




Star BUSINESS




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GARMENT EXPORTS IN FY22

In billions of \$; SOURCE: EPB

Jul	2.88
Aug	2.75
Sep	3.41
Oct	3.56
Nov	3.23
Dec	4.04
Jan	4.08
Feb	3.51
Mar	3.93
Apr	3.93
May	3.15



REASONS FOR FALL IN ORDERS

- Unsold stock on buyers' end
- Blistering inflation
- Lingering Russia-Ukraine war
- Belt-tightening by consumers as uncertainty persists

CHALLENGES FACING EXPORTERS

- Recovery from pandemic has been hard
- Buyers stopped placing new orders
- Retailers demanding deferred payment
- Some shipments have been put on hold

Garment export order falls 20pc as inflation, war bite

REFAYET ULLAH MIRDHA

Work orders to the garment sector in Bangladesh fell by more than 20 per cent for the September and November season as consumers in the western world are tightening their belts owing to blistering inflation and deepening uncertainty caused by the Russia-Ukraine war.

In another unpromising sign for the country's biggest foreign currency earner, the risks for the US and the European Union, the two largest export destinations for Bangladesh, falling into recession are growing.

"International clothing retailers and brands have cut the work orders by 20 per cent for the September to November season compared to the March to June season," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

Kutubuddin Ahmed, chairman of Envoy Textiles, one of the top garment exporters in Bangladesh, says stores of major retailers and brands have a large volume of unsold inventory. So, they are either stopping placing new orders,

demanding deferral payments or urging suppliers to put shipments on hold.

The fall in orders came at a time when the industry has been recovering from the coronavirus-induced slowdown at a healthy pace.

As the world recovered from the health crisis, retailers and brands had placed an abnormally high work order to meet a surge in demand.

Since September last year, Bangladesh had posted higher exports and it continued until April. The momentum did not continue in May because of the fallout of the war, said Ahmed, who shipped high-end denim garments worth \$110 million to Europe and the US in the last fiscal year.

The garment shipment of Bangladesh fell to \$3.16 billion in May from \$3.93 billion in April because of the fallout of the conflict.

The impacts of the falling work orders could be felt in the next fiscal year, starting on July 1, as well.

"If the war does not stop, the shipment may worsen because the decline in order will not be limited to 20 per cent," said Md Fazlul Hoque, managing director of Plummy Fashions

Ltd, one of the greenest factories in Bangladesh.

Inflationary pressure is being felt all over the world, not just in the US and the EU, owing to escalated global commodity prices, energy crunch, and supply bottlenecks.

And World Bank Group President David Malpass

work from the big local garment units as well, Hassan said.

The BGMEA chief says the war has hurt the global economy and driven up inflation, forcing the consumers to change their consumption patterns as higher prices bite into earnings.

cent higher than two years ago.

The higher expenses on energy and food have ultimately affected the garment supplying countries like Bangladesh, Hassan said.

The demand for yarn is very low now as many international retailers and brands have put their orders either on hold or suspended them, according to A Matin Chowdhury, managing director of Malek Spinning Mills Ltd.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the inflow of work orders is declining because of the piling up of old stocks.

But the challenges for the exporters might not be over anytime soon since the case for a global recession is strengthening.

Goldman Sachs, an American multinational investment bank and financial services company, has forecast a 30 per cent chance of the US economy tipping into recession over the next year, up from 15 per cent earlier.

Morgan Stanley, another American multinational

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yesterday said it might take even two years to get prices back under control as the US and other economies face inflation rates not seen in decades.

Researchers at the International Monetary Fund earlier made a similar prediction.

The situation for small and medium-sized garment units is worsening because of the decreasing orders and many are not receiving subcontracting

For instance, consumers have been compelled to cut back their budget on clothing items in order to free up money to purchase costlier fuel and food.

In both the US and the EU, gas prices have trebled.

The World Bank's Food Commodity Price Index, which reached a record high in nominal terms in the March-April period of 2022, is up 15 per cent over the previous two months and more than 80 per

Forex market volatility deepens

AKM ZAMIR UDDIN

Volatility in the country's foreign exchange market has intensified once again as Bangladesh Bank has commenced tinkering with the exchange rate of the taka against the US dollar.

Bangladesh Bank had decided on June 2 to allow the exchange rate of the taka to float against the US dollar but recently backtracked from its stance, causing the forex market to become volatile again.

Bankers said demand for the American greenback was still higher than the supply due to soaring import payments and a slump in remittance inflow.



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In addition, the inter-bank exchange rate set by the central bank has been unable to offset the ongoing volatility due to the inadequate supply of the greenback.

The inter-bank exchange rate stood at Tk 92.95 per US dollar yesterday. In contrast it was Tk 84.95 a year ago.

However, banks now sell dollars to importers largely at Tk 97 to Tk 98 and purchase it at Tk 96-Tk 97 from exporters.


They also try to attract remittance by offering Tk 96 to Tk 97 to exchange houses abroad.

The US dollar continues to remain dear although Bangladesh Bank has so far supplied \$7.43 billion this fiscal year from the reserve to cool the market. The country's foreign exchange reserve stood at \$41.7 billion as of yesterday.

Bangladesh is not alone when it comes to weakening of the local currency. Many countries, including India and Pakistan, are now witnessing their currencies losing out against the US dollar.


Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the floating exchange

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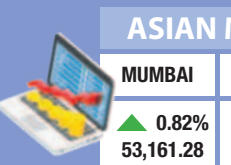
STOCKS

DSEX ▲	CASPI ▲
0.30%	0.23%
6,320.33	18,616.98



COMMODITIES

Gold ▼	Oil ▲
\$1,827.69 (per ounce)	\$107.92 (per barrel)



ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.82%	▲ 1.43%	▲ 0.83%	▲ 0.44%
53,161.28	26,871.27	3,137.54	3,379.19

READ MORE ON B3

‘Mango train’ suspended for lack of cargo

Cattle wagon planned before Eid

ANWAR ALI, Rajshahi

A train service from Chapainawabganj to dedicatedly bring the region's seasonal bounty of mangoes to Dhaka has been cancelled on running for just 11 days this season.

