

Star BUSINESS

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SCAN FOR DETAILS



RANA PLAZA TRAGEDY | 9 YEARS ON

AT A GLANCE

- Some **1,138** workers died in Rana Plaza building collapse on April 24, 2013
- US gov't suspended GSP for Bangladesh in June 2013
- US attached **16** conditions for GSP reinstatement
- Bangladesh spent over \$3b for workplace safety
- Bangladesh faces **15.62**pc duty for garment in US markets
- In July-March, garment export grew **53**pc year-on-year to US

APPAREL EXPORT IN JUL-MAR
(In million \$)

FY2021	FY2022
23,487	26,336

GARMENT EXPORT TRENDS
(In million \$)



SOURCE: EPB

TIME TO BUILD on the progress made

REFAYET ULLAH MIRDHA

When the Rana Plaza building came crashing down on April 24, 2013, Bangladesh's garment sector received a massive jolt and apprehension kicked in that the sector's growth might slow down.

The fear deepened further two months later when the US, citing poor labour rights and working conditions, scrapped the Generalised System of Preferences (GSP), which allowed exporters, except apparel makers, to ship goods to the American market, the single largest export destination for the country, without any duty.

But Bangladesh managed to survive as all stakeholders, including the government and the international community and retailers and brands acted promptly to fix the problems and ensure workplace safety and improve labour rights in the following years.

The government amended the labour law twice and formulated the guideline for applying the labour law. The industry responded positively.



In the last nine years, the grave tragedy has turned into a trigger for the betterment of the garment industry in particular and the entire manufacturing sector in general.

Today, Bangladesh is home to some of the top green apparel factories in the world. Labour laws have been amended. Workers' rights have improved and unions are being allowed. As a result, the shipment to America and other markets, particularly garments, which account for about 85 per cent of national

shipment, has remained resilient.

Bangladesh raked in \$38.75 billion in export earnings in the last fiscal year, up from \$30.18 billion in 2013-14.

Apparel shipment grew from \$24.49 billion to \$31.46 billion during the period.

Between July-March of the current fiscal, \$31.42 billion worth of garments was shipped, registering 33.81 per cent year-on-year growth.

What is more, the efforts to improve working conditions have not been limited to the garment sector alone.

The government has made it mandatory to ensure adequate safety measures at all factories.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, says the collapse shook the garment industry.

"The lesson was long overdue although nobody had expected it. But the most unfortunate thing for us is that we don't take any lesson if we don't face any major incident."

READ MORE ON B3

STOCKS WEEK-ON-WEEK

DSEX ▲	CASPI ▲
1.18%	1.16%
6,662.36	19,593.42

COMMODITIES AS OF FRIDAY

Gold ▼	Oil ▼
\$1,931.96	\$101.68
(per ounce)	(per barrel)

ASIAN MARKETS FRIDAY CLOSINGS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.23%	▼ 1.63%	▲ 0.38%	▲ 0.23%
57,197.15	27,105.26	3,361.11	3,086.92



With just over a week to go before Eid-ul-Fitr, people capitalise on their free time on a weekend of Saturday to get some shopping done. The photo was taken at New Market in Chattogram city yesterday. PHOTO: RAJIB RAIHAN

Walton records drop in profits

STAR BUSINESS REPORT

Profits of Walton fell in the January-March period of 2022 due to a hike in global raw material prices and higher shipping charges.

The company's earnings per share (EPS) dropped to Tk 12.34 in the third quarter of 2021-22 while it was Tk 12.92 in the same period of the previous fiscal year.

In the nine months period (July 2021-March 2022), the local electronics, electric and home appliance maker's EPS dropped around 21 per cent to Tk 27.07. It was Tk 34.26 in the same period the previous year.

Walton's board of directors approved the

READ MORE ON B3

Edible oil market turns more volatile

SUKANTA HALDER and MOHAMMAD SUMAN

The edible oil market has become more volatile after wholesalers and millers cut supplies in anticipation of increased prices of the essential cooking ingredient in the wake of the export ban by Indonesia, the world's biggest supplier of vegetable oil.

Yesterday, the wholesale prices of palm oil rose by Tk 150 per maund overnight to Tk 6,250 at Chattogram's Khatunganj, one of the largest wholesale markets in Bangladesh, a day after the Southeast Asian nation slapped restrictions on the shipment from its country.

Indonesia announced plans to ban exports of the most widely used vegetable oil on Friday, in a shock move that could further inflame surging global food inflation, reports Reuters.

The halting of shipments of the cooking oil and its raw material, widely used in products ranging from

cakes to cosmetics, could raise costs for packaged food producers globally and force governments to choose between using vegetable oils in food or for biofuel.

Indonesia accounts for more than half of the global palm oil supply.

