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Public debt law becomes effective

Jail, fines for false info while buying savings certificates

STAR BUSINESS REPORT

A saver will face a maximum of six months of imprisonment, Tk 100,000 in fine, or both, if he or she provide false information while buying savings certificates under the new Public Debt Act 2022, which replaced the British-era law.

The government issued a gazette to this effect on Wednesday. It came into effect immediately.

The bill was passed by a voice vote after Finance Minister AHM Mustafa Kamal tabled it in parliament last week. The legislation replaced the Public Debt Act 1944, which was extended on several occasions.



With plans to raise its share in global apparel market to 10 per cent by 2025, Bangladesh regularly hosts various events and expos to showcase "Made in Bangladesh" products at home and abroad. Here, a worker is seen putting price tags on American Eagle jeans produced locally. PHOTO: RAJIB RAIHAN

If anyone invests in savings certificates and does not withdraw the interest within six years, the government will not bear any liabilities

The old law did not define fines for law violations, whereas the new law includes 40 sections for a sustainable debt policy and planning, risk assessment, and the increase of government duties.

The law also states that a court can't hear charges brought about by anyone other than the Bangladesh Bank or the National Savings Directorate.

If anyone invests in savings certificates and does not withdraw the interest within six years, the government will not bear any liabilities.

A new provision has been incorporated into it for running a shariah-based deposit system alongside the normal deposit system.

Since the debt system in Bangladesh has witnessed a radical change, the Finance Division has designed the new law with a precise guarantee against the debt taken by the government from people that they would get back the deposited money anyhow.

BGMEA targets 10pc global market share by 2025

STAR BUSINESS REPORT

Local garment manufacturers have set a target to raise Bangladesh's share in the global apparel market to 10 per cent by 2025 from below 7 per cent now by adding new products and entering new markets.

By 2022, they want to lift the market share to 8 per cent from 6.8 per cent presently.

"Political stability is important for us to achieve the target," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), while disclosing the targets at a press conference at the BGMEA office at Uttara in Dhaka yesterday.

The World Trade Organisation is scheduled to announce the global market share data this month.

The global apparel market is expected to reach \$842 billion in 2025 and \$1,138 billion in 2030.

Despite heightened global uncertainty amid the ongoing Russia-Ukraine war and runaway inflation, local garment exporters are bullish as work orders are shifting from China to Bangladesh largely because of the lingering trade tension between the two largest economies in the world and a dearth of workers in

the Chinese apparel sector.

The Asian markets such as India and Japan will be major focus for the BGMEA as it looks to capture the 10 per cent stake and earn \$100 billion through apparel exports by 2030.

Shipment to Japan has already

He also suggested the government accept India's free transit offer that was extended last week during the meeting in New Delhi between Bangladesh's Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi.

the same apparel item produced from MMF would bring \$10.

Of the garment items shipped from Bangladesh, 74 per cent is made from cotton fibre and the rest from MMF.

By contrast, MMF accounts for 78 per cent of garments sold globally, and only 22 per cent is made from cotton fibre.

Bangladesh is also eyeing a big pie of the \$224 billion global technical textile markets, which include products like personal protection equipment, hospital bed sheets, and uniforms of nurses.

Hassan said they have got better prices recently because of the price adjustment by the buyers in line with a spike in freight charges and industrial raw material costs.

He predicted a 20 per cent to 30 per cent fall in garment shipment between September and November because of the dragging war and record inflation in Europe.

Inflation in the eurozone, home to more than 60 per cent of garment items exported from Bangladesh, surged 9.1 per cent in August, the ninth straight month of spikes.

"But such a situation is temporary," Hassan said, adding

surpassed the \$1-billion mark. It rose 16.27 per cent to \$1.09 billion in the fiscal year that ended in June.

The export to India surged 69.58 per cent to \$715.41 million and to South Korea by 36.43 per cent to \$439.75 million, data from the Export Promotion Bureau showed.

"We are expecting a higher garment shipment growth in India and Japan in the near future," said Hassan.