The train plied last on Thursday and the service was cancelled for being unable to woo an adequate number of traders, Ashim Kumar Talukhder, general manager of West Zone of Bangladesh Railway, told The Daily Star.

Another train service to solely transport sacrificial animals may be launched on the week leading up to upcoming Eid-ul-Azha, he said.

The one for mangoes began on June 13 from Rohonpur. The carrying capacity of each of its five wagons was 45,000 kilogrammes (kgs).

But the highest amount that ended up being transported on a day was around 32,392 kgs, that too by the whole train.

The lowest was 15,379 kgs, says a Bangladesh Railway report.

"Running the train was leading to huge losses," said a senior railway official.

"I will not term it a loss...Because, the train was introduced out of the prime minister's wish to benefit mango transport," said Talukhder.

The seasonal train was first introduced in 2020 in the wake of supply disruptions amidst the pandemic.

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Fishermen at Adarsha village in Barishal sadar upazila repair their nets designed to catch hilsa once an ongoing 65-day ban on all kinds of fishing within Bangladesh's maritime boundary comes to an end on July 23. Fishermen say they face such bans for 147 days in phases round the year -- for 22 days in October for mother hilsa conservation, 60 days on hilsa sanctuaries in March-April and the ongoing ban which started on May 20. The photo was taken recently.

PHOTO: TITU DAS

NBFIs asked again to form cells for client complaints

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked non-bank financial institutions (NBFIs) to form "complaint cells" at both their head offices and branches so as to resolve complaints of clients.

The central bank had earlier asked the NBFIs to form the cell but many have not taken up the initiative yet, for which the notice had been issued, said a BB official.

The number of complaints has gone up as the NBFIs have not resolved those on time, said the notice.

Many NBFIs do not even receive the complaints of customers while some others do not follow the central bank rules pertaining to resolving those.

The BB ordered the NBFIs to comply with its "Customer Service and Complaint Management Regulations" while

READ MORE ON B3

UK moves to protect its ailing steel industry

AFP, London

Britain is mulling action to protect its ailing steel industry that could set it on collision course with the World Trade Organisation (WTO), Prime Minister Boris Johnson said Sunday.

Britain's steel industry is battling for survival having shrunk over recent decades, and is now bearing the brunt of sky-rocketing energy prices.

The government has provided some financial support for energy-intensive businesses, including steel, but Johnson has indicated it will take further action that could breach its WTO obligations.

Britain's steel industry is battling for survival having shrunk over recent decades, and is now bearing the brunt of sky-rocketing energy prices

When asked about reports he is ready to break WTO rules by imposing new tariffs, Johnson told British reporters at the G7 summit in Germany that "we have a system in the UK where we don't privilege our industry in the way that some other countries do."

"We need British Steel to be provided with much cheaper energy and cheap electricity for its blast furnaces. "But until we can fix that, I think it is reasonable for UK steel to have the same protections that... absolutely every other European steel economy does," he added.

"The difficulty is, is that possible to do while staying within our WTO? But these are tough choices that you have to make."

According to the Sunday Telegraph, Johnson is planning to impose import limits on steel from several developing countries and extend the tariffs already imposed on developed countries and China.



Women separate impurities from coal at Zero Point area of Khulna city. The coal will be pulverised in machines to make incense sticks. Working from 7:00am to 5:00pm earns each of them Tk 200 a day. The photo was taken on Sunday.

PHOTO: HABIBUR RAHMAN

Turnover jumps as stocks close in positive territory

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) closed in positive territory yesterday riding on bargain-hunters who showed some buying interest despite persisting macroeconomic uncertainty.

The DSEX, the benchmark index of the premier bourse in Bangladesh, added 19.24 points, or 0.19 per cent, to end at 6,320.

The stocks on the DSE rebounded as bargain-hunters displayed some buying interest in sector-wise issues at lucrative prices, said International Leasing Securities Ltd in its daily market review.

The DSEX witnessed volatility throughout the session. In the mid-session, the market saw buying spree but it did not sustain. However, the late-hour increased purchase of securities helped the index end the day in the black.

Among the sectors, ceramic, textile and services posted price appreciation, whereas tannery, telecommunications and paper witnessed the highest correction.

Investors' activities were mainly focused on the textile sector, which accounted for 18.4 per cent of the day's total turnover,

followed by pharmaceuticals.

The DSES Index, which represents the Shariah-based companies, rose 0.14 per cent to 1,380.80, while the DS30 Index, which consists of the blue-chip firms, lost 0.06 per cent to 2,285.21.

Gainers outnumbered losers, with 237 securities advancing, 91 declining and 54 ending without any price movement.

The stocks on the DSE rebounded as bargain-hunters displayed some buying interest in sector-wise issues

Turnover, one of the key indicators of the market, however, was up nearly 18 per cent to Tk 700 crore from Tk 594 crore on Sunday.

Alltex Industries Ltd was the top gainer, rising 9.91 per cent, followed by Meghna Insurance Company, up 9.73 per cent and Sonargaon Textiles, which went up 7.80 per cent.

Savar Refractories, Prime Textile Spinning Mills, Jute Spinners, and Malek

Spinning Mills also rose significantly.

Fortune Shoes was the worst-performing stock on the day, giving up 2 per cent, the maximum a stock is allowed by the stock market regulator to fall in a single session on the DSE.

United Insurance Company, Emerald Oil Industries, Paper Processing & Packaging, Bangladesh Monospool Paper Manufacturing, and IPDC Finance were among the major losers.

