

## Maiden int'l confce of women entrepreneurs next month

### STAR BUSINESS REPORT

With a view to connecting Bangladesh's women entrepreneurs to the global market, the maiden International Women Entrepreneurship Conference 2022 is going to be held in the country next month.

The Bangladesh Investment Development Authority (Bida) and the Bangladesh India Business Council (BIBC) will jointly organise the event at the Radisson Blu Dhaka Water Garden on November 23-24.

The Women's Indian Chamber of Commerce and Industry (WICCI) and the Association of Fashion Designers of Bangladesh (AFDB) are the partners of the conference.

The Bida disclosed this at a press conference in its conference room yesterday.

"Now is the time to create a platform to showcase women entrepreneurs globally so that women entrepreneurs can gain the global knowledge and face challenges," said Lokman Hossain Mia, executive chairman of the Bida.

"The Bida will stand by women entrepreneurs."

Mantasha Ahmed, president of the BIBC, said the Asian Women Entrepreneurs Summit 2021 and the Bangladesh WICCI Award 2021 were held successfully under the initiative of the BIBC in 2021.

"In continuation of that and on a larger scale, we have taken the initiative to organise the International Women Entrepreneurs Conference," she said.

Dignitaries, noted entrepreneurs and corporate leaders from 50 countries are expected to participate in the conference.

"Through the conference, it will be possible to build a strong network for the women entrepreneurs at the international level, connect the women entrepreneurs of Bangladesh with the global market, and attract domestic and foreign investment in the country's women-led business sector," Mantasha said.

Zara Mahbub, director for public relations at the BIBC, said, "We hope this conference will create a good networking environment which will create opportunities for our women entrepreneurs at home and abroad."

Jerin Mahmud Hossain, a director of the BIBC, Shahid Hossain Shamim, a director of the AFDB, Farzanah Chowdhury, managing director of Green Delta Insurance Company Ltd, and Rumana Daula, another director of the BIBC, also spoke on the occasion.



Cotton prices fell to around 84-85 cents per pound in the international futures yesterday from the rates between \$1.05 and \$1.06 per pound last month. PHOTO: STAR/FILE

# CHEAPER COTTON raises hopes of higher RMG work orders

### REFAYET ULLAH MIRDHA

The slowdown in demand and stronger US dollar worldwide has pushed down cotton prices in the international market, raising hopes of increased work orders from global brands and retailers among local garment makers.

Cotton prices fell to around 84-85 cents per pound in the International Futures yesterday from the previous rate of between \$1.05 and \$1.06 per pound last month.

"We may receive more work orders from abroad because of the price fall of cotton but at the same time, global retailers and brands will put pressure on local suppliers to reduce prices," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

So ultimately, local garment suppliers might not be greatly benefited from the significant price fall of cotton, he added.

Similarly, local spinners, millers and cotton importers may not have reason to cheer for the fall in cotton prices because they already have unsold stockpiles of yarn.

Razeeb Haider, director of the Bangladesh Textile Mills Association, said spinners currently have a lot of unsold yarn in their mills because of lower demand from garment manufacturers.

So, the spinners might not be benefited from the price fall of cotton in international markets, he said, adding that higher inflation and lower demand has put them in a tight corner.

Moreover, spinners cannot spin cotton adequately because of low gas pressure that has restricted production by almost 50 per cent.

In addition, importers do not feel encouraged to import more cotton because of the higher price of US dollar, he added.

As such, Bangladesh cannot take the

opportunity of lower cotton price now, Haider said.

Bangladesh imports 9.5 million tonnes of cotton annually at a cost of more than \$3 billion.

Global cotton production is up 1.4 million bales at 118.4 million, and stocks are projected higher this month and unchanged from the previous year, according to United States Department of Agriculture (USDA) last month.

Consumption is down slightly at 118.6 million bales with lower projected use in Pakistan and Vietnam.

Global trade is unchanged though as higher US exports more than offset lower shipments of the fibre from Brazil.

The US balance sheet shows higher beginning stocks, production, exports, and ending stocks. Production has grown to 1.3 million bales with larger prospects for most major producing states compared with last month, the USDA report said.