Alternative vegetable oil prices spiked in response to the measure, which will take effect on April 28. Soybean oil, the second most used vegetable oil, rose 4.5 per cent to a record high of 83.21 US cents per pound on the Chicago Board of Trade, reports Reuters.

At Khatunganj, soybean oil was sold at Tk 7,200 per maund in the wholesale market.


In the retail market in Dhaka, prices of loose palm oil stood at Tk 145-Tk 148 per litre yesterday, up from Tk 142-Tk 145 a week ago. Prices of loose soybean declined marginally, according to data compiled by the Trading Corporation of Bangladesh.

READ MORE ON B3

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Md Shaheen Iqbal

Brac Bank promotes treasury head to DMD

STAR BUSINESS DESK

Brac Bank has promoted its head of treasury and financial institutions to the post of deputy managing director (DMD).

The promotee, Md Shaheen Iqbal, has been working in Brac Bank since 2004, said a press release.

He started his professional career in Beximco and changed track to enter the banking industry in 1999 at Dutch-Bangla Bank.

Iqbal obtained his BSC degree in mechanical engineering from the Bangladesh Institute of Technology in Chattogram and an MBA from the Institute of Business Administration at the University of Dhaka.



With a rise in waters from upstream, farmers in Sylhet have taken to rearing ducks. This flock is owned by Fakhru Islam, a resident of Toakul union in Gowainghat upazila engaged in the practice for the past 10 years. Earning nearly Tk 3 lakh last year, he has bought 2,000 ducklings this year around. Some 20 to 25 youths have followed in his footsteps to establish farms of their own. The photo was taken on Thursday.

PHOTO: SHEIKH NASIR

Indonesia bans palm oil exports

REUTERS, Jakarta

Indonesia, the world's top palm oil producer, announced plans to ban exports of the most widely used vegetable oil on Friday, in a shock move that could further inflame surging global food inflation.

The halting of shipments of the cooking oil and its raw material, widely used in products ranging from cakes to cosmetics, could raise costs for packaged food producers globally and force governments to choose between using vegetable oils in food or for biofuel. Indonesia counts for more than half of global palm oil supply.

In a video broadcast, Indonesia's President Joko Widodo said he wanted to ensure the availability of food products at home, after global food inflation soared to a record high following Russia's invasion of major crop producer Ukraine.

"I will monitor and evaluate the implementation of this policy so availability of cooking oil in the domestic market becomes abundant and affordable," he said.

The announcement will hurt consumers in top buyer India and globally, said, Atul Chaturvedi, president of trade body the Solvent Extractors Association of India (SEA).

"This move is rather unfortunate and totally unexpected," he said.

Alternative vegetable oil prices spiked in response to the measure which will take effect on April 28. Soybean oil, the second most used vegetable oil, rose 4.5 per cent to a record high of 83.21 cents per pound on the Chicago Board of Trade.

Global prices of crude palm oil, which Indonesia uses for cooking oil, have surged to historic highs this year amid rising demand and weak output from top producers Indonesia and Malaysia, plus a move by Indonesia to restrict palm oil exports in January that was lifted in March.

Household product and food companies including Procter & Gamble Co, Nestle SA and Unilever PLC are large purchasers of palm oil. Oreo cookie maker Mondelez International Inc accounts for 0.5 per cent of palm oil consumption globally, according to its website.

Other countries have experimented with crop protectionism to try to keep domestic prices down. Argentina, the world's top exporter of processed soy, briefly halted new overseas sales of soy oil and meal in mid-March before hiking the export tax rate on those products to 33 per cent from 31 per cent.

The U.S. Department of Agriculture urged international cooperation during the war in Ukraine, rather than export bans.

Global edible oil markets have been roiled this year by Russia's invasion of Ukraine, a move Russia calls a "special operation" to demilitarise its neighbour, which cut off shipments of sunflower oil from the region.

The Black Sea accounts for 76 per cent of world sunoil exports and commercial shipping from the region has been severely affected since Russian forces entered Ukraine in February.

Large supplies of alternatives including soy and rapeseed oil are not readily available either, after droughts hurt the most recent crops in Argentina, Brazil and Canada.

New facilities for processing soy and canola oil are expected to open in the United States and Canada respectively in coming years, as demand for plant-based biofuels grows, but ramping up production in the near term will be difficult.

Industry group the Clean Fuels Alliance America said the move could hurt biofuel producers, even though US biodiesel and renewable diesel producers don't use palm oil, as supplies of all oils are tight.

Reliance calls off \$3.4b deal with Future Group

REUTERS, Mumbai

India's top retailer Reliance on Saturday called off its \$3.4 billion deal with Future Group, saying it "cannot be implemented" after Future's secured creditors rejected it.

The deal was at the centre of legal battles since 2020 after Future's partner Amazon.com Inc legally blocked it, citing violation of certain contracts. Future denied any wrongdoing.