Bangladesh Export Import Company was the most-traded stock with its shares worth Tk 46 crore changing hands. Shinepukur Ceramics, Fu Wang Food, Fu-Wang Ceramic Industries, and Salvo Chemical Industry also witnessed significant turnover.

Shares on the Chittagong Stock Exchange advanced as well.

The broader CASPI Index closed 43.72 points, or 0.24 per cent, higher at 18,616.98.

Among the scrips traded at the bourse in the port city, 144 gained, 103 fell, and 43 did not see any price movement.

Turnover nearly trebled to Tk 61.20 crore from Sunday's Tk 21.64 crore.

LG teams up with Rangs Industries

STAR BUSINESS DESK

LG Electronics in Bangladesh, the global leader in technology and manufacturing, has signed a partnership agreement with Rangs Industries.

Peter Ko, managing director of LG Electronics in Bangladesh, and Yeamin Sharif, divisional director of Rancon Electronics Division, signed the deal at the Rangs eMart showroom in Gulshan, Dhaka, said a press release.

"With this partnership, we will be able to make LG products and innovation accessible to more people in Bangladesh, and spread the ease of technology into people's lives," said Peter.

"Through the Rangs eMart showrooms, customers will be able to easily purchase their desired LG products and without any hassle," said Yeamin.

Prime Bank signs deal for healthcare discounts in UAE

STAR BUSINESS DESK

Prime Bank signed a memorandum of understanding with healthcare service provider Response Plus Holding PJSC recently enabling discounts for the bank's "monarch" clients at Burjeel Hospital and Tajmeel centres in United Arab Emirates.

ANM Mahfuz, deputy managing director of Prime Bank, and Milton Britto, senior associate for global patients' services at Response Plus Medical, inked the deal at Concord IK Tower in Dhaka, said a press release.

Miah Mohammad Rabiul Hasan, executive vice-president of the bank, and Hossain Mohammad Zakaria, head of strategic alliance and acquiring, were also present.

SBAC Bank gets new additional MD

STAR BUSINESS DESK

South Bangla Agriculture and Commerce (SBAC) Bank has appointed an additional managing director recently.



The appointee, Habibur Rahman, previously worked in United Commercial Bank as deputy managing director, said a press release.

He started his banking career at Grindlays Bank in 1996 and has since worked at City Bank, Eastern Bank, HSBC Bank and Toronto Dominion.

Rahman attained bachelor's and master's degrees in economics from Jahangirnagar University and an MBA from Brussels.

Facts and myths

FROM PAGE B4

to innovate more to remain relevant in this fast-changing world.

As discussed above, large companies have been able to maintain their position as industry leaders over centuries due to their ability to sustain innovation-driven business remodelling.

Similarly, there are ample examples of large companies that have failed due to their inability to innovate. For example, the innovative idea of inserting miniature but powerful cameras inside mobile phones disrupted the traditional business of photography.

Innovation is not training: Many stakeholders believe that we can make the younger generation innovative by training them with modern skills. It's true that upskilling is an important element to improve

workforce productivity and employability. However, skills building is not the only activity that can foster innovation. A proper education system is also essential to create innovative minds. Education, particularly one centred around science, technology, engineering and mathematics, plays a pivotal role in fostering creativity and problem-solving skills.

Additionally, innovation hubs should be working to catalyse the formation of communities of problem solvers who can collaborate across domains and co-create innovative solutions. Just focusing on training is unlikely to yield the desired outcome of innovation.

There is no silver bullet: There is no magical formula for innovation. That's why taking a centralised approach towards innovation is unlikely

to work. Innovation can happen anywhere and everywhere; it can originate from any rank of an organisation. A focus on collecting, collating and incubating innovative ideas in an inclusive manner can result in several innovative outcomes. Innovation can be encouraged through an openness to all ideas rather than a set of cumbersome processes.

Finally, innovation must fuel creative destruction, inside and outside. Successful organisations always go through such a cycle of internal creative destruction which helps them stay relevant over time. At the same time, their innovations drive creative destruction in the external world, leading to progress in society.

The writer is a partner with PwC. The views expressed here are personal.

E-commerce helps

FROM PAGE B4

When contacted, Md Motiul Alam, agriculture officer of Sadullapur upazila, said Kollol and his brother are the first sapling growers in the northern district to start exporting plants to foreign countries.

"They have presented a huge opportunity for other plant growers to sell their plants through online platforms as well."

Once, entrepreneurs who made clothes and other goods became successful through e-commerce but Kollol and

Rahim have set an example that it is an open platform for all, Alam added.

Asked why foreign countries would even consider importing plants from Bangladesh, the agriculture officer said the main reason is that like the country's garment products, even the plants here are cheap.

"It's a matter of pride that our Bangladeshi plants are reaching foreign soil and there is huge potential for more local growers to export their plants as demand is growing too," Alam said.

India, EU resume

FROM PAGE B4

Merchandise trade hit an all-time high of \$116 billion in 2021-22, with India's exports to the 27-member European Union hitting \$65 billion, according to

New Delhi.

"Both sides are aiming for the trade negotiations to be broad-based, balanced and comprehensive, based on the principles of fairness and reciprocity.

Central banks must act quickly

FROM PAGE B4

"But even if this is not the case, definitely the priority should be to combat inflation," to prevent the world economy from slumping.

After the shock of the Covid-19 pandemic, central banks initially saw the return of inflation as temporary as the economy picked up again.

But the rise in prices has sharply accelerated since Russia's invasion of Ukraine in February.

BIS said the global economy risked entering a new era of high inflation.

The dangers of stagflation — stagnant growth coupled with rising prices — loom large, as a combination of lingering disruptions from the pandemic, the war in Ukraine, soaring commodity prices and financial vulnerabilities cloud the outlook, it added.

Policymakers must press ahead with reforms to support long-term growth and lay the groundwork for more normal fiscal and monetary policy settings, BIS said.

