

China bans 35 food exporters of Taiwan

REUTERS, Hong Kong

China has suspended imports from 35 Taiwanese exporters of biscuits and pastries since Monday, in a warning salvo to the self-governed island ahead of a potential visit to Taiwan by US House of Representatives Speaker Nancy Pelosi.

Taiwan's official Central News Agency reported on Tuesday that among the 3,200 Taiwanese companies registered with China's customs under the category of food, 2,066 entries had been listed as "import suspension."

Among the 107 entries under the category of biscuits, pastries and bread, 35 have had been

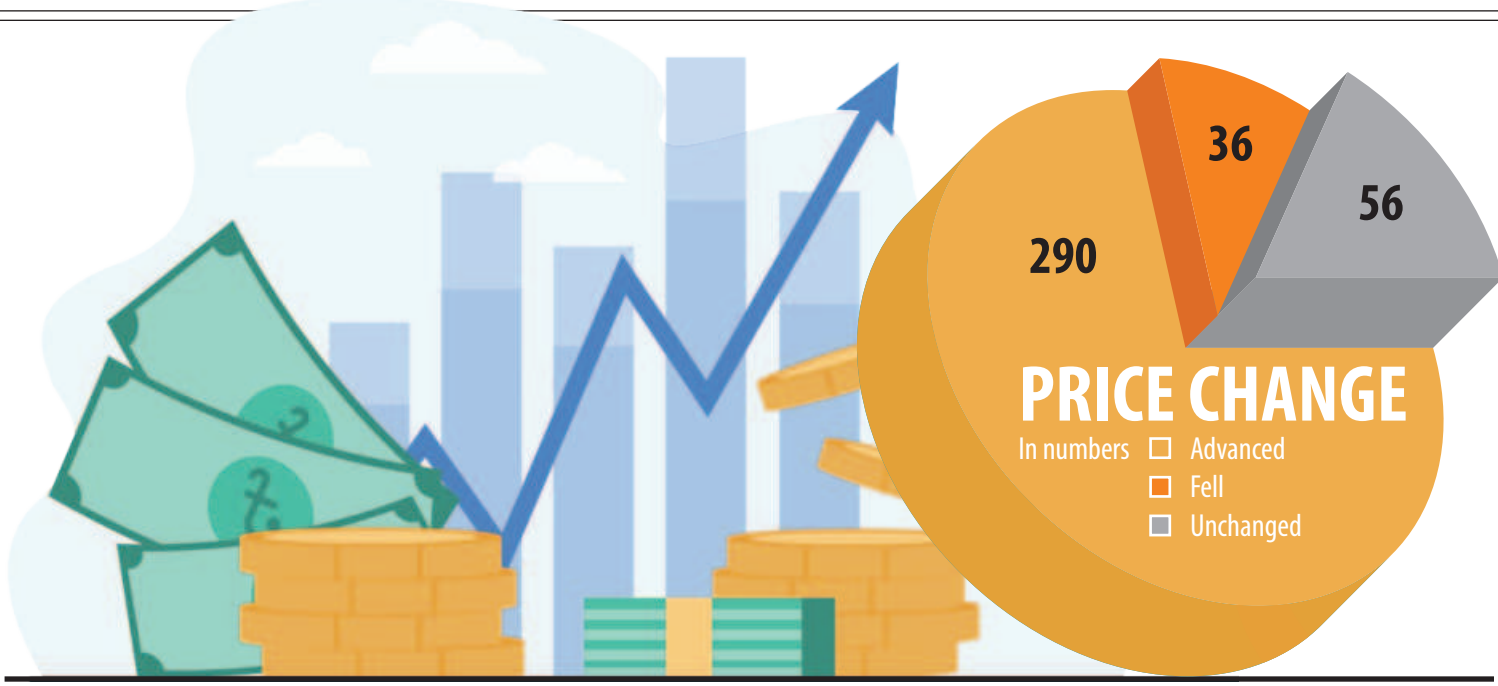
Among the 3,200 Taiwanese companies registered with China's customs under the category of food, 2,066 entries had been listed as 'import suspension'

listed under "import suspension", according to Reuters calculations based on registration data posted on the website of China's General Administration of Customs.

"I learned about the ban before I got off work last night," a business manager at one of the affected Taiwanese food producers told Reuters, adding that he did not know why his company was banned.

