

Genex Infosys to renew deal with Banglalink

STAR BUSINESS REPORT

Genex Infosys Ltd has decided to renew its agreement with Banglalink Digital Communications Ltd to manage the customer experience operations of the mobile phone operator for another five years.

The agreement covers the services the outsourcing providers of customer experience management has been providing since 2017, it said in a filing on the Dhaka Stock Exchange yesterday.

The entire scope has been enhanced and renewed for a further five years. Thanks to the service, Genex Infosys is expected to generate Tk 12 crore as revenue per year.

Shares of the company were unchanged at Tk 75.70 on the DSE yesterday.

Oil price rises as Russia threatens to halt supply

REUTERS, London

Oil prices rose on Wednesday on threats that Russia will walk away from its energy supply contracts, reversing losses from earlier in the session when prices fell to their lowest since Russia invaded Ukraine.

Brent crude futures were up 85 cents, or 0.92 per cent, at \$93.68 a barrel by 0931 GMT, having earlier hit their lowest since February 18 at \$91.20.

US West Texas Intermediate crude futures gained 80 cents, or 0.92 per cent, to \$87.68. The benchmark had earlier fallen to a session low of \$85.08, the weakest since January 26.

Oil rebounded after President Vladimir Putin said on Wednesday that Russia will stop supplying gas and oil if price caps are imposed on Russia's energy resources.



The retail prices of some fast-moving consumer goods increased recently due to some factors such as a rise in the prices of raw materials and fuel, higher shipping and transportation costs, and volatility in the foreign exchange market.

PHOTO: STAR

FMCG retail price hikes to be verified for reasonability

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The Directorate of National Consumers Right Protection (DNCRP) will form a committee to investigate whether recent hikes in the retail prices of fast-moving consumer goods (FMCG) were a reasonable ripple effect of external factors.

The factors include a rise in the price of raw materials, fuel, shipping and transportation costs and exchange rate of the dollar against the taka.

The four-member committee will comprise representatives from the Bangladesh Trade and Tariff Commission, The Institute of Cost and Management Accountants of Bangladesh, DNCRP and FMCG manufacturing companies.

The committee will begin its work next week.

Recently, consumers complained to the DNCRP that some companies involved in the FMCG business have

unreasonably increased the prices of various products.

In view of this, a meeting was held at the directorate's office at Karwan Bazar in Dhaka yesterday when the DNCRP asked to know from representatives of the FMCG companies the reason behind the price hikes and the rates of increases.

In the meeting, officials of Unilever Bangladesh, Advanced Chemical Industries (ACI), Square Toiletries and the Kallol Group of Companies explained why they increased the prices.

"The resolution of today's meeting will be prepared tomorrow (today). Then the committee will be formed," said AHM Shafiquzzaman, director general of the DNCRP.

"We will see the companies' cost sheets, at what price they are buying the raw materials and then at what price they are selling the products," he said.

"Only then will it be understood whether the price

increases are reasonable or unreasonable. Then a report will be prepared. It will be submitted to the commerce ministry," he added.

At the beginning of the meeting, Shafiquzzaman told the representatives that common people believed that they had unfairly increased the prices. "That's why you have to make it clear to the consumers," he said.

"The cost sheet is a very confidential document. Sharing it is a big challenge," said Zahidul Islam Malita, chief financial officer of Unilever Bangladesh.

"Questions may arise in the minds of many people whether the amount of price increase is reasonable or unreasonable," he said.

"Some 80 per cent of the raw materials of our industry is imported. The increase in the price of raw materials and the dollar price hike impacted the business," he added.

"When the price of a product increases, the consumer will reduce its consumption. However, considering the overall situation, the price has been increased," Malita added.

Officials of the remaining three companies echoed him.

This correspondent went around two markets in the capital yesterday.

A well-known brand of bath soap weighing 150 grammes sold for Tk 58 a year ago but now was going for Tk 75, meaning that it had undergone a 29 per cent price increase.

Similarly, a 500-gramme packet of detergent priced at Tk 60 in January is now selling for Tk 90. This means, the price has increased by 50 per cent in a span of eight months.

In the case of a 100-gramme toothpaste, the price had gone up from Tk 70 to Tk 75 in the April-May period to Tk 85 to Tk 95 at present, meaning a rise of 21 per cent to 27 per cent.

Fairs on printing, packaging kick off today

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Two fairs on printing and packaging will begin today in Dhaka to showcase the latest digital printing and packaging machinery.

Both fairs -- the 2nd edition of PRINTECH Bangladesh 2022 and 3P Bangladesh -- will be held simultaneously at the International Convention City Bashundhara for three days till September 10.

