

Stocks fall as shaky investors book profit

STAR BUSINESS REPORT

Shares in Bangladesh dropped for the third consecutive session yesterday highlighting the concerns among investors over the implication of the record fuel price hike by the government.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), nosedived 78 points, or 1.24 per cent, to close at 6,180.

Turnover fell 26 per cent to Tk 799 crore from the previous session.

On the DSE, 26 stocks advanced, 279 declined, and 74 remained unchanged.

“The investors were in a selling mode riding on the price hike of fuel oil,” said International Leasing Securities Ltd in its daily market review, adding that shaky investors have continued booking profits.

The fuel price hike could hit the earnings of listed companies since it would fan inflationary pressures

On Saturday, the government raised the price of diesel and kerosene by 42.5 per cent and petrol and octane by 51.1 per cent and 51.7 per cent respectively.

The hike, the sharpest in the country's history, could hit the earnings of the listed companies since it would fan inflationary pressures, which surged to a nine-year high in June before dropping slightly in July.

Shurwid Industries topped the gainers' list advancing 5.07 per cent on the day.

S Alam Cold Rolled Steels, Aman Feed Mills, Apex Spinning & Knitting Mills, and Sinobangla Industries Ltd were among the highest gainers.

Mozaffar Hossain Spinning Mills was the worst-performing stock on the day dropping 7.54 per cent.

Sonargaon Textiles, Simtex Industries, BD Thai Food & Beverage, Global Heavy Chemicals, and SK Trims suffered significant losses.

Beximco Ltd dominated the chart of the most-traded stocks with its shares worth Tk 66 crore changing hands, followed by Sonali Paper & Board Mills, Sea Pearl Beach Resort & Spa, Malek Spinning Mills, and Intraco Refuelling Station.



Workers are seen fitting eco-friendly concrete blocks into place at the construction site of an export-oriented handicraft factory in Nilphamari. These blocks are made from sustainable materials such as fly ash and do not require baking in kilns unlike their traditional counterpart.

PHOTO: EAM ASADUZZAMAN

Green building practices gaining momentum

EAM ASADUZZAMAN, Nilphamari

Green building practices have gained momentum in Bangladesh as eco-friendly bricks are being widely used for all manner of construction in a bid to reduce the environmental degradation caused by conventional brick kilns.

The Housing and Building Research Institute (HBRI), a wing of the housing and public works ministry, has been trying for decades to promote green building by developing various alternatives to traditional bricks, which are made by baking topsoil with firewood.

Ismail Hossain, a research officer of the HBRI, said they have developed 30 varieties of eco-friendly bricks that are more cost-efficient and lightweight as well as earthquake, fire, salinity, heat and sound resistant.

These varieties include: compressed stabilised earth blocks (CSEB), interlinking CSEB, concrete hollow blocks, thermal blocks, aerated concrete, ferrocement sandwich panels, cellular blocks, silent blocks and fly ash bricks.

Most eco-friendly bricks are made of coarse sand collected from riverbeds mixed with cement while others require the use of stone dust and fly ash, leaving behind the use of topsoil in either case, Hossain added.



Md Shofiqul Islam Dablu, former president of the Shushashoner Jonno Nagorik committee in Nilphamari, said people are now more inclined to using eco-friendly bricks for construction as they have realised the advantages both for themselves and the environment.

The government had issued a notification on November 24, 2019, that made it mandatory to completely phase out the use of traditional bricks in all public construction projects by 2025.

As per the notification, eco-friendly alternatives had to account for at least 20 per cent of the bricks used in fiscal 2020-21, 30 per cent in fiscal 2021-22, 60 per cent in fiscal 2022-23 and

ultimately 100 per cent in 2024-25.

Saiful Islam, senior assistant engineer of the Local Government Engineering Department in Nilphamari, said a number of their projects are now being developed in accordance with the notification.

HBRI Research Officer Hossain went on to say that a good number of private companies have started producing eco-friendly construction materials in order to meet the increased demand.

For example, Concord Group manufactures concrete blocks for pavements, walls and roofs while Mir Ceramics produces environment-friendly tiles for

floors, walls and stairways.

“In addition, local powerhouses such as Meghna Group, Advanced Chemical Industries Limited, Rupayan Group and Eastern Group are also engaged in making sustainable products,” he said.

With the HBRI's support, real estate companies like Building Technology and Ideas Ltd have already established many structures using eco-friendly materials in both Dhaka and Chattogram.

The Netherlands based Eco Solutions Ltd had set up a factory to produce CSEBs in Haziganj village of Nilphamari sadar upazila back in 2020.

The blocks produced by the unit are comprised of 70 per cent coarse sand, 10 per cent cement and 20 per cent dry soil that was compressed inside the plant without the use of burning coal or wood.

Abdul Wadud Sarker, a construction engineer of the factory, said they currently have the capacity to produce 1 lakh concrete blocks per month.