In a stock exchange filing on Saturday, Reliance said the deal now cannot go through as "the secured creditors of FRL (Future Retail) have voted against" it.

Chorus gets louder for World Bank's reforms

REUTERS, Washington

Indonesian Finance Minister Sri Mulyani Indrawati on Friday joined a growing chorus of officials calling for reforms aimed at better equipping the World Bank to address mounting global challenges such as climate change and the changing nature of its clients.

"We cannot be using the same business-as-usual," Indrawati, a former managing director and chief operating officer of the multilateral development bank, told Reuters in an interview.

"If you ask whether it needs change, yes," Indrawati's comments came a day after both US Treasury Secretary Janet Yellen and a top White House adviser called for major reforms at the World Bank, and major public and private groups also said urgent reforms were needed.

Yellen and the White House adviser argued that the seven-decade-old institution was not built to address

multiple and overlapping global crises, including the Covid-19 pandemic, Russia's war in Ukraine, and climate change.

Indrawati on Friday noted that the World Bank faces far larger and more global challenges than it was created to address, and its client base has been changing to include more middle-income countries.

Civil society groups, developing countries and academics are also clamoring for an overhaul of the "Bretton Woods" institutions, a reference to the conference held in that New Hampshire town in 1941 that led to the creation of the International Monetary Fund and the World Bank.

The public and private groups that called on Thursday for reforms, also said that the infusion of far more private capital was needed to address the multiple, overlapping crises now pushing 250 million people back into extreme poverty.

Manipuri weavers

FROM PAGE B4

And if it is made with improved yarn, the cost will be more than Tk 20,000 while a Manipuri Jamdani would cost about Tk 4,000 to make.

In this regard, Sreemangal upazila Nirbahi Officer Nazrul Islam said the Manipuri weaving industry is widespread in the region.

The traditional garment items are in demand in different parts of the country and so, the government is working to keep this industry alive.

"In the meantime, a training centre has been set up in Kamalganj," Islam added.

Contacted, Barkat Ullah, liaison officer of the

Bangladesh Handloom Board in Kamalganj, said people of the Manipuri community live in different villages.

This includes Ramnagar Manipuripara, and Tikriya Manipuripara of Sreemangal upazila, Madhabpur, Adampur, Tetigaon, Ghoramara, and Tilakpur of Kamalganj upazila, and Lamabazar, Machimpur and Zindabazar of Sylhet city.

At one time, 90 per cent of the households in these areas had Manipuri looms.

"So far we have facilitated loans for about 1,265 Manipuri weavers. According to our list, the total number of Manipuri weavers in Sylhet stands at 3,000," Ullah added.

Worry less, focus

FROM PAGE B4

"These companies are doing quite well. But many investors have become involved in speculative investment. But it is the speculation-driven stocks that suffered more when liquidity came under pressure compared to the companies whose fundamentals are sound. The companies with good fundamentals will post good performance going forward."

If there are no supply chain disruptions and natural shocks such as cyclones and floods, the economy will be able to keep growing at a healthy clip.

"So, I am not worried," said Hasan.

Some investors may

want to cash out their stocks ahead of Eid to meet their expenses. But Hasan thinks the number of investors belonging to this group is not too high to have a major impact on the market.

During Ramadan, overall business activities usually slow down and the trading hour gets squeezed. People's activities are not that visible during the fasting month.

"But that is not the major reason for the recent market fall."

Hasan hopes that remittance flow would be better in the coming days since global economies have reopened and the number of workers going abroad in search of jobs has gone up.

Suguna Food avails StanChart services

STAR BUSINESS DESK

Standard Chartered Bangladesh has established a host-to-host integration solution for multinational feed company Suguna Food and Feeds Bangladesh Private (Suguna).

Suguna will be able to process domestic payments from their "Enterprise Resource Planning" system and have access to all required management information system reports directly from Standard Chartered's digital banking channel, Straight2Bank.

The connectivity will be routed through the bank's "Universal Adaptor" solution which would enable Suguna to define their own file templates or use pre-defined ones, and send transaction messages to the bank through Straight2Bank access and Straight2Bank web channels.

Luthful Arefin Khan, country head of transaction banking at Standard Chartered Bangladesh, and Soundararajan Bangarusamy, chairman of Suguna Foods and Suguna Holdings, inaugurated the connectivity on the Suguna premises yesterday, said a press release.

"... (the solution) significantly reduced the implementation resource, time, and effort required to complete this integration - resulting in minimum disruptions to our day-to-day treasury management," said Bangarusamy.

"...over 80 clients nationwide are currently enjoying the benefits," said Khan.

India plans battery swap policy for electric scooters

REUTERS, New Delhi

India is planning new rules to make batteries used in scooters, motorcycles and three-wheeled rickshaws swappable across different models, part of a proposed new policy released by think-tank Niti Aayog.