The Printing Industries' Association of Bangladesh (PIAB) and ASK Trade & Exhibitions Pvt Ltd is organising PRINTECH Bangladesh 2022, which focuses on printing machinery, parts and consumables.

Meanwhile, Futorex Trade Fair and Events Pvt Ltd of India is organising 3P Bangladesh, which is related to paper, plastic and packaging.

Nearly 100 companies from different countries are participating in the twin expo under one roof.

Industry people will be able to source the latest technology for the verticals of offset printing, digital printing, sublimation printing and textile printing from local and international suppliers, organisers said at a press conference at a hotel in Dhaka yesterday.

"Our sector is picking up steam post Covid and PRINTECH Bangladesh 2022 will address the needs of our members looking to expand, upgrade or diversify," said Shahid Serneabat, chairman of the PIAB.

Tipu Sultan Bhuiyan, managing director of ASK Trade & Exhibitions, said it has been over two years since they were able to do any shows in the country due to Covid-19.

"The response of the exhibitors has been encouraging. It will be very useful for visitors to witness new innovations in printing, plastic, packaging and paper," he added.

There are about 7,000 printing industries currently operating in the country. Of these industries, almost 2,000 printing houses can be considered as modern and updated in technology, according to the PIAB.

The current market size of the printing industry is over Tk 4,000 crore a year, of which Tk 160 crore is export oriented. About 3 lakh people are employed by the sector.

Dhaka Bank, MTB savings schemes in bKash

STAR BUSINESS DESK

Dhaka Bank and Mutual Trust Bank recently signed an agreement with bKash to offer digital savings schemes through the mobile financial service provider's app.

The schemes have monthly instalments of Tk 500, Tk 1,000, Tk 2,000 and Tk 3,000 and maturity periods of two years to four years, after which the entire amount including the profit can be availed at zero expense, said a press release.

Customers need to click on 'savings (in bank and financial institution)' icon from the home screen of bKash app and follow some easy steps to open savings account.

PM urges Indian firms

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wide array of facilities, attractive incentive policies, and consistent reforms.

She appealed to Indian importers to look at Bangladesh which, equipped with improved manufacturing capacity, is prepared to supply quality products at competitive prices to the Indian market.

"We, therefore, invite Indian importers to look at Bangladeshi products that are being imported at higher prices from countries far away."

For Indian investors, two dedicated special economic zones at Mongla and Mirsharai are being developed.

"I would urge the business houses present here today to invest there," she said.

"The country is uniquely located to enable Indian investors to export their products not only to the northeastern states of India but also to Nepal, Bhutan, and Southeast Asian countries."

The premier called Bangladesh India's most important development and trading partner.

India also receives the highest number of tourists and medical patients from Bangladesh. Thousands of Indian nationals are working in Bangladesh, contributing to both economies.

"Indeed, the time is ripe for the Indian business community to focus more on Bangladesh and take advantage of its economic growth, cheaper cost and huge consumer base," Hasina said.

The prime minister said she is confident that the deep bonds of friendship existing between Bangladesh and India will continue to grow and flourish.

"As it does, the business communities of both countries should draw closer and play their due role in fostering mutual prosperity and economic advancement of our people. Thus, we would be able to bring prosperity and peace in the region."

Hasina said it was heartening to note that despite the ongoing challenges, India is among the fastest growing major economies in the world.

Bangladesh's economy also grew at a healthy pace in the last decade, crossing 7 per cent in the fiscal year of 2015-16 and 8 per cent in FY2018-19.

Since 2009, per capita income surged three times from around \$1,000 to more than \$2,800, according to the prime minister.

Bangladesh is also self-sufficient in food and is now one of the largest global producers of rice, vegetables, grains, and fresh-water fish -- to name a few, she said.

Foreign remittance increased to \$21.03 billion in FY2021-2022.

"These indices reflect the strength of Bangladesh's economy," she said.

In the last 10 years, the total trade between the two countries posted impressive growth, with the balance heavily tilting towards India.

Hasina said successful ventures call for policy-makers and business leaders to know each other, share ideas and understand respective priorities, prospects and future plans.

The present business summit in Delhi "will hopefully enable reflection on mutual collaboration on enhancing business, trade, investment between our friendly countries," she added.

In the past, Bangladesh had suffered from natural calamities. But today, it is a global example of disaster preparedness and management.

"It has also achieved huge socio-economic success and attained impressive growth and is thus dubbed as a development miracle," Hasina said.

At present, 100 special economic zones and 28 high-tech parks are being established to encourage investment and accelerate economic development.

The government has implemented mega projects to accelerate the growth of industries and take full

advantage of Bangladesh's strategic location.

The Padma Bridge, the country's longest bridge entirely funded by domestic resources, has connected 21 southern districts directly with Dhaka and other parts of the country and is expected to boost the country's gross domestic product by 2-3 per cent, she said.

