on Thursday after meeting minutes showed the Federal Reserve preparing to move aggressively to fight inflation, while commodity currencies fell further from recent peaks. The euro bucked the trend but was near a one-month low below \$1.09 as investors await European Central Bank minutes due later. Minutes from the March Fed meeting published on Wednesday showed "many" participants were prepared to raise interest rates in 50-basis-point increments in coming months. They also prepared markets for a reduction in the Fed's balance sheet after the May meeting at a rate of \$95 billion per month, the beginning of the reversal of the massive stimulus in

pumped into the economy after the Covid-19 pandemic struck. "That's nearly twice as quick as was seen during the last balance sheet run down during the 2017-19 cycle," ING analysts said. "All of the above points to the Fed applying a heavy foot to the brakes, which should be positive for the dollar." By 0745 GMT, the US dollar index traded at 99.581, near a 2-year high of 99.778. The Australian and New Zealand dollars fell between 0.3 per cent-0.2 per cent to sit around 2 per cent beneath highs struck on Tuesday as the Fed's tone has offset a hawkish shift from Australia's central bank, and a pullback in commodity prices whacked them. Minutes from the ECB's March meeting, due later in the day, will be watched for insight into policymakers' delicate balancing act to manage soaring inflation and slowing growth.

## Ctg customs seize export

FROM PAGE B4 against the company soon," said Md Ahasan Ullah, deputy commissioner of Custom House Chattogram. Customs officials suspect that if the consignment had gone on to be shipped yesterday,

the company would have claimed Tk 76 lakh in incentives. According to a Bangladesh Bank circular, a total of 42 products and sectors get up to 20 per cent of the export value of the goods from the government as an incentive, with jute items enjoying the highest amount. "Now we are collecting detailed lists of the company's previous exports to find out whether the company engaged in similar irregularities in the past," said Ahasan Ullah.



## Don't show unrealised interest as income

### BB asks banks

#### STAR BUSINESS REPORT

Bangladesh Bank yesterday warned banks not to show any unrealised interest gained from the rescheduled loans as their income.

The banking regulator has made the call as some banks have recently transferred their unrealised interest to their income segment of balance sheet breaching the regulatory instruction.

This has artificially inflated the banks' income, which is not the actual image of the lenders, the Bangladesh Bank said in a circular yesterday.

Unrealised profit or losses refer to profits or losses that have occurred on paper, but the relevant transactions are yet to complete.

As per the central bank rules, banks are only permitted to transfer interest gained from rescheduled loans to their income segment when borrowers give instalment of loans. The malpractice carried out by banks are weakening the capital base and hampering the credit discipline in the banking sector as well.

Against the backdrop, the banking regulator strictly prohibited banks not to inflate their income artificially.

## Russian gas flows to Europe dip

#### REUTERS, Oslo

Russian gas deliveries to Europe via the Yamal-Europe pipeline reversed direction to flow from Germany to Poland on Thursday morning and supplies via Ukraine also eased, all in line with requests from customers.

However, Russia's Gazprom is continuing to supply gas to Europe via Ukraine as per requests from European consumers.

## Trade deficit heads to historic

#### FROM PAGE B1

As the trade deficit swelled, remittance has also remained at the lower than expected level, sending the current account deficit to a record high of \$12.83 billion during the July-February period in contrast to a surplus of \$825 million a year ago.

The previous widest deficit in the current account was \$9.56 billion recorded in FY18. It was \$4.57 billion last fiscal year.

"The central bank should discourage the imports of non-essential consumer items in a bid to narrow the gap in the trade and current accounts," Rahman said.

The deficit in the current account might double to nearly \$20 billion in FY22,

said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

This means the government will have to either take on foreign loans or adjust the deficit in the current account by taking funds from the foreign exchange reserves.

"But, this is not the solution. We should cut the domestic demand, or else a macro-economic instability may occur," he said.

In February, the foreign exchange reserves stood at \$45.94 billion, enough to cover import payments for 5.1 months.

According to Mansur, the depreciation of the local currency against US dollars will play a major role in reining in the

higher imports.