While the European Central Bank plans to raise

interest rates in July and then again September, the US Federal Reserve on Wednesday carried out its largest rate hike since 1994.

The Fed announced a 0.75 percentage-point rise and said it is prepared to do so again next month in an all-out battle to drive down surging inflation.

Established in Basel in 1930, the BIS is owned by 62 central banks, representing countries that account for about 95 per cent of global gross domestic product (GDP).

In its annual report,

the BIS looked at the stagflation of the 1970s, when the oil shocks of 1973 and 1979 caused inflation to jump.

In 1973, oil prices had more than doubled in the space of a month. Oil occupied a much more central place in the economy, it said.

Moreover, inflation was already rising before the oil shock, while the global economy is now emerging from a long phase of low inflation.

But the BIS also highlighted other points of vulnerability, including the

current high level of private and public debt.

And with Russia's war in Ukraine, inflation this time is not only based around oil, but also other sources of energy, agricultural raw materials, fertilisers and metals.

The most pressing challenge for central banks is therefore to bring inflation down to low levels, according to the BIS.

High inflation situations tend to be self-reinforcing, warned the BIS, especially when wages spiral into an attempt to offset rising prices.



JQM Habibullah, deputy managing director of Islami Bank Bangladesh Ltd, and Uzma Chowdhury, finance director of Pran-RFL Group, exchange signed documents of an agreement over providing point of sale (POS) service for the cardholders at the Islami Bank Tower in Dhaka recently. Mohammed Monirul Moula, managing director of the bank, was present.

PHOTO: ISLAMI BANK BANGLADESH

Islami Bank POS machines now at Pran-RFL outlets

STAR BUSINESS DESK

Islami Bank Bangladesh signed an agreement with Pran-RFL Group recently enabling use of its point of sale (POS) machines at the latter's sales outlets.

JQM Habibullah, deputy managing director of the bank, and Uzma Chowdhury, finance director of Pran-RFL Group, inked the agreement at Islami Bank Tower in Dhaka, said a press release.

Mohammed Monirul Moula, managing director of the bank, Muhammad Qaisar Ali and Md Omar Faruk Khan, additional managing directors, Abul Faiz Muhammad Kamaluddin, Md Maksudur Rahman and Mahmudur Rahman, senior executive vice-presidents, Md Mizanur Rahman Bhuiyan and Miftah Uddin, executive vice-presidents, and Md Mahfuzur Rahman and Farzana Ferdous Rahman, deputy managers of Pran RFL Group, were present.



Fazle Kabir, governor of Bangladesh Bank, distributed cheques among women entrepreneurs of agriculture and small and medium enterprises (SME) at a programme organised by First Security Islami Bank at Bangabandhu International Conference Centre in Dhaka recently. Abu Farah Md Nasser, deputy governor of the central bank, Syed Waseque Md Ali, managing director of First Security Islami Bank, Abdul Aziz and Md Mustafa Khair, additional managing directors, and Md Masudur Rahman Shah, deputy managing director, were present.

PHOTO: FIRST SECURITY ISLAMI BANK

France working on energy contingency

REUTERS, Paris

France is working on energy contingency plans because of cuts to gas flows from Russia which have hit the European market but it has not yet had to put them into action, Finance Minister Bruno Le Maire said on Monday.

Le Maire said talks were already underway on the issue with French Energy Minister Agnes Pannier-Runacher, although details had still to be finalised. Russia has reduced gas flows to a dozen European countries in response to unprecedented EU sanctions imposed on Moscow over its invasion of Ukraine.

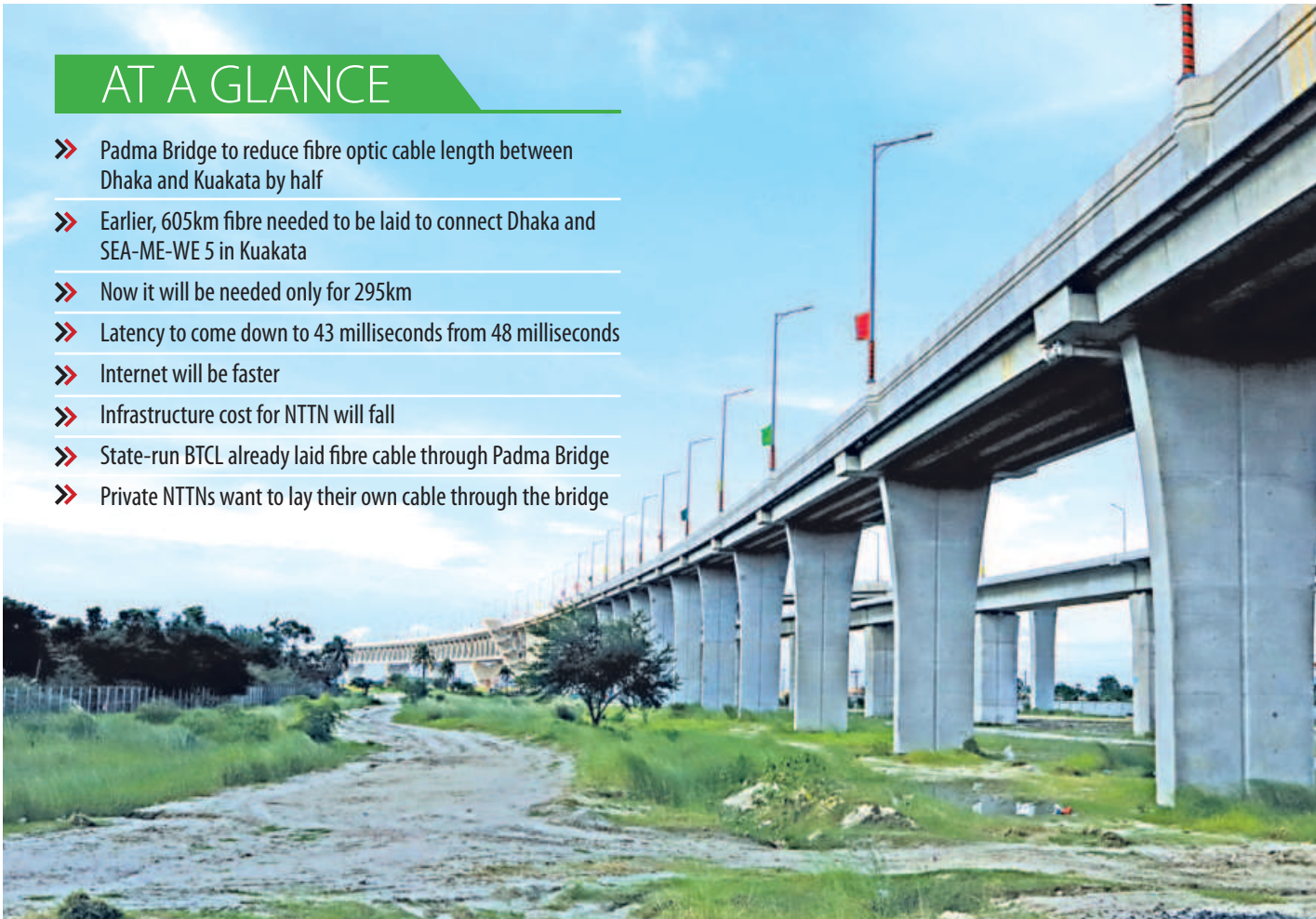
“(...) We will determine which companies are of the most strategic importance, namely those for whom we can allow gas to be cut off and those for whom we cannot allow any cuts,” Le Maire told RMC Radio.

