

Indian Oil to open 50 fuel stations in Sri Lanka

REUTERS, Colombo

Sri Lanka has given approval for India's Lanka Indian Oil Corporation (LIOC) to open 50 new fuel stations, a company official said on Monday, as part of efforts to reduce severe shortages that have crippled the island nation.

Sri Lanka is caught in its worst financial crisis in more than 70 years as a shortage of foreign exchange has left it struggling to pay for essential imports of food, medicine and, critically, fuel.

LIOC, the smaller player in the island's fuel supply duopoly, already has 216 fuel stations and will invest about 2 billion rupees (\$5.5 million) on the expansion, its Managing Director Manoj Gupta told Reuters.

LIOC is a subsidiary of India's Indian Oil Corporation and is listed on the Colombo Stock Exchange.

Oil stays near multi-month lows

REUTERS, London

Oil prices inched up from multi-month lows on Monday as lingering worries about demand weakening on the back of a darkened economic outlook outweighed some positive economic data from China and the United States.

Erasing earlier gains, Brent crude futures were down 51 cents, or 0.5 per cent, at \$94.41 a barrel by 0816 GMT. US West Texas Intermediate crude was at \$88.58 a barrel, down 43 cents, or 0.5 per cent.

Front-month Brent prices last week hit the lowest since February, tumbling 13.7 per cent and posting their largest weekly drop since April 2020, while WTI lost 9.7 per cent, as concerns about a recession hitting oil demand weighed on prices.



Pacific Jeans Group is ramping up its efforts to use clean energy in all manufacturing practices by establishing rooftop solar power plants in each of its units by 2025. Here, solar panels are seen shimmering in the sunlight on the roof of Universal Jeans Ltd.

PHOTO: RAJIB RAIHAN

Pacific Jeans to set up solar plants in all units by 2025

DWAIPAYAN BARUA, Chattogram

The Chattogram based Pacific Jeans Group is planning to set up rooftop solar power plants in all 10 of its manufacturing units by 2025 in a bid to get at least 20 per cent of the group's energy requirement from renewable sources.

The group is going to invest \$10 million to complete the project.

As a part of its plan, the leading denim exporter has set up a 708-kilowatt (KW) capacity solar power plant on the roof of Universal Jeans Ltd, which is one of its concerns located inside the Chattogram Export Processing Zone (CEPZ), in April this year.

Abul Kalam Mohammad Ziaur Rahman, executive chairman of the Bangladesh Export Processing Zones Authority (BEPZA), inaugurated the plant as chief guest though a ceremony yesterday.

The solar plant having a total of 1,299 pieces of photovoltaic modules of solar panels was set up at a cost of \$5 lakh on more than 49,000 square feet.

Syed M Tanvir, managing director of Pacific Jeans, said the new plant would be able to generate around 3.5 megawatts (MW) of green

energy every day, which is around 10 per cent of the unit's total energy consumption.

In 2017, the group on an experimental basis installed a 70KW solar plant on the roof of another concern, NHT Fashions Ltd, at a cost of \$7,6923.

Till April this year, total power generation in the plant stood at 446MW, which was 4 per cent of the total power required by the unit.

The total amount of carbon offset since installation of the first solar plant stands at 638 tonnes.

"Being a responsible manufacturer, we took a number of projects keeping in mind environmental sustainability and the global carbon emission reduction target," Tanvir said.

"All our international clients, including Marks & Spencer, UNIQLO, H&M and American Eagle have their own environmental sustainability goal and CO2 emissions target. And being their manufacturer, we are also aligned with those targets. If we do not reduce carbon emissions, they would not be able to reach those targets," he added.

Tanvir went on to say that keeping this and the Sustainable Development Goals in mind, Pacific Jeans has set a target to reduce its

carbon emissions by 65 per cent within 2030.

As a part of its roadmap, the group started implementing different projects like setting up a water recycling plant, rainwater harvesting facility and modern washing plant to reduce water consumption as well as a waste recycling plant.

The group's solar power project would also contribute immensely to the government's energy saving plan in the context of the current global energy crisis, he opined.

Tanvir then said they are working to install another 1060KW capacity rooftop solar power plant in another factory in the CEPZ named Pacific Jeans Ltd by September this year.

Tanvir said once the overall project is completed in 2025, they have a target to generate renewable energy of 32.70MW per day, which would be 15 to 20 per cent of their total daily consumption.

"And with these plants the group would be able to save CO2 emissions of 6,458 tonnes per year," he said.

"We will gradually develop these plants as we have a target to generate 50 per cent of our required energy from natural sources," Tanvir added.

Bangladesh offers duty benefit for Bhutanese goods

STAR BUSINESS REPORT

Bangladesh's customs authority has provided duty benefits to 43 types of products from Bhutan to enable goods from the land-locked nation to get better market access here, according to a notification issued by the National Board of Revenue (NBR) earlier this week.

