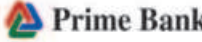




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BUSINESS


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FOREX VOLATILITY

BB limits
commission
of money
changers

STAR BUSINESS REPORT

Bangladesh Bank yesterday said that money changers would not be allowed to gain a profit of more than Tk 1.50 for each US dollar when buying and selling the greenback.

For instance, if a money changer purchases a dollar for Tk 110, it cannot be sold for more than Tk 111.50.

The decision came from a meeting between Bangladesh Bank and money changers at the central bank headquarters in Dhaka.

Ahmed Jamal, deputy governor of Bangladesh Bank, presided over the meeting.

Money changers will be permitted to purchase dollars from ordinary people in cash by offering Tk 1 more than the rate quoted by banks.

Money changers will be permitted to purchase dollars from ordinary people in cash by offering Tk 1 more than the rate quoted by banks

The price of the US dollar recently escalated to Tk 120 in the local open market thanks to the ongoing volatility in the foreign exchange market.

There is an allegation that a section of people has hoarded dollars in cash to gain profit by taking advantage of the instability, which may have created a further shortage in the open market.

Against this backdrop, several central bank inspection teams along with members of an intelligence agency carried out sudden visits to different money changers in Dhaka city.

Bangladesh Bank has already suspended the licences of five money changers and served show-cause notices to an additional 42 for their alleged involvement in the manipulation of US dollar prices in the kerb market.

The price of US dollars decreased to Tk 109 per greenback yesterday in contrast to Tk 111 in the open market the day before.

A good number of banks also took a set of measures to ease the ongoing foreign

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Customers have a look at mobile phones at a retail shop at the Bashundhara City shopping complex in Dhaka yesterday. Handset manufacturers and retailers are facing a tough time as sales have plummeted owing to higher inflation, unprecedented dollar price hike, and increased value-added tax.

PHOTO: SK ENAMUL HUQ

New UK trade scheme to ease Bangladesh's LDC graduation

Duty-free access for all exports to continue

STAR BUSINESS REPORT

All Bangladeshi exports will continue to get duty-free access to the United Kingdom until 2026 when the country will make the status graduation from a least developed to a developing nation.

After the graduation, 98 per cent of Bangladesh's products will be eligible for the benefit, according to a new trading scheme announced by the UK on Tuesday.

Garments, which make up 82 per cent of Bangladesh's total annual exports, are among the items set to enjoy the zero-duty entry benefit after the graduation, said the British high commission in Dhaka yesterday.

Analysts view it to be more beneficial for Bangladesh compared to a new scheme under consideration of the European Union.

The disclosure comes as the UK, the third biggest export destination for Bangladesh, announced a new scheme, "Developing Countries Trading Scheme (DCTS)", in place of the existing Generalised Scheme of Preferences (GSP) launched in January last year.

The UK largely replicated the European Union's GSP that provides duty-free, quota-free entry to all good except arms from the least developed countries (LDCs).

Bangladesh enjoys a trade surplus with the UK as its exports more goods than what it imports from there.

Though the latest import data from the UK is yet to be available, the Export Promotion

Bureau says Bangladesh exported goods worth \$4.8 billion in fiscal year 2021-22 to the island nation in northwestern Europe.

Under the DCTS, the UK is going to introduce a new list of "more liberal Product Specific Rules" (PSRs) designed solely for the LDCs.

Garments, which make up 82 per cent of Bangladesh's total annual exports, are among the items set to enjoy the zero-duty entry benefit after the graduation

It said the LDCs already receive duty-free and quota-free access for all their products, other than arms and ammunition.

Improvements for the LDCs are being enabled in the DCTS through the simplification of the Rules of Origins (RoOs) by simplifying and liberalising the PSRs.

This will make it easier for the LDCs to produce goods using components from other countries without losing duty-free status.

The UK, however, said the DCTS retains powers to suspend a country on grounds of human and labour rights violations and broadens these powers to include violations in relation to anti-corruption, climate change and environment conventions.

The new scheme makes it easier for the LDCs to participate in regional and global supply chains serving the UK, according to a

press release.

The new scheme, which will come into effect in early 2023, offers developing countries one of the most generous sets of trading preferences of any country in the world, said the UK's Department for International Trade.

It said the DCTS was a major milestone in growing free and fair trade with developing nations and applies to 65 countries, offering lower tariffs and simpler rules of origin requirements for exporting to the UK.

"The scheme helps countries to diversify their exports and grow their economies, while British households and businesses benefit from lower prices and more choice," said the statement.

"This new scheme demonstrates the UK's commitment to strengthening a long-term and mutually beneficial economic relationship with Bangladesh," said the British high commission.