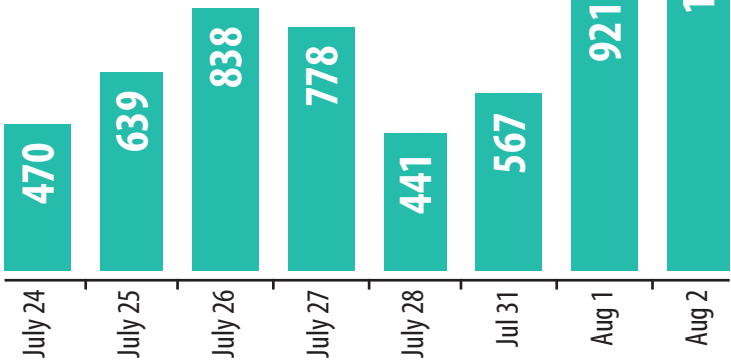
"There are food companies saying their products had been rejected at China's customs already," he said, declining to be named.

The suspensions came as China repeatedly warned Pelosi against going to Taiwan, which it claims as its own, in a visit that Beijing says would contravene the one-China principle that Washington has vowed to abide by.



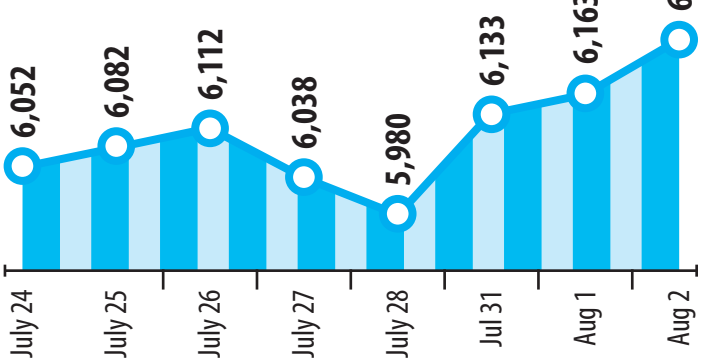
DSE TURNOVER

In crore taka; SOURCE: DSE



MOVEMENT OF DSEX

In points; SOURCE: DSE



Stocks turnover soars to two-month high

STAR BUSINESS REPORT

Major indices of the domestic stock market kept rising while turnover of the Dhaka Stock Exchange (DSE) soared to a nearly two-month high yesterday thanks to the increased participation of general investors.

The DSEX, the benchmark index of the country's premier bourse, climbed 85 points, or 1.38 per cent, to close at the trading session at 6,249.

Turnover of the DSE, a key indicator of market performance, ascended 28 per cent to Tk 1,183 crore, up from Tk 921 crore the previous day.

This is the highest turnover since May 10, when it was Tk 1,258 crore.

Both the blue-chip index, DS30, and shariah based index, DSES, rose by 30 points and 15 points respectively. Of the stocks traded at the DSE, 290 advanced, 36 declined and 56 were unchanged.

Trading in the stock market has increased again as general investors are confident that the indices will not fall further and so, they are buying stocks. However, institutional

investors are not making any purchases for now, according to a stockbroker.

"Besides, some institutional investors and foreign investors are trying to sell shares in many cases," he said, adding this because they do not like interventions in the price mechanism, such as the recently reinstated floor price.

Tamijuddin Textile Mills topped the gainers list that, rising 9.97 per cent, while the Bangladesh Industrial Finance Company, Malek Spinning Mills, Desh General Insurance and Delta Life Insurance also made significant advances.

Envoy Textiles shed the most, eroding 3.94 per cent, while Information Services Network, Phoenix Finance First Mutual Fund, MBL First Mutual Fund, and Tosrifa Industries also featured among the top losers.

Beximco Ltd became the most traded stock with shares worth Tk 90 crore changing hands followed by Fortune Shoes, Delta Life Insurance, Sonali Paper and Board Mills, and Malek Spinning Mills.

Dhaka stocks sustained their upward rally for the third consecutive session as

optimistic investors continued their buying spree amid growing confidence in the market, International Leasing Securities said in its daily market review.

Investors persisted with their buoyancy in stocks as the market will not fall further due to the floor price mechanism and their higher participation was reflected in the turnover, it added.

All the sectors achieved price appreciation, sans food and allied which fell 0.04 per cent. Life Insurance rose 3.2 per cent, services increased 2.9 per cent and ceramics edged up 2.5 per cent to achieve the highest price appreciation.

Investor activity was mainly focused on the textile sector, capturing 22.4 per cent of the day's total turnover, followed by miscellaneous (11.1 per cent) and pharmaceuticals 8.1 per cent.

The Chittagong Stock Exchange (CSE) also rose yesterday. The CASPI, the all share price index of the port city bourse, added 206 points, or 1.13 per cent, to close the day at 18,318.