Asia's apparel market is projected to be \$613 billion in 2022.

He cited that when there was long congestion at the Chattogram port last year, many exporters had to ship goods through the Kolkata airport to maintain the lead time.

A good quantity of items is shipped to European countries through the Colombo seaport.

Local manufacturers are also expanding their capacity to man-made fibres (MMF) along with cotton fibre to receive higher prices from international retailers and brands.

This is because if the price of a cotton-made T-shirt is \$5,



STOCK MARKET

Manipulation lives on despite surveillance

AHSAN HABIB

A common scenario in the domestic stock market is low performing stocks becoming the top gainers no matter how the market indices react.

For example, shares of certain companies that have been incurring losses for more than a decade and struggle to give their investors even a penny soared two-fold or more in the last three months even amid the bearish market.

Interestingly, the issuers repeatedly insisted that there was no reason behind their abnormal price hike but still, their stocks continued to skyrocket.

However, share values normally fall after the honeymoon period of price manipulation comes to an end and general investors become the ultimate victim, according to market analysts.

Still though, general investors rush behind manipulators in search of overnight profits, they said, adding that this tendency helps manipulators offload their overvalued stocks to general investors.



With this perspective, market analysts are questioning the effectiveness of the high-cost surveillance software used by the Bangladesh Securities and Exchange Commission (BSEC).

The manipulation of several stocks has been ongoing for long but what has the software done to stop it and were the measures effective or is the market not being monitored properly?

The software was brought on among much hue and cry that it would be effective in stopping stock manipulation in its early stage but such actions were never seen, said Faruq Ahmad Siddiqi, former chairman of the BSEC.

In many cases, stocks of small companies and junk stocks rose manifold due to manipulation but no steps were taken in the early stage, he told The Daily Star.

Inquiry committees were even formed at times but their findings were not made public in many cases.

And even when the BSEC imposed fines on some manipulators, it turned out to be a slap on the wrist considering their offence, he added.

READ MORE ON B3

India wants to invest in energy, transport: Munshi

STAR BUSINESS REPORT

Indian businesses want to invest in energy, transport and agro-processing sectors in Bangladesh, Commerce Minister Tipu Munshi said yesterday.

Besides, Adani Group has proposed to invest Tk 4,500 crore in Bangladesh, he said.

The minister spoke from his residence in Rangpur while sharing the outcome of Prime Minister Sheikh Hasina's last week's visit to India.

He said the premier's visit was fruitful, as the Indian businesses placed investment proposals during their meeting with her in India.

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Internet users rise in July

Fuelled by higher mobile data consumption

MAHMUDUL HASAN

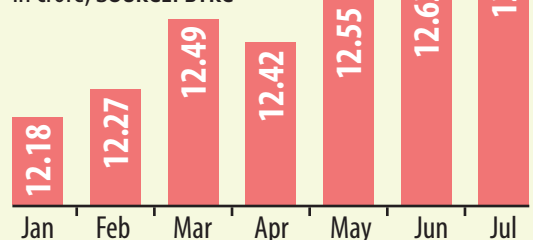
The number of internet users in Bangladesh rose in July on the back of a spike in mobile data consumption as operators try to expand their network and improve the quality of 4G service.

There were about 14 lakh new data subscribers in the month compared to June, taking the total number of internet users to 12.76 crore, data from the Bangladesh Telecommunication Regulatory Commission (BTRC) showed.

READ MORE ON B3

MOBILE INTERNET SUBSCRIBERS

in crore; SOURCE: BTRC



STOCKS		WEEK-ON WEEK
DSEX	▲ 0.79%	6,560.02
CSCX	▲ 0.62%	19,276.32

COMMODITIES		AS OF FRIDAY
Gold	▲ \$1,717.32	(per ounce)
Oil	▲ \$86.18	(per barrel)

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.18%	▲ 0.53%	▲ 0.91%	▲ 0.82%	
59,793.14	28,214.75	3,262.95	3,262.05	

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