Last week European Union leaders agreed to boost preparations for further cuts in Russian gas, accusing Moscow of “weaponising” energy via a supply squeeze which Germany warned could partly shut its industry.

French Finance Minister Bruno Le Maire on Monday also said that he backed calls by the heads of France’s top energy companies for individuals and businesses to limit power consumption immediately to prepare for a looming energy crisis.

“We need to work collectively to reduce our consumption in order to regain room to manoeuvre,” the chief executives of Engie, EDF and TotalEnergies said in an open letter published by weekly newspaper Journal du Dimanche.

The letter signed by Engie’s Catherine MacGregor, EDF’s Jean-Bernard Levy and TotalEnergies’ Patrick Pouyanné cited sharp declines in Russian gas shipments as well as limited electricity generation because of maintenance issues.



AT A GLANCE

- Padma Bridge to reduce fibre optic cable length between Dhaka and Kuakata by half
- Earlier, 605km fibre needed to be laid to connect Dhaka and SEA-ME-WE 5 in Kuakata
- Now it will be needed only for 295km
- Latency to come down to 43 milliseconds from 48 milliseconds
- Internet will be faster
- Infrastructure cost for NTTN will fall
- State-run BTCL already laid fibre cable through Padma Bridge
- Private NTTNs want to lay their own cable through the bridge

Padma Bridge to ensure faster internet

MAHMUDUL HASAN

Internet users in Dhaka are set to get faster bandwidth thanks to Padma Bridge as the Bangladesh Telecommunications Company Limited (BTCL) has laid fibre-optic cables on its lower deck to reduce the time taken for data to travel between the capital and submarine cable landing station in Kuakata.

Previously, Nationwide Telecommunication Transmission Network (NTTN) companies, which are end-to-end infrastructure providers that build fibre-optic networks, had to laid about 605 kilometres (km) of fibre-optic cables to connect Dhaka with the country’s second submarine cable.

But now, the distance is only 295 km, according to BTCL Managing Director Md Rafiqul Matin.

The state-run company laid the fibre-optic cable on the lower deck of Padma Bridge, which houses a rail line, gas transmission pipeline and power transmission lines as well, ahead of its inauguration on June 25.

As such, the latency of data transfers between Dhaka and Singapore will fall to 43 milliseconds from 48 milliseconds at present as a result of the new network, according to Telecom Minister Mustafa Jabbar.

“So, customers will get faster speed.”

Jabbar went on to say the resulting reduction in infrastructure maintenance costs will also ultimately benefit end users.

“We kept eight ducts with 63-millimeter diameters for different utility connections, including fibre-optic cables, along the Padma Bridge rail line,” said Md Kamruzzaman, deputy director (technical) of the Padma Multipurpose Bridge project.

Dhaka is currently connected with the second submarine cable via Madaripur, Faridpur, Magura, Kushtia, Pabna, Sirajganj, Tangail and Gazipur.

But with the completion of Padma Bridge, the data transmission can take place through the bridge via Kuakata and Madaripur to Dhaka.

As of this March, the state-run Bangladesh Submarine Cable Company Ltd (BSCCL) supplied a total of 1,400 Gbps through the country’s second undersea cable, South East Asia-Middle East-Western Europe 5 (SEA-ME-WE 5), which lands in Kuakata.

The connection of the second undersea cable with Bangladesh was established in 2017. According to BTCL Managing Director Matin, they receive 250Gbps of bandwidth from the second submarine cable while the BSCCL supplies the rest to the private NTTNs.

However, private NTTNs are now demanding they be allowed to lay their own fibre-optic cables on the bridge.

Sumon Ahmed Sabir, chief technology officer at Fiber@Home, said if private NTTNs get the permission to lay their cables on Padma Bridge, a large number of internet users will get faster internet speed.

“We have already sought permission in this regard and are now waiting for approval,” he added.

Regarding the demand of private NTTNs, the telecom minister said the decision is up to the bridge authority.

Internet usage surged to 3,440 Gbps in March this year, up from 1,000 Gbps before the pandemic, according to the Bangladesh Telecommunication Regulatory Commission.

About 650 Gbps is supplied by the BSCCL through the South East Asia-Middle East-Western Europe 4 (SEA-ME-WE 4) consortium, the first undersea cable with which Bangladesh was connected in 2006.