The NBR move comes after nearly two years since Bangladesh signed a Preferential Trade Agreement (PTA) with Bhutan to increase bilateral trade between the two South Asian nations.

Major products include milk, natural honey, wheat flour, jams, fruits, jellies, cement clinker, portland cement, particle board wood, ferro-silicon, and rod

As per the notification, 43 types of Bhutan's exported goods, including milk, natural honey, wheat flour, jams, fruits, jellies, cement clinker, portland cement, particle board wood, ferro-silicon, rod and wooden furniture, will not face customs duty, supplementary duty or regulatory duty for entering Bangladesh.

However, importers will have to pay value added tax and other duties.

Goods on which supplementary duty (SD) is applied at the domestic stage will however face an equal amount of the SD during imports from Bhutan, said a senior official of the NBR.

The benefit becomes effective immediately, according to the NBR.

Under the agreement, Bangladesh has been enjoying duty benefit on exports of 90 local products since July 1 this year. Bhutan was also supposed to get the benefit from the same time but the revenue authority could not complete all the required procedures until recently.



Prime Insurance Company Limited Inaugurated its Principal Branch

Prime Insurance Company Limited Inaugurated its Principal Branch on August 07, 2022 at 45 Dikusha, (Zaman Court), 3rd Floor, Dhaka-1000. Mr. Md. Nazrul Islam, Chairman of Prime Insurance Company Limited inaugurated the branch as Chief Guest. Among others Mr. Suzadur Rahman, Vice Chairman, Mr. Mohammad Abdullah, Chairman Claim & Re-insurance Committee, A.N.M Shahidul Haque, Chairman Investment Committee, Mr. K.M Saidur Rahman, Chief Consultant, Mr. Abdul Hamid FCA, Chief Executive Officer, Mr. Sujit Kumar Bhowmik, Deputy Managing Director, Mr. Abdullah al Mamun, Deputy Managing Director, Head of Branch, Head of Department, Valued Clients & Bankers were present at the Branch inaugural ceremony. Moreover local distinguished personalities also graced the event with their presence.

Taka falls further

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million into the forex market to bring back stability. As such, it has supplied more than \$1,300 million to the market between July 1 and August 8 this fiscal year.

The country's interbank foreign exchange market has been becoming inoperative for the last couple of months due to the large gap between the interbank rate and rates quoted by banks.

The managing director went on to say that Bangladesh Bank should give effort to make the interbank platform vibrant so that banks can buy and sell greenbacks among each other to fulfil their instant demand.

"But instead, the central bank frequently sets the interbank rate

by giving verbal instructions to keep the exchange rate of the taka high artificially," he said.

The local currency yesterday also saw a sharp dive in its value against the greenback in the open market as the general public now have to pay up to Tk 115.50 per dollar in contrast to Tk 112 on Sunday.

It was alleged that a group of people are hoarding dollars by purchasing them from the open market, creating a volatile situation in the process.

The central bank is now conducting sudden inspections of money changers to bring back stability in the open market. The licenses of five money changers have already been suspended due to their alleged involvement in anomalies.

Bangladesh Bank should give effort to make the interbank platform vibrant so that banks can buy and sell greenbacks among each other to fulfil their instant demand, says a banker

First batch of Indian goods reaches Mongla port

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containers. One container is carrying 16,380 tonnes of iron pipes, while the rest is carrying 8.5 tonnes of prefoam, a detergent foam for use as a pre-soak cleaner.

The containers will go to the Indian states of Assam and Meghalaya using the Tamabil land port in Sylhet and the Bibirbazar Land Port in Cumilla.

Indian Assistant High Commissioner to Bangladesh Inderjit Sagar was present when the ship arrived at the Mongla Port.

All stakeholders will sit soon to find out the challenges, if any, and resolve them, said Abdul Wadud Tarafder, member for harbour and marine at the Mongla port Authority. Dhaka and Delhi signed a

memorandum of understanding on the use of the Chattogram and Mongla ports in 2015, following years of persuasion from India.

The two sides signed an agreement in 2018 and a standard operating procedure (SoP).

According to the SoP, goods reaching Chattogram and Mongla sea ports would be carried by four road, rail, and water routes to Agartala (Tripura) via Akhaura; Dawki (Meghalaya) via Tamabil; Sutarkandi (Assam) via Sheola; and Srimantpur (Tripura) via Bibirbazar.

The first trial run took place in July 2020 through the Chattogram port.

The agreement is expected to further strengthen Bangladesh's friendship and economic ties with India.

Tesla in \$5b deal with Indonesia for nickel

REUTERS, Jakarta

US carmaker Tesla has signed contracts worth about \$5 billion to buy materials for their batteries from nickel processing companies in Indonesia, a senior cabinet minister told CNBC Indonesia.