Niti Aayog said the draft policy, which proposes standards for battery pack dimensions and charging connectors to support interoperability, will decouple battery costs from the upfront cost of buying electric vehicles, driving EV adoption.

Swappable batteries are not currently used in India's fast-growing electric scooter segment on any commercial scale.

The draft policy did not include details of any investment plans. It will be open to public comments until June 5, after which a final policy will be produced. Once finalised, it will be in force until March 31, 2025.

The think tank has also proposed offering buyers incentives for the purchase of EVs with swappable batteries. While it did not give further details, Reuters has previously reported that the incentives could be up to 20 per cent of the total battery lease cost.

India said in February it would introduce a new policy for battery swapping to boost sales of EVs, which are key to Prime Minister Narendra Modi's carbon reduction and climate change agenda.



Jashim Uddin, vice-chairman of Dhaka Bank, inaugurated the bank's 23rd Sheikh Mujib Road sub-branch under the Agrabad branch in Chattogram recently. Emranul Huq, managing director of the bank, Mohammad Abu Jafar, additional managing director, AKM Shahnawaj, AMM Momen Uddin, and Md Mostaq Ahmed, deputy managing directors, virtually joined the event. Mahfuzul Hoque Shah, Nurul Arshad Chowdhury, regional manager of Chittagong, and former director of Chittagong Chamber of Commerce and Industry, were present physically.

PHOTO: DHAKA BANK



Md Shamsur Rahman, director of BRB Hospitals, inaugurated the hospital's 8th founding anniversary on the hospital's premises in Panthapath, Dhaka recently. Md Mofizur Rahman, director of BRB Group, Md Mansur Ali, chief executive officer (acting) of the hospital, Prof Mohammad Ali, head of the department of hepatobiliary pancreatic surgery, Prof Md Mofazzal Hossain, chief consultant and medical oncologist, Prof MA Bashar, head of the department of kidney, and Md Nizamuddin Cheidhuri, professor of gynaecology, were present.

PHOTO: BRB HOSPITALS



Farmers harvest maize at a char by the Brahmaputra river in Gaibandha's Fulchhari upazila, happy with the doubling of both yields and market prices compared to that last year. Favourable weather has brought about 48 maunds per bigha while every maund (around 37 kilogrammes) is selling for Tk 1,200. According to the Bangladesh Bureau of Statistics, Bangladesh produced 40.15 lakh tonnes of maize in fiscal year 2019-20, up 12 per cent year-on-year. The photo was taken on Wednesday.

PHOTO: MOSTAFA SHABUI

Hike cigarette price at lower-tier to reduce health risks

Experts say at ERF-Ahsania Mission seminar

STAR BUSINESS REPORT

The price of cigarettes at the lower tier should be raised to boost revenue generation for the government as well as minimise health risks, speakers said at a seminar yesterday.

The Dhaka Ahsania Mission and Economic Reporters' Forum (ERF) organised the seminar titled "Tobacco Price and Tax" at the ERF auditorium in Dhaka. Speakers said that although the share of lower-tier cigarettes is almost 75 per cent of the whole industry, its price remained unchanged over the last two years.

As a result, the number of smokers at this level is not declining.

They also said the price of cigarettes should be increased considering the rise in per capita income and inflation.

There is no alternative to raise the price of tobacco products to turn Bangladesh into a tobacco-free country by 2041 as announced earlier by Prime Minister Sheikh Hasina, they added.

While presenting the keynote paper, Abdullah Nady, director (research) of Unnayan Shamannay, said the current duty structure for cigarettes is complex and it should be more simplified.

He proposed increasing the price of every cigarette packet of 10 sticks at the low-tier to Tk 50 from the existing Tk 39 while the price of the mid-tier cigarette packet should be Tk 75 from Tk 63. Besides, Nady suggested raising the price of cigarettes at the high tier specifically.

"If this proposal is implemented, the government's revenue will be boosted while the number of smokers will be reduced by 13 lakh. Also, some 9 lakh youths will be discouraged to continue smoking," he added.

Mokhlesur Rahman, deputy director of the Dhaka Ahsania Mission, said the government has already announced its plans to turn Bangladesh into a smoking free country by 2041 and to materialise this, there is no alternative to raising the duty on cigarettes and

tobacco products.

CTFK Grants Manager Abdus Salama Mia said that it is very much necessary to control the use of tobacco in turning Bangladesh into a developed country.

"This will not only help alleviate poverty but also reduce the cost of the government in addressing the tobacco-related diseases," he added.

ERF General Secretary SM Rashidul Islam said the government is in dilemma over tobacco as it wants to control tobacco on one hand while the government also depends on tobacco products for boosting revenue on the other.

"But in order to reduce the number of smokers, the price of cigarettes at the low-tier should be increased as around 75 per cent of smokers consume low-tier cigarettes," he added.

ERF President Sharmeen Rinvy presided over the programme.