The BSCCL is set to receive 13,200 Gbps from the third submarine cable, SEA-ME-WE 6, in 2025.

Beginning construction in November 2014 and opening on June 26 this year, the 6.15 km steel truss bridge will connect 21 districts in the southwestern region to the rest of Bangladesh.

Built at a cost of nearly Tk 30,200 crore, the bridge is expected to spur the country’s economic growth through increased connectivity and economic activities.

China’s industrial profits fall again

REUTERS, Beijing

Profits at China’s industrial firms shrank at a slower pace in May following a sharp fall in April, as activity in major manufacturing hubs resumed, but Covid-19 restrictions still weighed on factory production and squeezed factory margins.

Profits fell 6.5 per cent from a year earlier, less than the 8.5 per cent decline in April, according to data released by the National Bureau of Statistics (NBS) on Monday.

May’s improvement was driven by surging profits in the coal mining and oil and gas extraction sectors, as the Russia-Ukraine war sparked a rally in global commodity prices.

However, profits in the manufacturing sector dropped 18.5 per cent in May as equipment manufacturing improved significantly, Zhu Hong, senior NBS statistician, said in a statement. April profits were down a sharper 22.4 per cent.

“Overall, the performance of industrial firms has shown some positive changes, but it should be noted that the year-on-year growth of industrial profits continued to fall, with rising cost pressure and difficulties in production and operation,” Zhu said, adding that the foundation for recovery was not firm.

With production gradually improving from last month, the profit declines of industrial firms in Covid-hit Shanghai, eastern province of Jiangsu and northeastern provinces of Jilin and Liaoning all narrowed by more than 20 percentage points, Zhu said.

Google hit with Danish antitrust complaint

REUTERS, Brussels

Google was hit with an antitrust complaint on Monday after a Danish online job-search rival took its grievance to EU regulators, alleging the Alphabet unit had unfairly favoured its own job search service.

The complaint could accelerate EU antitrust chief Margrethe Vestager’s scrutiny of the service, Google for Jobs, three years after it first came under her microscope. Since then the EU has taken no specific action relating to the online job-search sector. The European Commission and Google did not immediately respond to requests for comment sent out of office hours.

Google, which has been fined more than 8 billion euros (\$8.4 billion) by Vestager in recent years for various anti-competitive practices, has previously said it made changes in Europe after complaints from online job-search rivals.

Launched in Europe in 2018, Google for Jobs triggered criticism from 23 online job-search websites in 2019. They said they had lost market share after the online search giant had allegedly used its market power to push its new service.

Google’s service links to postings aggregated from many employers, allowing candidates to filter, save and get alerts about openings, though they must go elsewhere to apply. Google places a large widget for the tool at the top of results for ordinary web searches.

Forex market volatility deepens

FROM PAGE B1

rate was a good tool to keep the foreign exchange market stable.

“So, the central bank should follow the method in the interest of the market,” he said.

Emranul Huq, managing director of Dhaka Bank, said the foreign exchange market was still facing pressure due to the inadequate remittance inflow and high demand for imports.

Besides, the foreign exchange market is not fully active now, which also widened the woes of lenders, he said.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said the central bank was now unable to independently draw up the monetary policy, which was why it was difficult for the BB to allow a floating exchange rate.

If the lending interest rate cap of 9 per cent can be withdrawn, the central bank will get room to

manoeuvre its way out from the ongoing exchange rate crisis, he said.

Bangladesh Bank can impose a ceiling on the inter-bank exchange rate if it does not draw up a monetary policy independently, he added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said exporters were not that much willing to sell their dollars on hopes that the exchange rate of the taka would fall soon.

Many banks are now unable to settle their import bills on time due to the shortage of the dollar, he said.

In such a situation, this will increase the letters of credit confirmation charge, he said.

If the LC confirmation charge increases by 50 basis points, the country’s banking sector will have to spend an addition of \$500 to \$700 million per year, Mansur said.

The central bank should do away with the ongoing

uncertainty prevailing in the foreign exchange market such that exporters sell their dollars to banks without any hesitation.

Contacted, Md Serajul Islam, spokesperson of the BB, said the central bank was now using different tools, including injection of the dollar almost every day.

“The BB is doing everything so as to keep the market stable,” he said.

NBFIs asked again to form

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addressing the complaints.

If any NBFIs requires more time than stipulated to resolve complaints, it will have to give updates to this end to customers.

The names of officials assigned for resolving complaints will have to be displayed at suitable spots of branches and regional and head offices of the NBFIs so that clients can easily communicate with them.

passenger trains for transporting mangoes.

Without hearing out the locals, the railway authorities introduced a full train and incurred losses, said Sujauddin Chhoton, a senior journalist.

“Railway authorities had two years of experience incurring losses from the mango train service and yet they commenced it this year,” he said.

India’s electricity shortages ease

REUTERS, London

India’s electricity shortages have eased over the last six weeks as renewables generation has increased seasonally and relieved some of the pressure on coal-fired units short of fuel.

In a sign of reduced stress on the network, frequency averaged 50.00 cycles per second (hertz) in May, exactly in line with the operational target, up from just 49.93 Hz in April.

Frequency fell below the minimum threshold of 49.90 Hz just 9.8 per cent of the time in May compared with 32.0 per cent of the time in April, data from the Power System Operation Corporation of India (POSOCO) showed.

Below-target and falling frequency is a sign that consumption is exceeding generation, causing rotating generators to lose momentum, while above-target and rising frequency signals the opposite.

Grid stability improved even though it supplied a record 136 billion kilowatt-hours (kWh) in May up from 133 billion kWh in April and 110 billion kWh in the same month a year earlier.

Seasonal increases from hydropower and wind played a critical role improving generation availability and easing the severe power shortages and blackouts evident in March and April.