The taka has been weakening against the American greenback gradually for the last several months amid the rising demand for US dollars to pay import bills. The exchange rate now stands at Tk 86.20 per US dollar from Tk 84.80 a year ago.

Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management, recommended paying special heed to the balance of payments as the rise in import payments was unusual.

The external trade sector will become stable once the global market gets respite from the supply chain disruption, he said.

Mohammad Ali Khokon, president of the BTMA, said state-owned gas company Petrobangla had informed that the crisis had been prevailing since December last year but turned acute over the past one week.

"Almost all major textile mills have remained shut over the past five to six days because of the severity of the gas crisis. We want a quick solution as we have to supply raw materials to our buyers," he said.

Officials of Petrobangla could not be reached for comment despite repeated attempts yesterday.

## SME stocks soar in tepid

#### FROM PAGE B1

"Investors' participation was low in the SME market and the BSEC's move has changed the situation," said Md Moniruzzaman, managing director of IDLC Investments.

However, the trading pattern on the SME board looks unusual as a 15 per cent to 20 per cent daily rise of the stocks is not justifiable, he said.

"The regulator should look into it."

The SME board has nine companies. Prices of most of the stocks more than doubled in the past month.

For instance, stocks of Apex Weaving and Finishing Mills rocketed 319 per cent, Nialco Alloys climbed 290 per cent and Wonderland Toys surged 218 per cent.

"It might throw investors off the scent if they invest into these stocks without conducting any analysis because some of the companies of the SME board came from the over the counter (OTC) market," Moniruzzaman said.

The companies had been sent to the OTC market for disappointing performance and had remained there for many years.

Moniruzzaman agrees that SME companies have potential but they are yet to be tested.

"So, making investment on the basis of speculations might not be a safe option."

Sayadur Rahman, president of the

Bangladesh Merchant Bankers Association, says the participation of the general investors has increased after the BSEC removed complexities over entry to the market.

As the number of shares of the SME companies is low, the share prices rose fast, he said, urging the investors to be careful about their investment.

"If investors are not careful when buying stocks, it will turn out to be harmful to them as well as for the market."

The SME companies' shares were under-priced but now they have reached a standard level, so the stocks may become stable now, said Mohammad Rezaul Karim, spokesperson of the BSEC.

Normally, SMEs and tech-based companies carry more risks, so investors need to be cautious, he said, adding that where the risk is high, the return is high too.

"So, the investment should be research-based."

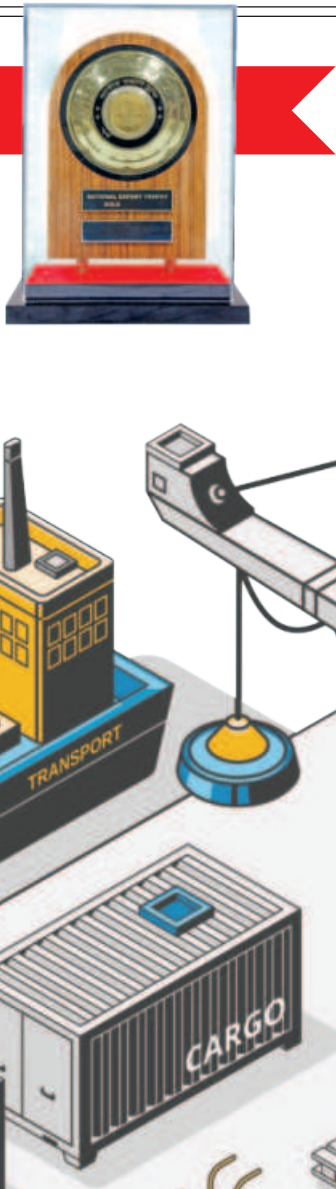
Keeping this in mind, the BSEC did not allow all investors here but only those who have a minimum investment of Tk 20 lakh, added Karim, also an executive director of the stock market regulator.