## Deadline to export hilsa to India extended to Oct 5

### STAR BUSINESS REPORT

The government has extended the deadline for exporting hilsa to India to October 5 following pleas from traders, according to a circular from the commerce ministry yesterday.

The latest extension came after the previous deadline expired on September 30.

Bangladesh plans to export around 3,000 tonnes of hilsa to India on the occasion of the Durga Puja, the biggest religious festival of the Hindu community.

The country has been exporting hilsa to India for the last three years as a goodwill gesture 15-20 days ahead of the Durga Puja festival, said Commerce Minister Tipu Munshi, according to news agency BSS.

Sixty companies have received approval from the ministry to ship a maximum of 50 tonnes each. Last year, the government gave nod to 115 firms to export 4,600 tonnes of the popular fish to the neighbouring country. But only 1,100 tonnes were ultimately exported.

## Nagad offers up to Tk 1,000 cashback for mobile recharge

### STAR BUSINESS DESK

Nagad has launched a campaign, under which the mobile financial service provider offered up to Tk 1,000 cashback for mobile recharge.

This campaign will remain effective from October 3 until any further directive is issued.

The cashback will be available in the 'Nagad Account' within one working day of each mobile recharge, upon fulfilling the conditions applicable under this campaign.

A newly registered Nagad customer will be entitled to 20 per cent, but a highest Tk 300, cashback on any amount of mobile recharge in his/her own number in the initial two months.

The customer will be given up to Tk 400 cashback at a rate of 20 per cent on mobile recharge of any amount in his/her own number in the third month.

A customer will be able to recharge his/her number as many times s/he wishes but the highest limit in accordance with the offer is Tk 1,000.

## India factory growth dips to 3-month low

### REUTERS, Bengaluru

India's factory growth dipped to a three-month low in September due to a moderation in demand and output, despite easing inflationary pressures and strong business confidence, a private survey showed.

The Manufacturing Purchasing Managers' Index (INPMI-EI), compiled by S&P Global, fell to 55.1 in September from 56.2 in August, below the 55.8 predicted by economists in a Reuters poll. The pace of growth was still solid, however, and was above the 50-mark separating growth from contraction for a 15th straight month.

## Govt getting ready for CEPA talks

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Last fiscal year, Bangladesh imported goods worth \$16.19 billion from India, the second biggest source of imports after China.

The Bangladesh government also generated more than Tk 15,000 crore from the import duty from India.

Also last month, a joint study said Bangladesh might not make a large gain from the proposed CEPA as Bangladesh would lose its duty-free market access benefit to the Indian markets which was provided for it being a least developed country (LDC).

Comparatively, India will make a larger gain from the trade deal primarily because through the removal of high tariff rates which it currently faces in Bangladesh, said the Joint Feasibility Study on the CEPA.

Bangladesh Foreign Trade Institute (BFTI) and the Indian Centre for Regional Trade (CRT) jointly conducted the study last week based on trade data of both countries between 2015 and 2020.

Prime Minister of Bangladesh Sheikh Hasina and Prime Minister of

India Narendra Modi on September 5 discussed the proposed CEPA negotiations during an official visit of Hasina to India.

The CEPA is a part of Bangladesh's preparations for retaining duty benefits once it makes the United Nations status graduation from an LDC to a developing nation in 2026.

Moreover, Bangladesh has the potential to benefit from the trade of services in tourism, transport and educational cooperation and also creation of jobs locally from Indian investment.

However, Bangladesh should slowly liberalise or maintain a list of sensitive products which is widely practised in signing such deals worldwide, experts said.

Therefore, the trade relationship with India is dominated by imports. If goods and services through informal channels were considered, imports from India would increase substantially. India is an important travel, education, and health tourism destination for Bangladesh, the study said.

Bangladesh is one of the most protected economies in the world

with the nominal protection rate being as high as 27 per cent.

If Bangladesh signs an FTA with India, leaving the current high tariff rates unchanged, trade diversion effects will be substantial.

It has been estimated that an FTA or CEPA-kind of agreement with India alone could result in trade diversion worth of \$700 million, said MA Razaque, research director of Policy Research Institute (PRI).