Bangladesh is one of the largest tobacco consumers in the world, and nearly 8,400 crore cigarettes are sold annually. Some 35.3 per cent of adults

in the country use tobacco products, according to the Global Adult Tobacco Survey (GATS) 2017.

Cigarettes are the biggest source of value added tax and supplementary duty for the government. It made up 30 per cent, or Tk 25,362 crore, of the total revenue in fiscal year 2019-20, down 8 per cent from Tk 27,618 crore the previous year, according to the NBR's annual report.

The average monthly expenditure for cigarettes was Tk 1077.7 and for bidis it was Tk 342, according to GATS.

A 2019 study by the Bangladesh Cancer Society showed that tobacco consumption caused 126,000 deaths in the country. The figure was 13.5 per cent of deaths from all causes in Bangladesh in 2018.

However, tobacco-induced deaths and diseases alone cost the economy around Tk 30,560 crore a year, which was equivalent to 1.4 per cent of the country's national GDP in 2017-18, the study finds.

EU praises Dhaka's commitment to ILO standards

STAR BUSINESS REPORT

Bangladesh's determination to meet its commitment to abide by International Labour Organization (ILO) standards has been warmly praised by the Members of the European Parliament (MEPs) trade committee, according to the EU Reporter.

Founded in 2002, EU Reporter is a Brussels-based news website publishing content relating to the European Union.

They were impressed both by the progress to date and an openness about the challenges ahead, exemplified by a candid exchange of views with the country's ambassador to the European Union, it said.

Like parliamentarians the world over, the MEPs sometimes have to battle with evasive and unhelpful individuals to find out what they need to know.

So members of the trade committee were quick to acknowledge that their discussion with Bangladesh Ambassador Mahbub Hassan Saleh was like a breath of fresh air.

From across the political spectrum, they spoke of a strong and transparent relationship. "Other countries are much harder," observed Svenja Hahn one of the MEPs.

"I welcome the fact that Bangladesh is open enough to share its problems with us," added Maximilian Krah from the Identity and Democracy group, said EU Reporter.

He also described Bangladesh as a success story. In March it completed full ratification of the ILO convention on labour standards, setting a minimum working age of 14 years.

The committee's socialist chair, Bernd Lange, said there was a lot still to do "but we are on track".

Need customs services? Call 16134

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has launched a hotline, 16134, providing services related to an Automated System for Customs Data (Asycuda) and customs.

The Asycuda of the United Nations Conference on Trade and Development (UNCTAD) is an integrated customs management system for international trade and transport operations in a modern automated environment.

Through this hotline, any stakeholder can get information, suggestions and regulatory orders from the NBR.

The hotline will be available from May 15 this year on every working day from 9:00am to 5:00pm and it will cost the regular call charge, said the NBR in an order.

To ease the export and import process, Asycuda world system is used in six customs houses, 26 customs station, 20 off-docks and export processing zones.

Customs offices, port authorities, Bangladesh Bank, Sonali Bank, Bangladesh Biman, shipping agents, clearing and forwarding agents and commercial banks are regular users of the Asycuda, said the NBR.

Time to build on the progress

FROM PAGE B1

He says the sector has learnt its lesson albeit at the expense of many lives, has taken measures and regained its lost glory. As a result, orders are flowing in huge numbers.

Today marks the ninth anniversary of the building collapse, which killed 1,138 workers and left 2,500 workers injured, mostly women workers, who were forced to enter their workplaces in absence of trade unions despite discovering large structural cracks in the building just a day earlier.

"We don't want any more Rana Plaza collapse," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

"We have improved workplace safety with the recommendations from the Accord and the Alliance. As a result, our image has been restored and buyers' confidence in us has returned."

Hassan says garment factories have invested in machine and innovation, improved workplace safety and enhanced workers' rights over the last nine years.

So, the garment export has been not affected. Rather, Bangladesh has turned into one of the best global garment sourcing countries in the world.

In line with the recommendations from two international platforms, the Accord on

Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety, Bangladesh has invested more than \$3 billion to improve workplace safety.

Now, Bangladesh is the global champion in green garment factories having 157 Leadership in Energy and Environmental Design (LEED) certified garment factories.

More than 500 garment factories are waiting to be certified by the United States Green Building Council. All of these efforts have helped brighten the image of the sector and boosted the country's exports.

Bangladesh is performing strongly in the US despite one of the highest tariff rates of 15.62 per cent, thanks to competitive prices and higher demand.

For instance, AK Azad, one of the leading garment entrepreneurs, shipped \$580 million worth of apparel items in 2021. Of the shipment, 95 per cent were supplied to major American retailers and brands such as GAP, VF Asia, Kontoor and Kohl's.

In 2013-14, Bangladesh exported goods worth more than \$5.58 billion to the US, of which 95 per cent were garments. It was \$6.13 billion in FY19 and \$5.94 billion in FY21.