She listed several infrastructure projects that have been initiated in the last decade.

They include the MRT Line 6, the country's first metro rail project, and Karnaphuli Tunnel, the first and longest underwater road tunnel in South Asia as well as Rooppur Nuclear Power Plant, Dhaka Elevated Expressway, and Dhaka Airport Third Terminal.

"Once completed, they would contribute substantially to Bangladesh's GDP growth," said Hasina.

Bangladesh, India

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can really take us to a level where everybody can see a better life both in India and Bangladesh."

"Agriculture has been one of the many success stories of Bangladesh and in today's world after the pandemic, food security has been critical for every country," said Salman F Rahman, private industry and investment adviser to Prime Minister Sheikh Hasina.

"We want to further capitalise on our manufacturing capabilities along with agro-processing business in Bangladesh," he said.

"We need to further strengthen the relationship between Bangladesh and India in areas that will help bring benefits to the people of the two countries in a way that is long-lasting and based on respect and trust for each other," said G Kishan Reddy, minister for development of north eastern region, tourism and culture in India.

Europe recession risk 'rising' as energy shock bites

AFP, Brussels

The threat of recession is rising in Europe, a top EU official warned on Wednesday, as skyrocketing energy prices caused by Russia's invasion of Ukraine punish the economy.

"Uncertainty remains exceptionally high and the risk of a recession is rising," EU economics affairs commissioner Paolo Gentiloni told a conference at Bruegel, a think tank in Brussels.

"We may well be heading into one the most challenging winters in generations," he added.

Gentiloni, a former Italian prime minister, said "a number of warning lights are flashing red" all while the "Russian war continues".

"Energy prices have shattered new records, inflation has continued to climb and economic sentiment is deteriorating," he said.

However, the economic picture was not all "doom and gloom", Gentiloni said, with employment in Europe still strong and supply

chain problems stemming from the coronavirus pandemic beginning to get solved.

Crucially, Gentiloni said the European economy had outperformed expectations in the second quarter of 2022.

According to the latest data from the EU's Eurostat agency, eurozone GDP grew by 0.7 percent in the first quarter and 0.8 percent in the second quarter. The EU as a whole grew 0.8 percent in the first quarter and slowed only slightly to 0.7 percent in the following April to June period.

Faced with such challenges, Gentiloni urged EU countries to "intervene as needed in a spirit of solidarity" -- a veiled reference to old battles that pitted richer nations against poorer and more vulnerable ones.

"If we remain united ... we can ensure that the coming months will not be remembered as the winter of our discontent -- but as the harbinger of a new European spring," he added.

BGMEA focuses on Asia

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The UK and Australia have confirmed that they will retain the LDC duty privilege even after graduation. The EU has said it would keep offering the trade privilege until 2029.

Inadequate gas supply, the price fall of garment items globally, a lack of skilled workforce, an inefficient port operation, and poor road and highways connectivity are other major challenges cited by Hassan.

For instance, the price of apparel products shipped from Bangladesh to

the EU declined by 3.64 per cent, and by 7.04 per cent in the US from 2014 to 2018, a BGMEA study said. During the period, the cost of production went up by 30 per cent.

He thinks the current slowdown in garment shipment stemming from the impacts of the Russia-Ukraine war and higher inflationary pressures in the continent are temporary.

"The brightened image of the sector will also help bring orders from international retailers and brands," he said, adding that the \$20-billion

Saudi GDP up 12.2pc in Q2, exceeding initial estimate

REUTERS, Dubai

Saudi Arabia's real gross domestic product expanded by 12.2 per cent in the second quarter compared with the same period of 2021, data showed on Wednesday, as the world's top oil exporter reaps the rewards of high crude prices and a post-pandemic recovery.

The second quarter growth figure exceeded a flash government estimate at the end of July of 11.8 per cent GDP growth. The economy grew 2.2 per cent from the first quarter.

"The growth is mainly due to the high increase in oil activities by 22.9 per cent year on year," the General Authority for Statistics said. The oil economy grew 4.4 per cent in the second quarter from the first quarter.

Non-oil activities rose by 8.2 per cent on an annual basis and 4.5 per cent from the first quarter. Government activities grew by 2.4 per cent in the year to end-June, a 0.4 per cent rise compared to the first quarter.

domestic primary textile sector is capable of supplying raw materials to the garment industry.

Because of the lingering trade tension between Washington and Beijing, a lot of US-bound orders are shifting to Bangladesh from China.

Last year, garment exports to the US grew 51.57 per cent to \$9.01 billion, EPB data showed.

"Moreover, buyers are re-directing orders from Vietnam, India, Pakistan, Ethiopia, and Myanmar," said the BGMEA chief.