Because of the rapid fluctuation in the prices, the SME stocks were allowed to rise or fall by 20 per cent in a single day. Seeing the continuous rise, the BSEC yesterday decided to bring down the circuit breaker to 10 per cent.

## WINNERS OF EXPORT TROPHY: GOLD

Export (In million \$) Year: FY2017-18 SOURCE: EPB

Zaber & Zubair Fabrics	Universal Jeans	Rifat Garments	Square Fashions	Akij Jute Mills	Noman Terry Towel Mills
180	176	172	144	97	89
Pran Dairy	Square Textiles	Bay Footwear	Montrims	Fardin Accessories	
70	70	69	64	46	
Bengal Plastics	Energypac Engineering	Mir Telecom	BSRM Steels	BD Seafood	
40	35	34	28	22	
Apex Tannery	Karupannya Rangpur	Picard Bangladesh	International Jute Traders		
21	13	13	13		
Uniglory Cycle Components	Shinepukur Ceramics	Monsur General Trading Co			
12	11	4			
Orchid Trading Corporation	Badsha Textiles				
4	146.4				
Envoy Textiles	Square Pharmaceuticals				
78	17.34				



# 66 exporters honoured

Get export trophies for FY2017-18

#### STAR BUSINESS REPORT

The government yesterday awarded 66 exporters a National Export Trophy based on the highest shipment volumes in fiscal year 2017-18 while businesses called for developing skilled manpower to meet the needs of the expanding economy.

President Abdul Hamid virtually presented the trophies.

The commerce ministry and Export Promotion Bureau (EPB) jointly organised the programme at Radisson Blu Dhaka Water Garden.

The awards were presented in 32 categories to 65 businesses. Of them, 27 were in gold category, 23 silver and 15 bronze.

Zaber & Zubair Fabrics was crowned with "Bangabandhu Sheikh Mujib Export Trophy" for earning the highest through exports. This was the first time this award was presented to encourage exporters to strive for shipping more goods and services.

Addressing the event, Commerce Minister Tipu Munshi said, "We have set our goal to achieve an export target of \$51

billion by the end of the year. We are also hopeful that we will achieve \$80 billion by the year 2024."

"We expect export earnings not only from the garments sector but also from leather and other industries," he said.

The minister expressed pride at the strength of the country's garment sector, saying that the local manufacturers secured second position in world exports overtaking Vietnam.

"We are the role model now globally as we made significant progress in different sectors like in agricultural sector," he said.

Munshi said a large number of people were engaged in the journey of the garment sector that helped empower women in the country.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), suggested improving skills of the country's manpower for attaining further economic progress.

"We have an adequate number of workers but we do not have an adequate number of skilled manpower," he said.

He urged all higher educational institutions to come forward and help the industrial sector by putting emphasis on research and innovation.

Recognising exporters' contribution to maintaining a dynamic economy, President Abdul Hamid said "Bangabandhu Sheikh Mujib Export Trophy" was a matter of great honour and it would inspire others in the days to come, according to the BSS.

The president said in the 8th five-year plan, the country adopted an export-led growth strategy for economic development.

"By increasing exports, we will be able to create more jobs, attract new investment and, above all, increase national income also," said Hamid.

The president also called upon people concerned to focus on boosting exportable products.

Tapan Kanti Ghosh, senior secretary to the commerce ministry, and ASM Rafikul Islam Noman, managing director of Zaber and Zobaer Fabrics, also spoke. EPB Vice-Chairman AHM Ahsan delivered the welcome address.

### PADMA BRIDGE

## Foreign JV appointed for toll collection

#### STAR BUSINESS REPORT

The government yesterday appointed a foreign joint venture as the service provider for maintenance of the Padma bridge and running toll realisation activities for five years.

The cabinet committee on government purchase approved appointing the joint venture of Korea Expressway Corporation and China Major Bridge Engineering Company for about Tk 693 crore.

The bridge is costing Tk 30,193 crore to make.

Addressing journalists after a virtual meeting of the cabinet committee, Finance Minister AHM Mustafa Kamal said the government would realise the cost of the Padma bridge project and also make a profit by collecting tolls.