Between July and March, garment export to the US grew 53 per cent

year-on-year to \$6.58 billion. The shipment is expected to accelerate as orders are shifting from China and thanks to massive capacity building by local exporters.

"We expect the garment export to the US to grow even higher at the end of this fiscal year as we are overbooked with orders. Buyers' confidence in Bangladesh has received a boost from our efforts aimed at improving workplace safety," Hassan said.

M.A. Razzaque, research director of the Policy Research Institute of Bangladesh, said in the US markets, all the exporters have to face equal duty, as the American government does not allow preferential trade facilities on garment shipment.

CPD's Moazzem, however, points out that it seems that the reform initiative has slowed down and there is complacency.

"But this complacency could be costly. By taking measures after the Rana Plaza building collapse, we have just laid down the foundation. But we have lost the momentum."

He says the country's ongoing efforts are marked by a lack of coordination, transparency, accountability, weaknesses, and lack of skills.

"As a result, we see fire incidents every now and then. If this continues, we can't rule out the possibility of any major tragedy."

Bangladesh wants

FROM PAGE B1

India and Bangladesh in New Delhi on March 4.

The meeting between Indian Commerce Secretary BVR Subrahmanyam and Bangladesh's Senior Secretary in the Ministry of Commerce Tapan Kanti Ghosh did not set any timeline for finalising the joint study on FTA.

According to Indian officials, Munshi's remark about the timeline for firming up the joint study by May and clinching the CEPA in a year clearly indicates a political push from Bangladesh in boosting trade with India and boldness to go ahead with the FTA.

Munshi also said Bangladesh would be interested in a BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) free trade pact, which Prime Minister Narendra Modi recently spoke of.

Bangladesh is set to become a developing nation in 2026 and may not qualify for the many trade benefits it currently enjoys as a least-developed country.

"We are talking very seriously about finalising this agreement with our Indian counterparts. We have found them very positive. Obviously, there is much at stake for both sides," according to Munshi.

He pointed out that Bangladesh is the second-largest exporter of ready-made garments in the world and India is a very large market.

"We are also exporting many other products to India, including ships. With 170 million people, we, too, are a large market

with increasing consumer power."

In the last financial year, India exported goods worth \$9.7 billion to Bangladesh and imported goods worth more than \$1.4 billion from the country.

However, studies have shown that bilateral trade can be lifted to \$25 billion with a free trade deal, which will help both countries expand exports.

Munshi said Bangladesh is keen to attract investments from India.

"We are in advanced talks with Tata Group that already has plants in Bangladesh, for a large automotive investment, as also with Ashok Leyland," the minister said.

He said Domino's India has set up 25 outlets in Dhaka and plans to raise the number by more than ten-fold, besides establishing a large mother factory.

"We are looking for Indian investment, especially from West Bengal -- a state with which we have a lot in common," Munshi said.

A large number of Bangladeshi firms are also keen to invest in India.

"However, we understand that there are some restrictions on the investments from neighbouring countries. Clearances are being given on a case-to-case basis," said the commerce minister, adding that Walton Group is keen to invest in India.

Walton Group of Bangladesh manufactures consumer durables, computers and telecom equipment, among others, and has a revenue of nearly \$1 billion.

Edible oil market turns

FROM PAGE B1

Abdul Alim, a wholesaler in Chattogram, said dealers and mill owners cut the supply of the product over the last one month on the news that Indonesia may stop exporting.

At the same time, unscrupulous dealers and

against demand," said Monwar Hossain, owner of Yasin General Store in the capital's Karwan Bazar kitchen market.

Abul Kashem, a wholesaler and retailer in the same market, said they got a small amount of edible oil in the last one



brokers are making an extra profit by reducing the supply against demand, he said.

"We are now selling edible oil at the price fixed by the government. However, dealers have not been supplying any oil for the last four days. Dealers say they are not getting oil from millers

week from dealers. When he inquired about the reasons, the dealers had replied that the supply was low, he told The Daily Star.

Bangladesh imported 21 lakh tonnes of palm and soybean oil in 2021, including around 13.5 lakh tonnes of palm oil. It buys palm oil from Indonesia and Malaysia.

"Besides, the supply of bottled oil is low. People are not getting oil as much as they want," said Hashem.

Md Shafiqul Ather Taslim, director of TK Group's finance and operations, said his firm did not cut the supply.

"There is no shortage. We are supplying the same amount we usually provide."

Walton records drop in profits

FROM PAGE B1

company's quarterly financial statements at a board meeting yesterday.

Profits fell in the third quarter as the global raw material market faced a challenging period at the time and prices rose, according to Md Rafiqul Islam, company secretary of Walton Hi-tech

Industries.

"Shipping costs also increased in recent months so our costs rose whereas the price of finished goods did not increase until last January," he said.