Southeast Asia's biggest economy has been trying to get Tesla to set up a production facility in the country, which has major nickel reserves. President Joko Widodo met with Tesla founder Elon Musk earlier this year to drum up investment.

Small export basket

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Many Chinese companies are looking for alternative manufacturing bases for the contentious trade relationship with the US, he said.

It is understandable that the Chinese government also wants its local companies to shift their production bases to other countries like Bangladesh so that they remain immune from the volatility in trade with the US, Razzaque said.

So, Bangladesh should make use of the generous Chinese duty benefits from an investment perspective, not only as a window for export, Razzaque said. Razzaque, also the chairman of the Research and Policy Integration for Development (RAPID), in a study in June this year said China was not only one of the largest exporting countries but also an importer of goods worth \$2.7 trillion as of 2021.

Bangladesh could not take up this opportunity of entering the Chinese market as the country does not have a wide variety of products, he said.

In fiscal 2021-22, Bangladesh exported goods worth \$683.43 million, of which a majority was apparel items.

In the preceding years, the figures were \$680.65 million, \$600.1 million and \$831.2 million respectively, according to data from the Export Promotion Bureau (EPB).

Abdur Rahim Khan, additional secretary to the commerce ministry, said the 1 percentage point increase in duty benefits may come into effect from next month as the Chinese government had just announced the

decision. So, it is too early to state which products had been offered the duty benefit, he said.

Khan echoed Razzaque's views, saying that Bangladesh cannot take this big trade benefit of China as the country's exports are not diversified.

Khan also said it was not yet clear whether China would continue to offer the current duty benefits once Bangladesh makes the United Nations status graduation from a least developed to a developing country in 2026.

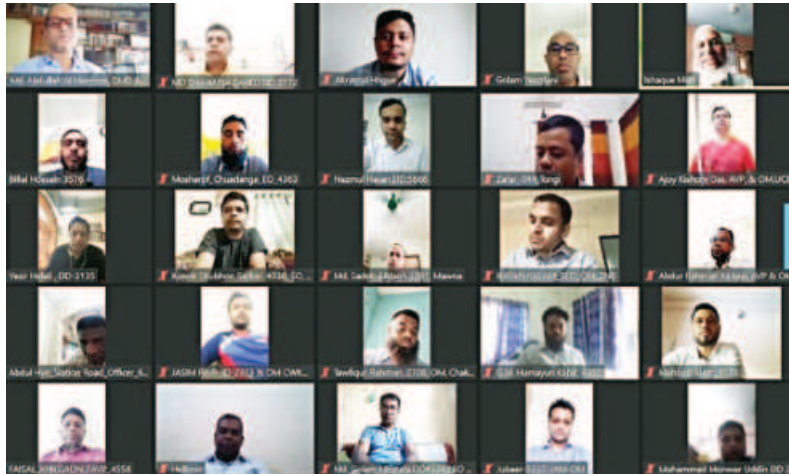
Khan, however, suggested that local exporters to increase the types of goods they manufactured as the government has been paying a lot of cash incentives on export receipts such as 1 per cent to 4 per cent on apparel and up to 20 per cent on agro-processed goods.

Bangladesh's share in China's import is just 0.04 per cent. Increasing the share to just 1 per cent would generate an additional \$27 billion, Razzaque said.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said the duty benefit may not bring cheer for Bangladesh as the locally-made items were not competitive in Chinese markets.

Because the Chinese retailers and brands prefer locally-made items rather than imported goods as they can also meet the quality and demand, Islam said.

However, if Bangladesh can produce the goods for globally renowned brands, the Chinese buyers will come to Bangladesh, he said.



Md Abdullah Al Mamoon, deputy managing director of United Commercial Bank, virtually inaugurates a workshop on "4th Industrial Revolution and Digital Upskilling" recently. Golam Mohammed Bhuiyan, director of Prime Minister's Office, Mohammed Ishaque Miah, director of information systems development and support department at Bangladesh Bank, and SM Tofayel Ahmad, joint director and systems analyst, were present.

PHOTO: UNITED COMMERCIAL BANK



M Reazul Karim, managing director of Premier Bank, inaugurates the bank's foundation training programme on "Credit Module" at its Learning and Talent Development Centre in Dhaka on Sunday. Sayed Abul Hashem, deputy managing director of the bank, Anisul Kabir, Mohammad Jamil Hossain and Khondaker Rahimuzzaman, senior executive vice-presidents, were present.

PHOTO: PREMIER BANK



Mustafa Husain, senior executive vice-president of Dhaka Bank, and Md Atiar Rahman, head of finance and accounts at Omera Petroleum, exchange signed documents of an agreement on cash management services at the bank's head office in Gulshan, Dhaka recently. Emranul Huq, managing director of the bank, was present.

PHOTO: DHAKA BANK