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.

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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

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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

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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

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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.

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.

Central banks must act quickly

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"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.

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