Walton already raised the prices of finished goods so the decline of profits slowed down in the third quarter and

the impact of raising the products prices would be seen in the coming quarters, he added.

In the same board meeting, Walton decided to buy land measuring 588 decimals at a cost of Tk 44 crore excluding registration costs. The land will be used to expand the company.

ILLEGAL CONTENT EU sets new online rules for Google, Meta

REUTERS, Brussels

Alphabet unit Google, Meta and other large online platforms will have to do more to tackle illegal content or risk hefty fines under new internet rules agreed between European Union countries and EU lawmakers on Saturday.

The agreement came after more than 16 hours of negotiations. The Digital Services Act (DSA) is the second prong of EU antitrust chief Margrethe Vestager's strategy to rein in Alphabet unit Google, Meta and other US tech giants.

Last month, she won backing from the 27-country bloc and lawmakers for landmark rules called the Digital Markets Act (DMA) that could force Google, Amazon, Apple, Meta and Microsoft to change their core business practices in Europe.

"We have a deal on the DSA: The Digital Services

The Digital Services Act will make sure that what is illegal offline is also seen and dealt with as illegal online

Act will make sure that what is illegal offline is also seen and dealt with as illegal online - not as a slogan, as reality," Vestager said in a tweet.

EU lawmaker Dita Charanzova, who had called for such rules eight years ago, welcomed the agreement.

"Google, Meta and other large online platforms will have to act to better protect their users. Europe has made clear that they cannot act as independent digital islands," she said in a statement.

In a statement, Google said: "As the law is finalised and implemented, the details will matter. We look forward to working with policymakers to get the remaining technical details right to ensure the law works for everyone."

Under the DSA, the companies face fines up to 6 per cent of their global turnover for violating the rules while repeated breaches could see them banned from doing business in the EU.

The new rules ban targeted advertising aimed at children or based on sensitive data such as religion, gender, race and political opinions.



A couple of Manipuri clothing weavers are seen working on a piece of garment at a workshop in the Kamalganj upazila of Moulvibazar. With Eid-ul-Fitr now just around the corner, weavers in the district's Manipuri community have ramped up production in order to capture this year's Eid market following two years of decline due to Covid-19.

PHOTO: MINTU DESHWARA

Manipuri weavers get busy before Eid

Sales of their garment items to peak this time

MINTU DESHWARA

Manipuri clothing weavers in Moulvibazar and Sylhet are passing busy days ahead of the upcoming Eid-ul-Fitr, which will be celebrated in colour for the first time in two years thanks to the easing of coronavirus restrictions.

Sales of manipuri garment items typically peak during festival seasons and so, weavers usually target the Eid and Puja markets.

The Sreemangal and Kamalganj upazilas of Moulvibazar, and Mirajangal and Machimpur areas of Sylhet city are famous for Manipuri clothing.

Here, weavers stitch together saris, bedsheets, panjabis and other traditional apparel items to cater to the demand of hundreds of tourists and traders who visit each day, said Rabi Singha Rajesh, member secretary of the Manipuri Cultural Academy.

"As Eid-ul-Fitr is approaching, the weavers of Manipuri weaving village are having busy days," he said.

Around 90-95 per cent of the people living in Manipuri communities are engaged in the weaving business, however, between 10 per cent and 20



per cent of them have left the profession due to a lack of capital, Rajesh added.

Sadek Mia, a trader in Sreemangal, said each house in the Manipuri community can be likened to a factory.

Thousands of people in the local Manipuri community are involved in the weaving industry.

"Manipuri women in particular weave clothes while men market and procure raw materials," he added.

Sabita Sinha, a weaver from Ramnagar Manipuripara in Sreemangal, said she did not have much business for the last two years due to Covid-19.

"Although saris were made, buyers did not come. In a

word, it is a collapse in our profession," she added.

Popi Singha, a weaver of Adampur in Kamalganj upazila of Moulvibazar, said during the coronavirus pandemic, the government gave incentives to people of different professions.

"But this was not in our destiny as other industries were given support while we are struggling to make ends meet as the prices of yarn, dye and other accessories have gone up," Popi said.

Ananda Mohan Singh, leader of the Manipuri community in Moulvibazar, said that the entrepreneurs involved in the Manipuri weaving industry are working to keep this traditional industry alive in spite of various

adversities.

"They are the ones who have contributed to the survival of the industry, especially in the last two years, despite many threat from Covid-19," added Singh, who is also a decorated freedom fighter.

He went on to say that the training centre of Lalit Kala Academy is closed and needs to be reopened.

"Apart from that, training activities have not started yet in the modern training centre built in Madhapur. Demand for this specialty has grown significantly as a result of recent corporate scandals. Especially Manipuri Jamdani can be more enterprising in making saris," he said.