He, however, said the government was yet to fix the toll amounts for the different types of vehicles crossing the bridge.

Responding to a query on how many years it will take to realise the total cost, the minister said the government did not fix the details in this regard yet.

## Economy on safe trajectory

### Says finance minister

#### STAR BUSINESS REPORT

Bangladesh's economy is on a safe trajectory and it faces no impending danger, Finance Minister AHM Mustafa Kamal said yesterday while referring to the ongoing economic crisis in neighbouring Sri Lanka.

He was addressing a virtual press conference following meetings of cabinet committees on purchase and economic affairs respectively.

Asked whether there was any threat for Bangladesh stemming from the Sri Lankan crisis, the minister said the whole world was still saying that Bangladesh's economic condition was strong enough.

The economic indicators global analysts usually evaluate to make such comments are satisfactory in case of Bangladesh, he said.

Currently countries whose debts are higher than their GDP are in danger the most, he said.

"We are not in that danger as our debt to GDP ratio is still 34 per cent and this is the lowest in the whole world," he said.

Mentioning that the country's economic condition was good and strong enough, Kamal said, "We will be further stronger in the future."

"One won't be able to find any fundamentals of our macroeconomy that indicates that our coming days will be bad," he added.

On ongoing discussions among economists and in the media comparing Bangladesh with Sri Lanka following the emergence of the crisis in the neighbouring island, the minister said the issue was not applicable for Bangladesh.



**AK Azad, managing director of Ha-Meem Group, receives the National Export Trophy-2022 from Tipu Munshi, minister for commerce, on behalf of Rifat Garments, a subsidiary of Ha-Meem Group, at the Radisson Blu Dhaka Water Garden hotel yesterday. Rifat Garments won gold medal as the best exporter in the ready-made garment sector.**

PHOTO: HA-MEEM GROUP

## Rouble's strength is sign of Russia's weakness

#### REUTERS, London

The Russian rouble's recent sharp rebound reflects economic weakness, not resilience. After shedding 45 per cent of its value against the dollar in the two weeks after Russia invaded Ukraine, the currency has bounced back and is now trading just below its pre-war level.

But the tools that have been used to prop up the rouble make it look like a Potemkin currency – like the fake façades ordered by the eponymous prince to fool Empress Catherine II into thinking Russian villages were prosperous.

Since February 24, the day the Russian invasion began, the central bank has raised its key interest rate from 9.5 per cent to 20 per cent, slapped capital controls on much of the economy, and forced Russian exporters to convert their foreign currency

revenues into roubles.

Meanwhile President Vladimir Putin is trying to make buyers of Russian gas and oil pay in roubles.

The efforts to shore up the rouble are in line with one of Putin's key beliefs. The humiliation of the steep devaluations of the 1990s helps explain why a stable currency has been a key element of policy since he came to power more than 20 years ago.

Central bank chief Elvira Nabiullina's relative independence has been respected because she has been a fierce guardian of the currency's stability.

Yet the rouble remains at the mercy of any Western embargo on Russian oil and gas. The punitive 20 per cent policy rate will further hurt an economy that the European Bank for Reconstruction and Development expects to shrink 10 per cent this year, just on the basis of sanctions already taken.





In the Kholash village under Dupchanchia upazila of Bogura, 150 families are engaged in making toys, which are sold at the village-level fairs organised on various occasions, including Pahela Baishakh. PHOTO: MOSTAFA SHABUJ

# Crafting a living out of making toys

MOSTAFA SHABUJ, Bogura

Nearly 700 women artisans in a village under Dupchanchia upazila of Bogura have been making tomtom and other toys from bamboo, papers, earthen pots, and colours for decades, changing the economic conditions of their families.

In the Kholash village, 150 families are engaged in the making of toys, which are sold at the village-level fairs organised on various occasions, including Pahela Baishakh.

During a visit to the village recently, it was found that almost every village woman was making hand-made toys as Pahela Baishakh, the first day of the Bangla calendar, is approaching.