At the CSE, 193 stocks advanced, 37 fell and 67 were unchanged.

StanChart moves to save energy

STAR BUSINESS DESK

Standard Chartered Bangladesh has introduced several initiatives aimed at cutting down energy consumption and driving up efficiency across all of the bank's office spaces and branches.

The initiatives are designed to complement the government's recently announced conservation measures and are being implemented with immediate effect, a press release said.

"The world economy is experiencing more headwinds from the fallout of the Russia-Ukraine conflict, resulting in higher inflation and pressure on foreign exchange rates around the world. Bangladesh remains relatively resilient due to low external government debt and near self-sufficiency in our staple food," said Naser Ezaz Bijoy, chief executive officer of the bank.

"We can individually and collectively make a difference by helping our beloved nation avoid the slippery slope of a potential future crisis, just by making minor adjustments to our lives and in how we operate. Together, we can steady the ship and power Bangladesh forward," he added.

Toyota unit falsified emissions data: probe

REUTERS, Tokyo

A major affiliate of Japan's Toyota Motor Corp falsified emissions data on some engines as far back as 2003, more than a decade earlier than previously indicated, a company-sponsored probe showed on Tuesday.

The investigative committee tasked by automaker Hino Motors Ltd blamed the scandal on an environment where engineers did not feel able to challenge superiors, in a rare criticism of corporate culture in Japan.

The committee, composed of lawyers and a corporate adviser, was set up by Hino this year after it admitted to falsifying data related to emissions and fuel performance of four engines. Its findings, released on Tuesday, detail an inflexible atmosphere where it was difficult for staff to feel "psychological safety", the committee said in a report.

BP profit hits 14-year high

REUTERS, London

BP's second quarter profit soared to \$8.45 billion, its highest in 14 years, as strong refining margins and trading prompted it to boost its dividend and spending on new oil and gas production.

The strong performance caps a blowout quarter for the top Western oil and gas companies on the back of soaring energy prices that have increased pressure on governments to impose new taxes on the sector to help consumers.

"The company is running well and it continues to strengthen. We have real strategic momentum," Chief Executive Officer Bernard Looney told Reuters.

BP shares were up 3.6 per cent at the opening of trading in London.

Wheat prices may cool off

FROM PAGE B1

much of a change despite the price fall in the international market and resumption of exports from Ukraine due to the higher exchange rate of the dollar," Abul Bashar Chowdhury, chairman of BSM Group, told The Daily Star.

"The bank LC was opened at the time of import stage at Tk 87 per dollar, but the dollar rate increased to Tk 97 to Tk 106 per dollar during payment of the consignments. So, the price of the product has not reduced as per international market," he said.

He said it would take one to one and a half months for these products to arrive in the country if letters of

credit were opened now. Then the supply of the product will increase as well as the price will decrease when the goods enter the market, he added.

According to the National Board of Revenue, Bangladesh imported a total of 14.66 lakh tonnes of wheat in first eight months of last fiscal year of 2021-22 till February before the war.

According to importers, the purchase of wheat and wheat products has grown at a rate of 10-15 per cent almost every year over the past decade due to increased demand in the domestic market.

But in the last two years, the import of the goods declined due to a drop in demand of the goods and a global price hike during the pandemic.

The country's annual demand for wheat stands at around 70 lakh tonnes to 75 lakh tonnes, 85 per cent of which is met through imports, according to data from the Bangladesh Bureau of Statistics and the Department of Agricultural Extension.

In Dhaka, retail prices of unpackaged wheat flour declined 3.5 per cent to Tk 40-42 per kilogramme yesterday from Tk 40-Tk 45 a kilogramme a month ago.

Prices of packaged wheat flour dropped 6.6 per cent to Tk 48-Tk 50 a kilogramme yesterday from that a month ago, according to prices data compiled by the Trading Corporation of Bangladesh.

Action plan unveiled for impact investment

FROM PAGE B1

sustainable development goals (SDGs) of Bangladesh.

Besides, it will encourage and inspire the government to be more involved in impact investment, and scale up private sector initiatives in this regard, according to officials of NAB Bangladesh.

Impact investments are investments made with the intention to generate positive measurable social and environmental impact alongside a financial return.

Mannan said the government is encouraging public-private partnerships for economic development. With this backdrop, he urged the regulators, including Bangladesh Bank and the Bangladesh Securities and Exchange Commission, to ease the policies for providing funds to young entrepreneurs.

Abu Farah Md Nasser, deputy governor of Bangladesh Bank, said there are two types of start-up funds working in the country.