Entrepreneur Bhuvan Singh said that it is now important for the government to provide interest free incentives or financial assistance as it will be difficult to keep the weaving industry alive otherwise.

Jaya Sharma, another leader of the Manipuri community, said that with a little help, her people can survive with this industry while the government would also get revenue.

Sharma further said that the cost of collecting raw material for a simple sari is Tk 1,000.

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Worry less, focus on good stocks

Says CEO of UCB Asset Management

MD FAZLUR RAHMAN

Investors should focus on the stocks with good fundamentals instead of making bets on speculative securities and worrying too much about global scenario and their impacts on the market, said Shekh Mohammad Rashedul Hasan, managing director of UCB Asset Management.

"The financial market is very cyclical in nature. This means when money is cheap and the interest rate is low, liquidity flow usually remains robust."

This was seen during the pandemic-hit 2020 and 2021 when people were sitting on idle cash but had little scope to make investments.

As a result, there was a healthy liquidity flow in the stock market.

"There was a time when liquidity was in our favour. Now, the liquidity situation is not as favourable as it was in the last two years. It will take time."

The liquidity situation was better in 2017 and it faced squeezing in 2018 and 2019 before improving in the following two years.

"This is cyclical and there is nothing to be worried about," said Hasan, who received his bachelor degree from the Bangladesh University of Engineering and Technology and an MBA from the Institute of Business Administration at the University of Dhaka.

He says the liquidity in the market has dried up because of higher import costs, increased shipping charges, and higher inflation. As the economy is firing on all cylinders, there has been no looking back for any economic activities.

He cites two factors that take the market forward: liquidity and good corporate earnings growth.

"The financial market is very cyclical in nature. This means when money is cheap and the interest rate is low, liquidity flow usually remains robust."

"If companies make good businesses, then liquidity will automatically flow to the market."

It was anticipated that the liquidity flow would slow when the economy reopened following the receding of the pandemic and if interest rates creep up gradually.

"This is very natural in the cyclical financial market," said Hasan.

According to the investment manager, the price of raw materials used by many listed companies is directly linked with the global oil price. So, when the price of oil is low, their profit margin is high and vice versa.

"But this is the nature of businesses - one year you make a profit but the following year you will make a lower profit and even incur losses. But as the economy has reopened, companies will not find it difficult to clock higher earnings."

But people are worried whether the earnings will get squeezed and companies' overheads will go up because of higher inflation. Companies may have to raise wages and salaries to help employees tackle the impact of inflation. This may hit their profitability.

Investors are also concerned about the higher call money rate.

"But the interesting thing is businesses fared well at the height of the pandemic when people had thought that businesses would suffer. I am not saying that businesses can't have bad days. This may happen. But many investors worry too much."

He says there are many good companies that have not seen any significant rallies in the last one year.

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Losing Russian energy to batter Europe economy IMF official says

AFP, Washington

Europe can get by without Russian gas for six months, but beyond that, the economic impact would be severe, a senior IMF official told AFP.

Alfred Kammer, head of the IMF's European Department, urged countries in the region to take a series of steps to ease the blow, including reducing consumption to build up inventory.

The region relies on Russia for the vast majority of its energy needs, especially natural gas, and IMF economists looked at the economic cost of losing Moscow's supply.

"Over the first six months, Europe can deal with such a shut off (by) having alternative supplies (and) using existing storage," he said in an interview on the sidelines of the spring meetings of the IMF and World Bank.

"However, if that gas shut off were to last into the winter, and over a longer period, then that would have significant effects" on the European economy, he said.

Western countries have considered putting an embargo on Russian energy in retaliation for its invasion of Ukraine, while Moscow could also shut off exports to hit back at the damaging sanctions already imposed on the government.

The International Monetary Fund projects that a total loss of Russian gas and oil supplies could cost the European Union three per cent of GDP, depending on the severity of the winter.

He called for steps to prepare for the possibility.

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An employee works on an assembly line of a Volkswagen electric car at a factory in Zwickau, eastern Germany. The IMF projects that a total loss of Russian gas and oil supplies could cost the European Union 3 per cent of GDP.

PHOTO: AFP/FILE

Japan, Russia sign fishing deal despite Ukraine war

REUTERS, Tokyo

Japan and Russia struck a deal on Tokyo's fishing quota to catch salmon and trout born in Russian rivers, Japan's fisheries agency said on Saturday, despite worsening ties over the crisis in Ukraine.

With Russo-Japanese relations unravelling, the fate of annual talks between the two governments this year overshadowed the livelihood of Japanese fishermen in northern regions around disputed islands.

But the two countries agreed on Japan's quota of 2,050 tons in salmon and trout within its own exclusive economic zone for this year, the same level as last year, and that Japan would pay fees to Russia between 200 million yen (\$1.56 million) and 300 million yen, depending on the actual catch, according to Japan's fisheries agency.