Some are busy making designs on paper with colours, some are making various parts of a tomtom toy, a wheeled carriage drawn by a single horse, and the rest are putting them together and making a finished product.

Artisans make around 1 lakh tomtom toys every month worth Tk 10 lakh.

Women make up the majority of the toy-makers. There are four to five women in every household who remain engaged in the trade throughout the year, excluding the rainy season, according to Babu Pramanik, an entrepreneur.

Each woman makes 300 to 350 tomtom toys a day. At Pramanik's house, six workers produce 15,000 to 20,000 tomtom and car toys a month.

It costs Tk 6 to make a tomtom toy and Tk 10 a car toy. Pramanik gets Tk 20 for a tomtom toy and Tk 30-40 for a car toy when he sells them at fairs on his own.

"I can earn Tk 30,000 a month. We



are doing well. I have two kids who are going to school."

Each of his workers takes home Tk 300 to Tk 350 a day by making toys after finishing their household chores.

Abu Bokkor Siddik, a sixty-eight-old villager, recalls one of the villagers named Kurano went to Bihari Palli in Saidpur in the Pakistan era and learnt how to make toys. Subsequently, he became the first person in the village who initiated a toy-making business.

"Over the years, this business has spread throughout the village. Now, toy-making is the main source of income," he said.

Deoara Bewa, a 55-year-old toy-maker, says toy-making has become a profession for many women and they can earn money to support their families.

"The most important thing is we don't have to leave our house to make a

living."

Anowar Hossain, an artisan, makes 5,000 to 10,000 tomtom toys each month and rakes in Tk 15,000 to Tk 20,000 in profit.

The business is not without challenges.

Artisans say although they are making handicraft products, they have never received any training to run their business properly. Besides, the handicraft business is shrinking as plastic toys wash across the market and dominate every village fair across the country.

"We have to compete with imported Chinese toys. But we are not getting any training or low-cost loan facility to upgrade our business," said Lutfar Mollah, another entrepreneur.

The higher prices of raw materials are another headache for entrepreneurs. For example, before the pandemic,

they used to buy 1,000 earthen pots for Tk 500. Now, the same number of pots costs Tk 1,800.

In the last two years, both artisans and entrepreneurs in the village in the northern part of Bangladesh suffered losses due to the pandemic as village fairs were banned owing to Covid-19 restrictions. As a result, many were forced to move to other professions to survive.

As the pandemic receded thanks to the sharp drop in infections, they have returned to the village's five-decade-old profession.

Since there had been no income during the peaks of the pandemic, each family engaged in toy-making took out loans from banks and non-governmental organisations.

"If you come to this village early in the morning and stay throughout the day, you will find a lot of NGO workers who are collecting installments," said Md Redowan, a 25-year-old toymaker.

As fairs are being organised everywhere after a lull, the demand for tomtom and other handmade toys has gone up, so every entrepreneur is taking up a higher amount of loans to expand their production.

Siddik has secured loans amounting to Tk 2.5 lakh from a bank and three NGOs recently. He pays Tk 6,000 to Tk 8,000 every month in installments.

AKM Mahfuzur Rahman, acting deputy general manager of the Bogura BSCIC (Bangladesh Small and Cottage Industries Corporation), says he did not know about the village artisans and entrepreneurs.

"Now I will go and visit the village. If they really need training and loans, we will arrange them as per our capacity."

## FALSE DECLARATION

# Ctg customs seize export consignment

STAR BUSINESS REPORT

Custom House Chattogram yesterday seized a consignment of Sagar Jute Diversified Industries containing just a sixteenth of the value of products it had declared to be exporting, in what appears to be a fraudulent incentive claim attempt.

The export-oriented Narayanganj-based company declared that the consignment comprised jute goods worth Tk 4.07 crore but customs found it to be of only Tk 25 lakh.

"The exporter declared around 82,000 pieces of jute goods, but we found around 30,000 pieces. A departmental case will be filed against the company soon," said Md Ahasan

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# Stocks fall for 4th day

STAR BUSINESS REPORT

Dhaka stocks have extended its losing streak for a fourth consecutive day yesterday.