Wind farms added an extra 6 billion kWh in May compared with March and April while hydro generators added an extra 1-2 billion kWh.

Renewables supplied 23 per cent of system-wide electricity demand in May up from 18 per cent in March and April. As a result, coal-fired, gas-fired and nuclear generators were called on to supply 3-4 billion kWh fewer in May compared with March and April.

Garment export

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investment management and financial services firm, places the US recession odds for the next 12 months at around 35 per cent, according to Reuters.

Citigroup forecasts a near 50 per cent probability of global recession.

In a Senate hearing on Wednesday, US Federal Reserve Chair Jerome

Powell acknowledged that a recession is possible as the Fed pushes borrowing costs steadily higher.

As the possibility of a recession rises, more and more people will choose to cut back on their consumption to keep their head above the water, bringing more bad news for Bangladesh’s garment exporters.

Food export bans risk fueling inflation

REUTERS, Mumbai/Buenos Aires/London

It only took 24 hours last month for Prime Minister Narendra Modi’s government in India – the world’s second-largest producer of wheat – to shelve its plans to “feed the world”.

In April, Modi had said publicly that the world’s most populous democracy was ready to fill part of the gap left by Ukraine in global grains markets by increasing its wheat exports, following five consecutive record harvests. India traditionally exports only a modest amount of wheat, retaining most of its crop for domestic consumption.

On May 12, India’s Ministry of Commerce & Industry said it was preparing to send delegations to nine countries to export a record 10 million tonnes of wheat this fiscal year – sharply up the previous season. But a barrage of alarming data changed all that.

First came a downward revision to India’s wheat crop in early May as a sudden heatwave hammered yields. Then data on May 12 showed inflation in the nation of 1.4 billion had jumped to a near eight-year high due to higher food and fuel prices, driven by the Ukraine war.

Alarmed by rising inflation, which had contributed to toppling the previous Congress party government in 2014, Modi’s office told the Ministry of Commerce on May 13 to put the “brakes on” wheat exports immediately, according to one government official, who asked not to be identified because of the sensitivity of the issue.

“This (inflation data) prompted the government to issue an order at midnight” imposing a ban on wheat exports, said a second source.

News of the ban by India, which is the only major wheat exporter at that time of year, drove Chicago wheat futures 6 per cent higher after markets reopened on Monday.

Neither Modi’s office nor the Ministry of Commerce responded to a request for

comment.

India is one of at least 19 countries that have introduced food export restrictions since the war in Ukraine sent prices soaring, hampering international trade flows for several agricultural products and sparking violent protests in some developing nations.

From Delhi to Kuala Lumpur, Buenos Aires to Belgrade, governments imposed restrictions, at a time when the economic damage caused by the Covid-19 pandemic, combined with factors such as extreme weather and supply chain bottlenecks, had already driven hunger across the globe to unprecedented levels.

The UN World Food Programme (WFP) said in April the number of people facing acute food insecurity – when their inability to consume adequate food puts their lives or livelihoods in danger – had already more than doubled since 2019 to 276 million in the 81 countries in which it operates, before the Ukraine conflict began.

The war – which disrupted exports from Russia and Ukraine, two agricultural powerhouses – was forecast to increase that number by at least 33 million, mostly in sub-Saharan Africa, it forecast.

Under World Trade Organization rules, members can impose export prohibitions or restrictions of foodstuffs or other products if they are temporary and required to relieve “critical shortages”. India’s Commerce Minister Piyush Goyal told Reuters last month he had been in contact with the WTO and the International Monetary Fund (IMF) to explain that India needed to prioritise its own food security, stabilize domestic prices and protect against hoarding, read more

But export restrictions risk worsening the rise in global food prices; producing a domino effect as a deepening crisis prompts other countries to take similar steps, said Michele Ruta, the lead economist in the Macroeconomics, Trade & Investment Global Practice of the World Bank Group.



People are seen tending to mango tree saplings at the Satvai Nursery in Kishamot Doshlia village under Sadullapur upazila of Gaibandha. The owners of this nursery are earning handsome amounts by marketing their plants at home and abroad through an online retail platform called satvai.com.

PHOTO: MOSTAFA SHABUI

E-commerce helps sapling business bloom

Two brothers in Gaibandha now exporting plants to Turkey

MOSTAFA SHABUI, Bogura

The locals of Kishamot Doshlia village under Gaibandha's Sadullapur upazila believe it is possible to earn a good amount of foreign currency by exporting different kinds of saplings to Turkey from the otherwise ordinary village.

And if the success of two bothers — Abdur Rahim and Saiful Islam Kollol — are anything to go by, then this dream could become a reality.

After setting up the Satvai Nursery in their village about four years ago, Rahim and Kollol have been exporting various saplings, of mostly fruit bearing trees, to Turkey through their online retail platform satvai.com.

Export orders from Turkey for a variety of saplings amounting to \$15,202 were shipped in the first consignment on December 31, 2021, while another consignment of equal value departed for the same destination on June 15 this year, as per data from the Bogura Chamber of Commerce and Industry.

Both consignments comprised of about 466 litchi, 1,300 mango, 88 jackfruit, 45 java apple, 110 star anise, 206 phoenix palm, 102 Adenium, 40 rambutan, 50 sopheda, 49 wood-apple, 49 lotkon, 49 bilimbi, 102 Christmas, 53 simul and 100 bokul saplings.

The Nature Garden Flower Sale Centre in Alsancak, Turkey, imported these plants via Chittagong Port after ordering directly from satvai.com.

"Several other nurseries from Japan, Kenia and South Africa are now



contacting us to buy saplings," Kollol said.

Satvai.com is the first online nursery retail outlet to start exporting plants from the northern district, according to officials of the Department of Agricultural Extension (DAE) in Gaibandha.

"I owned a grocery shop in Dhaka until it was demolished for a road extension project four years ago," Rahim said.

