

# Star BUSINESS

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## FBCCI seeks relaxed loan classification until Dec

STAR BUSINESS REPORT

The country's apex trade body yesterday urged the Bangladesh Bank to take steps so that existing borrowers are not classified as defaulters until December this year.

"Businesses are still going through difficult times due to Russia's invasion of Ukraine and the ongoing instability in the global market," said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He came up with the remark at a press briefing after a meeting with BB Governor Fazle Kabir at the central bank headquarters in the capital.



**"Businesses are still going through difficult times due to Russia's invasion of Ukraine and the ongoing instability in the global market," FBCCI President Md Jashim Uddin said**

"We have requested the Bangladesh Bank to revisit the existing loan classification policy so that businesses don't fault on loan payments," said Jashim.

The FBCCI requested the BB to provide a long-term fund to a bank in the form of a refinancing scheme in order to allow it to lend to businesses since borrowing for a short-term period does not help borrowers.

Jashim also urged the central bank to raise the size of the export development fund to \$10 billion from \$7.5 billion now.

"This is because the price of raw materials has gone up globally and many buyers are making deferred payments."



Two workers are preparing rawhides at the Savar Tannery Industrial Estate located on the outskirts of the capital yesterday. The zone has been set up with a view to processing animal skins in an eco-friendly manner such that factories can obtain the Leather Working Group certification, which is needed to ship products to the developed markets.

PHOTO: PALASH KHAN

## LACK OF COMPLIANCE proves costly for leather sector

STAR BUSINESS REPORT

A lack of compliance is preventing the leather sector in Bangladesh from tapping its potential and expanding its footprint in the international market despite the availability of raw materials locally.

As a result, exporters are getting 30 per cent to 40 per cent lower prices for their products in the global market compared to competitors. The fair price can't be ensured in the local markets as well.

Leather, leather products and leather footwear exports climbed 32.97 per cent to \$1.01 billion in the first 10 months of the current fiscal year, surpassing the whole amount raked in the previous financial year, data from the Export Promotion Bureau showed.

But both the government and researchers believe that the export earnings could go up to \$12 billion by 2030.

"The leather sector is not doing well due to non-compliance," said M Abu Eusuf, a professor at the development studies department in the University of Dhaka.

"So, Bangladesh is getting around 30 to 40 per cent lower

prices for export-oriented products."

"The problems in the leather sector have already been identified. Now, strong initiatives are needed to address them."

Syed Nasim Manzur, president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh, said the global

the Impact of Covid-19 on Tanneries", jointly organised by The Asia Foundation, the Research and Policy Integration for Development (RAPID), and the Economic Reporters' Forum (ERF).

The assessment is based on a worker survey involving 120 labourers and an employer survey involving 20 tanneries located at the Savar Tannery

the level required for the LWG certification. Further modification and modernisation will be required," Prof Eusuf told The Daily Star.

Now, in the absence of the accreditation, local exporters have to export leather at rates about 40 per cent lower than the going rates in the international markets to China, which accounts for about 60 per cent of the tanned leather produced in Bangladesh.

Similarly, finished goods exporters have to import rawhides from LWG-certified factories in other countries to ship products to the developed markets.

Manzur, also the managing director of Apex Footwear, said since independence, the export of rawhides has declined by 79 per cent while the export of finished leather has gone up by 80 per cent.

"This indicates that local entrepreneurs are not being able to use locally available rawhides mostly because of the non-implementation of policies."

Industries Secretary Zakia Sultana said Bangladesh could

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supply chain of leather goods has almost broken due to the Covid-19 pandemic and the ongoing Russia-Ukraine war.

And there is a scope to raise the country's share in the global leather and footwear market, but it is not being possible due to non-compliance, he said.

They spoke at a webinar titled "An Assessment of

Industrial Estate.

During the interviews, tannery owners said they are working hard to get the certification from the Leather Working Group, the global body for compliance and environmental certification in the leather and leather goods sector.