He then added that a local school, hospital and about 60 homesteads have been built using their blocks.

Similarly, Bablu Super Bricks Industry Limited in Thakurgaon has been producing eco-friendly bricks using 40 per cent fly ash,

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Economic impact of Padma Bridge

MD TUHIN AHMED

The Padma Multipurpose Bridge is a dream project for the millions of people in the southwestern region of Bangladesh.

Prior to the opening of the bridge, these districts were cut off from the country's major economic centre, the Dhaka-Chattogram economic corridor. Ferries, launches and boats were the only means of communication and transport on the Padma River to the south-western districts. This form of transport was not only uncertain but was also time-consuming.

Due to poor connectivity, economic operations in the southwestern zone have not been too easy. Consequently, the districts did not seize much industrialisation. As a result, poverty and under-employment constitute major problems in the region.



What is more, this region is strongly affected by climate change. Increased water salinity also has a major effect on agricultural production, and this area is particularly vulnerable to flooding.

However, the Padma Bridge will offer many advantages to the region.

It will connect the isolated 21 southwestern districts to the mainstream economy. It will also connect the port of Mongla and the port of Payra, respectively the second and third-largest ports in the country, with the capital.

Enhanced connectivity will encourage investment in the region. Therefore, not only will the economy in the southwestern region prosper and create jobs, but the economy as a whole will grow.

The Padma Multipurpose Bridge is estimated to boost the country's annual GDP by 1.23 per cent. Similarly, the southwestern region's GDP is projected to increase by 2.5 per cent.

Business environment is crucial to attracting investment to this region. It can be improved by securing electricity, gas and water supplies and developing road infrastructure

Additionally, the bridge will be linked to the Padma Rail Link Project, which is expected to turn Bangladesh into a sub-route of the trans-Asian rail network and accelerate GDP growth by approximately 1 per cent. By doing so, Bangladesh will be able to maintain a railway network with Bhutan, Nepal and India.

The bridge will improve transportation to the southwestern districts and reduce the distance between Dhaka and the port of Mongla. Increased cargo movement between Dhaka and the Mongla Port will also reduce congestion in the port of Chattogram.

It is expected that the travel time between the Dhaka division and the southwestern region will be saved by about two hours for cars and buses and over 10 hours for trucks. A 10 per cent reduction in travel time to and from Dhaka will lead to a rise in the region's economic output by 5.5 per cent, according to a study by the Japan International Cooperation Agency.

Agriculture and industry will benefit from new business opportunities brought about by improved transportation. New industrial units will be established, creating a large number of job possibilities.

The Bangladesh Economic Zones Authority is developing 17 economic zones in the region to accelerate industrialisation and economic growth. All of the southwestern districts will be covered in these areas.

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Indian firms using Asian currencies to buy Russian coal

REUTERS, New Delhi

Indian companies are using Asian currencies more often to pay for Russian coal imports, according to customs documents and industry sources, avoiding the US dollar and cutting the risk of breaching Western sanctions against Moscow.

Reuters previously reported on a large Indian coal deal involving the Chinese yuan, but the customs data underline how non-dollar settlements are becoming commonplace.

India has aggressively stepped up purchases of Russian oil and coal since the war in Ukraine began, helping to cushion Moscow from the effects of sanctions and allowing New Delhi to secure raw materials at discounts compared to supplies from other countries.

Russia became India's third-largest coal supplier in July, with imports rising by over a fifth compared with June to a record 2.06 million tonnes.

In June, Indian buyers paid for at least 742,000 tonnes of Russian coal using currencies other than the US dollar, according to a summary of deals compiled by a trade source based in India using customs documents and shared with Reuters, equal to 44 per cent of the 1.7 million of tonnes of Russian imports that month.

Indian steelmakers and cement manufacturers have bought Russian coal using the United Arab Emirates dirham, Hong Kong dollar, yuan and euro in recent weeks, according to customs documents separately reviewed by Reuters.

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A bank employee counts 100-yuan notes and US dollar bills at a bank counter in Nantong in China's eastern Jiangsu province. In June, Indian buyers paid for at least 742,000 tonnes of Russian coal using currencies other than the US dollar.

PHOTO: AFP/FILE

China's factory inflation hits 17-month low

REUTERS, Beijing

China's factory-gate inflation eased to a 17-month low in July, defying global cost pressures as slower domestic construction weighed on raw material demand, although consumer price increases hit a two-year high as pork supplies tightened.

The producer price index (PPI) rose 4.2 per cent year-on-year, the National Bureau of Statistics (NBS) said on Wednesday, compared with a 6.1 per cent uptick in June and a median analyst forecast for a 4.8 per cent increase.

China's producer price growth has slowed from a 26-year high hit in October last year, giving policymakers some leeway to stimulate the flagging economy even as central banks elsewhere scramble to hose down rampant inflation with aggressive interest rate hikes.