After remaining jobless for a few months, Rahim returned to Kishamot Doshlia village with his younger brother Kollol, who advised him to open a nursery on a small plot of land.

"After doing well in local markets,

we expanded the nursery to about 20 bighas and now, our monthly sales are near Tk 2.5 to Tk 3 lakh, he added.

Asked about how he came up with the idea to establish a nursery and then market saplings online, Kollol pointed out that he left his job with the Bangladesh Airforce in early 2016 as he was always more interested in botany.

"We then started the nursery business at the end of 2017 and as the domestic e-commerce sector is growing fast, I decided to develop a website to showcase our plants," he said.

"Now we are delivering nearly 100 varieties of saplings to homes in almost every district and about 60 per cent for our sales come from online orders,"

Kollol added.

Asked how they got foreign buyers, Kollol said the Turkish nursery found them through the webpage before contacting them directly using Bangladesh's yellow pages.

"They are now our regular customer."

Kollol went on to say that it is not easy to export saplings to a foreign country as they could get damaged or wither during the transportation process.

"First you need the proper documents, such as a trade licence, and then you grow the plants as per the orders placed after securing permission from local DAE officials," he said.

"For export quality saplings, you need to grow it in cocopeat. Later, you need certificates issued by the plant quarantine wing of the DAE, after which can export the plants within next 15 days, Kollol added.

Regarding the challenges they face in this business, Kollol said it is a bit difficult at first if you do not have enough experience.

"When we got feedback on the first consignment, it was found that 10 per cent of plants were damaged by improper temperature settings in the air-conditioned containers. I had damaged another 35 per cent of the plants when we shifted it to cocopeat from soil ground."

"However, I reduced the amount of damaged plants to 6 per cent when I sent the second consignment, which returned 35 per cent higher profits than the domestic market," he added.

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Facts and myths about innovation

ARIJIT CHAKRABORTI

The origins of many successful organisations that exist today can be traced back to the nineteenth century or even earlier. The business interests of such organisations typically span a wide range of sectors and industries, and all of them have been able to continue operations sustainably and successfully. They are standing tall today not because their century-old business models were robust, but because they have been continuously innovating and remodelling their businesses to stay relevant over time. That's why innovation is necessary not only for superior growth, but also to sustain the journey over a long duration.



At the same time, innovation has become a buzzword today. However, despite its popularity, the term isn't fully understood. This article tries to discuss a few facts and clear up some myths around innovation.

Innovation is not invention:

Quite often, we see people using these two words interchangeably and, more surprisingly, synonymously. Invention is about creating something that was either not available or believed to be impossible.

Innovation, on the other hand, is implementing a new idea by mobilising the required resources and things that are already invented or available.

For example, creating a photographic camera was a path-breaking invention that opened up a completely new world of scientific and business activities. But inserting a miniature version of such a camera inside a mobile phone is not an invention, but an innovation. This was an innovative idea that helped in mobilising multiple working elements, including a camera and a mobile phone, to create an unprecedented experience for users of mobile phones and cameras.

Innovation must fuel creative destruction, inside and outside. Successful organisations always go through such a cycle of internal creative destruction which helps them stay relevant over time

Innovation is not copying another innovation: This is another misconception among entrepreneurs and other stakeholders. Innovation does not mean borrowing an innovation from another part of the world. On the other hand, if an innovator adapts an innovation from somewhere else to solve a local problem, then this may qualify as innovation.

For example, ride-sharing apps had become popular in the USA's Silicon Valley more than a decade ago. The business model was relatively simple: to provide a better experience to riders and drivers alike in comparison to prevailing cab services.

Copying that business model and developing a new app would not qualify as another innovation. But when the innovators of emerging countries implemented a new idea of ride sharing involving two-wheelers, the business model was altered through an innovation.

Innovation is not only for start-ups: It's true that one of the most important criteria for distinguishing a start-up from a small business is its innovative capabilities. But innovation is not only for start-ups. In fact, large companies need

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Central banks must act quickly to fight inflation

Says Bank for International Settlements

AFP, Zurich

Central banks must not let inflation become entrenched, with the threat of stagflation looming over the global economy, the Bank for International Settlements warned Sunday in its annual economic report.

BIS, considered the central bank of central banks, said institutions will have to move swiftly to ensure a return to low and stable inflation, while limiting the impact on growth.

"The key for central banks is to act quickly and decisively before inflation becomes entrenched," said BIS general manager Agustin Carstens.

"If it does, the costs of bringing it back under control will be higher. The longer-term benefits of preserving stability for households and businesses outweigh any short-term costs."

BIS's flagship report said that in restoring low, stable inflation, central banks should seek to minimise the hit to economic activity, in turn safeguarding financial stability.

BIS said engineering a so-called soft landing had historically been difficult, and the starting conditions now were making the task all the more challenging.

"It would be more desirable if we could have a soft landing because that would mean that the tightening of monetary policy could be more subdued," Carstens told a press conference.

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People shop for food along a busy shopping street in the Flatbush neighborhood of Brooklyn in New York City. As the American economy continues to see a rise in inflation, the Federal Reserve recently announced that it is raising interest rates by 0.75 per cent, the largest such move since 1994.

PHOTO: AFP/FILE

India, EU resume free trade talks after 9yrs

AFP, New Delhi

India and the European Union resumed talks Monday on a free-trade deal after a nine-year gap, as Western countries seek to wean New Delhi off its close economic ties to Russia.

Dubbed the "tariff king" by ex US president Donald Trump, India has become more open to lowering trade barriers in recent years and is negotiating pacts with several other countries.

The Asian giant has refused to condemn Russia's invasion of Ukraine, even increasing oil purchases from its long-standing strategic ally and biggest supplier of arms.

The European Union is India's second-biggest trading partner after the United States but talks with the bloc broke down in 2013 over issues including tariff reductions and patent protection.

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