"The standard of the CETP has not reached

## Exchange-traded funds to hit DSE in three months

STAR BUSINESS REPORT

Bangladesh is set to get its first exchange-traded funds (ETFs) in three months which would give a new product to investors and contribute to stabilising the stock market.

An ETF is a type of pooled investment from investors that operates much like a mutual fund.

The difference is that it is used to invest in certain stocks that are included in an index, or certain sectors or other assets.

Mutual funds, on the other hand, can be used to invest in any stock and fixed-income asset.

The ETFs can be purchased or sold on a stock exchange the same way as is a regular stock.

Asset managers manage the funds and provide

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dividends to investors while trustees ensure that all rules and regulations are complied with and that the interests of the unit holders are protected.

Yesterday, the Dhaka Stock Exchange (DSE) announced that it was going to allow asset managers to launch the ETFs, which would invest in certain indexes, primarily the DS-30, the blue-chip index.

Recently, LankaBangla Asset Management Company, Shanta Asset Management and Green Delta Dragon Asset Management have submitted proposals and applications expressing interest to be sponsors of an ETF.

Based on their proposals, the DSE held consultations with the Bangladesh Securities and Exchange Commission (BSEC), and the regulator gave its consent in principle to introduce the ETFs in the capital market.

"The DSE is working so that at least one or two ETFs can be introduced within three months," said Tarique Amin Bhuiyan, managing director of the DSE, during a media briefing at the auditorium of the premier exchange of the country.

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STOCKS	
DSEX ▲	CASPI ▼
0.06%	0.18%
6,392.85	18,667.50

COMMODITIES	
Gold ▲	Oil ▲
\$1,852.79	\$119.06
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.64%	▼ 0.33%	▼ 0.2%	▲ 1.19%
55,566.41	27,279.80	3,232.49	3,186.43

## TAX COLLECTION Uphill task ahead for NBR

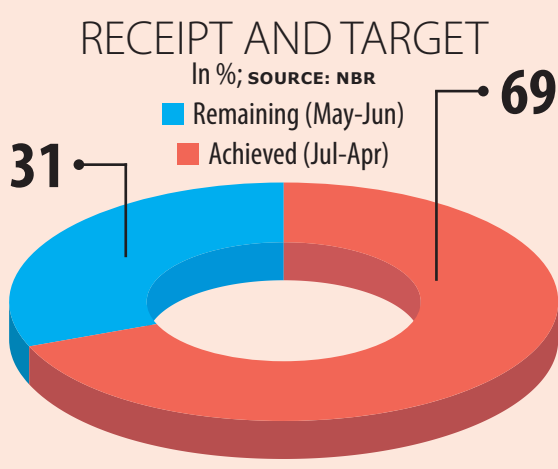
STAR BUSINESS REPORT

The National Board of Revenue (NBR) has been left with a target of collecting Tk 102,244 crore in the last two months of the ongoing fiscal year as it logged 69 per cent of its overall target until April.

Tax collection stood at Tk 227,756 crore until April against the target of Tk 330,000 crore given by the government at the beginning of the current fiscal year, according to data released by the NBR yesterday.

However, NBR officials and an analyst said the remaining target is unlikely to be achieved this year with the current growth rate.

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Fresh vegetables and fruits are brought for sale by farmers of nearby villages at Atharomail Bazar in Khulna every morning, drawing thousands of customers from around the district for their cheap prices. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

## Container vessels must sail out within 48 hours CPA move irks shipping agents

DWAIPAYAN BARUA, Ctg

Chattogram Port Authority (CPA) has aggravated shipping agents, directing that container vessels irrespective of carrying capacities from today must sail out from the port jetties within 48 hours on completing unloading and loading of containers.

No vessel arriving with less than 1,550 TEUs (twenty-foot equivalent units) of import-laden containers will be allowed berthing at the port jetties, the CPA said yesterday.

Currently geared vessels, meaning those having on-board cranes, are allowed 72 hours for completing the job while gearless ones up to 48 hours.

The CPA decisions are "not feasible," said Bangladesh Shipping Agents Association (BSAA) leaders while deciding to

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