British High Commissioner to Bangladesh Robert Chatterton Dickson said the DCTS would harness the power of trade and the private sector to enable developing countries like Bangladesh to grow and prosper.

"We look forward to increasing trade in both directions as an increasingly prosperous Bangladesh buys more high-quality UK goods and services," he said.

Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD), said the introduction of the DCTS formally dispels

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Mobile makers in trouble as sales plummet

MAHMUDUL HASAN

The nascent mobile phone manufacturing industry in Bangladesh has been hit hard by the higher inflation, unprecedented dollar price hike, and increased value-added tax as their sales have plummeted amid belt-tightening by consumers.

This is compelling the manufacturers to cut production as they are facing a crisis that they even didn't experience at the height of the coronavirus pandemic.

The smartphone segment is particularly finding itself at the sharp end of the current downturn. The sales of feature phones remain steady.

Smartphone manufacturers sold about 9-10 lakh units of devices per month in 2021. Monthly sales dropped to 6 lakh units in the last quarter.

Their claim is also corroborated by the data of the Bangladesh Telecommunication Regulatory Commission.

In January, around 14 lakh smartphones were churned out by the local manufacturing plants. It slumped to 6.7 lakh units in May and 9 lakh in June, data from the regulator showed.

"The biggest hit came in April-June as smartphone sales decreased by 35 per cent compared to the same period a year ago," said Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics

Industry people say they sold 10 lakh phones per month on average in the first six months of 2021, but it declined to 6.5 lakh in the identical period of 2022.

"The biggest hit came in the April-June period as smartphone sales decreased by 35 per cent compared to the same period a year ago," said Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics, Samsung's local assembly and manufacturing partner.

There is no sign that sales would bounce back soon as the situation is worsening day by day and the higher consumer prices and the volatility in the foreign exchange market are expected to continue in the coming months amid the raging war in Ukraine.

In Bangladesh, local handset production has made an impressive stride in recent years, aided by the government's huge tax benefits unveiled in the fiscal year of 2017-18.

Since then, 14 plants have been set up, creating

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| STOCKS | | | |
|--------|----------|-----------|--|
| | DSEX ▲ | CASPI ▲ | |
| | 0.24% | 0.30% | |
| | 6,241.43 | 18,369.92 | |

| COMMODITIES | | | |
|-------------|-------------|--------------|--|
| | Gold ▼ | Oil ▼ | |
| | \$1,771.51 | \$86.55 | |
| | (per ounce) | (per barrel) | |

| ASIAN MARKETS | | | | |
|---------------|-----------|-----------|-----------|----------|
| | MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| | ▲ 0.70% | ▲ 1.23% | ▲ 0.28% | ▲ 0.45% |
| | 60,260.13 | 29,222.77 | 3,262.76 | 3,292.53 |

FBCCI, ILO team up to boost workplace safety

Will cover 10 priority sectors

STAR BUSINESS REPORT

The International Labour Organisation (ILO) yesterday signed an agreement with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) to enhance workplace safety and healthcare facilities in 10 priority economic sectors.

To this end, they will conduct a number of capacity-building and promotional activities at institutional as well as enterprise levels, the FBCCI said in a press release.

These activities will be supported by ILO's RMG programme funded by Canada and the Netherlands, it said.

Under the agreement, 15 safety units will be set up in different industries, including electronic and electrical, chemical, plastic, light engineering, leather, food processing, furniture, printing and packaging, domestic RMG and steel rerolling, according to the statement.

Simultaneously, 2,400 safety representatives and 100 safety committees will be developed to improve awareness and capacity on workplace safety and health among employers and workers.

ILO Bangladesh Country Director Tuomo Poutiainen and FBCCI President Md Jashim Uddin were present at the signing of the agreement at the FBCCI auditorium in Dhaka.

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As per a deal between the ILO and the FBCCI, fifteen safety units will be set up in different industries, including steel rerolling, electronic and electrical, chemical, plastic, light engineering, and domestic RMG.

PHOTO: STAR

Tea garden workers get Tk 400 in daily wages, benefits

Owners' assoc says

STAR BUSINESS REPORT

Bangladesh Tea Association (BTA) yesterday said tea garden workers get wages and benefits amounting to at least Tk 400 per day.

"Although the daily wage of labour in tea gardens is said to be much lower, a worker gets wages and benefits amounting to at least Tk 400 per day," the association said in a statement.

In addition to daily cash wages, direct benefits include overtime, annual leave allowance, festival leave allowance, sick leave allowance, provident fund allowance, attendance allowance and administrative allowance on provident fund, totalling almost twice the average daily wage in cash, it added.

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