The central bank has already

declared Tk 1,000 crore for one of the funds aimed at helping start-ups expand and flourish in a bid to encourage youth entrepreneurs.

"If they face any difficulties in getting funds from any banks in the country, they can drop their application or call the central bank to address their problems," he added.

Mustafa Osman Turan, the ambassador of Turkey to Bangladesh, said youth entrepreneurs need to be connected with capital as they are the real changemakers.

He then urged for increasing public-private partnerships as per the SDG 17, which calls for global partnerships for sustainable development.

"In addition, entrepreneurs should be transparent and held accountable for the impact they have on the environment," he said.

Nathalie Chuard, the ambassador of Switzerland to Bangladesh, was present at the event chaired by Arastoo Khan, member secretary of NAB Bangladesh.

Several NBFIs boards to be restructured

FROM PAGE B1

of the boards," the BSEC chairman told journalists recently.

"We want to see an improvement of the health of the listed NBFIs, so we will be restructuring their boards," he added.

A top BSEC official, preferring anonymity, said seven to eight NBFIs were suffering because of a huge amount of non-performing loans, which was causing those to struggle in making a profit.

The default loans of the NBFIs surged by Tk 1,216 crore to Tk 14,232 crore in the January-March quarter of 2022 compared to that in the preceding quarter, showed Bangladesh Bank data.

Year-on-year, it was a rise of 37.45 per cent.

At the end of March, the bad loans amounted to 20.63 per cent of the total credit disbursed by the institutions.

Due to the bad health of the NBFIs, the banking sector was being affected along with stock investors, he added.

S Korea inflation near 24-yr high

REUTERS, Seoul

South Korea's consumer inflation sped up to an almost 24-year high in July, data showed on Tuesday, but other figures indicated the rate of price rises may be near a peak.

Signs of economic slowdown, meanwhile, sent bond yields tumbling.

Bond yields were also pushed lower by a central bank comment that the pick-up in the annual inflation rate to 6.3 per cent in July from 6.0 per cent in June was what it had expected when raising interest rates by an unusually big margin last month.

US manufacturing slows modestly

Excess inventories a major concern

REUTERS, Washington

US manufacturing activity slowed less than expected in July and there were signs that supply constraints are easing, with a measure of prices paid for inputs by factories falling to a two year low, suggesting inflation has probably peaked.

While the Institute for Supply Management survey on Monday showed a measure of factor employment contracting for a third straight month, Timothy Fiore, chair of the ISM Manufacturing Business Survey Committee, noted that "companies continue to hire at strong rates, with few indications of layoffs, hiring freezes or headcount reduction through attrition."

The better-than-expected ISM reading suggested that the economy was not in recession despite a decline in gross domestic product in the first half of the year. Businesses, however, are sitting on excess inventories after ordering too many goods because of worries about shortages, depressing new orders.

"The post-pandemic inventory restocking cycle is winding down amid softening consumer goods demand," said Pooja Sriram, an economist at Barclays in New York.

"This intensifies risks of a harder landing in the manufacturing sector later this year. That said, the overall PMI would still need to decline a fair bit to reach readings consistent with outright economic recession."

The ISM's index of national factory activity dipped to 52.8 last month, the lowest reading since June 2020, when the sector was pulling out of a pandemic-induced slump. The PMI was at 53.0 in June. A reading above 50 indicates expansion in manufacturing, which

accounts for 11.9 per cent of the US economy.

Economists polled by Reuters had forecast the index would fall to 52.0. A reading above 48.7 over a period of time generally indicates an expansion of the overall economy.

Four of the six biggest manufacturing industries - petroleum and coal products as well as computer and electronic products, transportation equipment and machinery - reported moderate-to-strong growth last month.

High inflation remained a complaint among businesses even though overall price increases for inputs have started slowing considerably. Makers of chemical products said inflation is "slowing down business," and also noted an "overstock of raw materials due to prior supply chain issues and slowing orders."

Manufacturers of food products reported that "many customers appear to be pulling back on orders in an effort to reduce inventories." Textile mill operators said "continuing delivery and staffing issues have eaten away the bottom line."

The ISM survey's forward-looking new orders sub-index dropped to 48.0 from a reading of 49.2 in June. It was the second straight monthly contraction. Combined with a steady reduction in order backlogs, that suggests a further slowdown in manufacturing in the months ahead.

Many retailers, including Walmart, have reported carrying excess inventory as soaring inflation forces consumers to spend more on low-margin food products instead of apparel and other general merchandise.