The DSEX, the benchmark index of Dhaka Stock Exchange, went down 21 points, or 0.31 per cent, to end the day at 6,641.

However, turnover, an important indicator of the market, rose to Tk 515 crore, 5 per cent up from the previous day's Tk 490 crore.

Risk-averse investors continued with their selling spree on sector-specific issues to avoid further losses, said International Leasing Securities in its daily market review.

The recent rise of call money rate indicates that the real economy is using much more money for paying bills due to inflation, it said.

That slowed down the flow of funds to the capital market. Besides, the banking sectors' earning disclosures failed to meet expectations of some investors, it added.

At the DSE, 99 stocks advanced, 230 declined and 52 remained the same.

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## AGGREGATE BUSINESS

# LafargeHolcim gets SC go-ahead

STAR BUSINESS REPORT

The Supreme Court's Appellate Division has allowed LafargeHolcim Bangladesh to continue production and sale of aggregates in the open market until the government forms a related policy.

Aggregate is a broad category of coarse particulate material used in construction, including sand, gravel, crushed stone, slag, recycled concrete and geo-synthetic aggregates.

LafargeHolcim Bangladesh terms its aggregate as graded limestone chips having uniform size and shape conforming to international standards.

It commenced commercial production of aggregates in January 2021 setting up a crushing unit with ancillary equipment on the premises of its existing integrated clinker and cement manufacturing plant in Chhatak, Sunamganj.

The company said it had the approval to bring in limestone through a cross-border conveyor belt from India for the purpose of manufacturing cement and clinker.

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# Lankan president asks experts to plan debt restructure

## Forex reserves drop to \$1.93b

AFP, Colombo

Sri Lanka's beleaguered president has appointed an expert panel to organise a debt restructure to claw the country out of a crippling economic crisis that has sparked huge protests demanding his resignation.

Scarce supplies of food and fuel, along with record inflation and regular blackouts, have inflicted widespread misery in the country's most painful downturn since independence from Britain in 1948.

Rating agencies have warned of a potential default on Sri Lanka's \$51 billion foreign debt, and authorities have been unable to raise more commercial loans because of credit downgrades.

Meanwhile, the country's foreign exchange reserves dropped 16.1 per cent to \$1.93 billion in March from a month earlier, the central bank said on its website on Thursday, according to another report.

President Gotabaya Rajapaksa's office said late Wednesday that the three-member advisory panel had been tasked with guiding Sri Lanka through a "sustainable and inclusive recovery".

His government is preparing for bailout negotiations with the International Monetary Fund, and finance ministry officials told AFP the trio will prepare a programme for sovereign bond holders and other creditors to take a haircut. "What Sri Lanka is keen to do is avoid a hard default," a source from the ministry, who requested anonymity, told AFP.

"It will be a negotiated restructuring of the debt with the help of the IMF," Parliamentary Speaker Mahinda Yapa

READ MORE ON B2



People stand in a queue to buy liquefied petroleum gas (LPG) cylinders in Rathgama, Sri Lanka on March 27. Scarce supplies of food and fuel, along with record inflation and regular blackouts, have inflicted widespread misery in the country's most painful downturn since its independence.

PHOTO: AFP

# Oil rises from 3-week low

REUTERS, Melbourne/Beijing

Oil prices rose on Thursday from a three-week low touched in the previous session after consuming nations announced a huge release of oil from emergency reserves, as worries over tight supplies still clouded the market outlook.

Brent crude futures climbed \$1.42 or 1.4 per cent, to \$102.52 a barrel at 0651 GMT, while US West Texas Intermediate (WTI) crude futures rose \$1.55, or 1.6 per cent, to \$97.78 a barrel.

Both benchmarks plunged more than 5 per cent in the previous session and hit their lowest closing levels since March 16.

International Energy Agency member countries on Wednesday agreed to release 60 million barrels on top of a 180 million-barrel release announced by the United States last week to help drive down prices in a tight market following Russia's invasion of Ukraine.