This is the amount of trade that is now taking place with other countries but would be lost due to preferential tariffs granted to one country, he said last month.

Furthermore, about 14 per cent of Bangladesh's imports are sourced from India with an average applied tariff rate of more than 20 per cent.

"We have estimated that the potential tariff revenue loss from a comprehensive bilateral goods trade agreement with India will be to the tune of around \$2 billion," he added.

Some 67.3 per cent of the total capital goods imports from India were duty free followed by 56.9 per cent of fuel imports and 30.2 per cent of industrial supplies.

## Robi gets new CEO

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Sethi's appointment came at a time when Robi and the other two operators have an opportunity to expand their market share as the telecom regulator has imposed a ban on new SIM sales by Grameenphone, the largest operator in terms of subscribers.

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In a press release, joint acting group CEOs of Axiata Group Berhad, Hans Wijayasuriya and Vivek Sood, said, "On behalf of the Axiata Group Management, we take great pleasure in welcoming Rajeev to the Robi family." "With market leadership in 4G and

digital innovation, Robi is now well-poised for its next wave of growth. At this point in Robi's journey, we are very happy to have a widely regarded prolific growth driver like Rajeev Sethi taking on the leadership role of Robi." "As the company prepares to celebrate its 25th year of operation, Rajeev's leadership will certainly generate fresh momentum for Robi's competitive strides in the Bangladesh market."

On assuming the role of Robi's CEO, Sethi said, "I am very excited to have the privilege of working with the leading digital company of Bangladesh, Robi Axiata Limited."

"Over the years, it has truly evolved into a digital telco that thrives on innovation. The best part is that the culture of innovation is deeply entrenched in Robi which bodes well for future growth. I am

very confident that with the support of the team Robi, we can make a significant gain in market share in the coming days."

Sethi has significant ICT industry experience, including executive engagements in companies such as Vodafone, HP, Hutchison Telecom and Asian Paints.

Sethi joins Robi following notable success in turning around Myanmar's leading mobile operator, Ooredoo, as its CEO. He attained an MBA in marketing, finance and operations from the Indian Institute of Management in Lucknow.

In July, Robi had 5.48 crore mobile phone subscribers in a market of 18.40 crore, just behind market leader Grameenphone, which has 8.4 crore subscribers, showed data from Bangladesh Telecommunication Regulatory Commission.

## Rampal power plant to take time

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the Sundarbans mangrove forest.

The plant is approximately costing \$2 billion, of which \$1.6 billion is being sourced as Indian Development Assistance under a concessional financing scheme.

Bangladesh Premier Sheikh Hasina and India's Prime Minister Narendra Modi virtually inaugurated one of the plant's two units on September 6 during an official visit of the former to Delhi.

At that time, it was announced that the plant would start running on the first week of October.

"We have started trial..production capacity showed 160MW so technical setups are required to take the generation capacity of a single unit to the targeted 660MW," said Sayeed Akram Ullah, managing director of Bangladesh-India Friendship Power Company last week.

"We are expecting it would take at least mid-November to go into commercial generation of power as it is not the type of work that can be completed overnight..it is a technical work related to technology," he said. Akram hopes for the second unit to start running in April next year.

Regarding the construction of the plant's three jetties, he said one was complete.

The three will enable unloading 5,000 tonnes of coal in four hours, which is the amount of fuel the two units will need every day to produce 1,320MW of electricity, he said.

Sources informed that coal-laden ships were already at the site awaiting unloading and being paid demurrage. Another issue was that draft of the Pasur river adjoining the plant was less than four metres, for which multiple lighters were needed instead of the mother ship coming right in.

This requires dredging, said Akram.

Subash Chandra Pandey, director of the project, did not provide any comment in this regard.

## Three factors

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year-on-year to \$20.69 billion in the first three months of the fiscal year.

REPEATED CHANGES TO EXCHANGE RATE REGIME

The central bank has seemed to

be in a quagmire while setting the exchange rate of the taka against the dollar since volatility hit the foreign exchange market.

The BB had followed a fixed exchange rate for a long time to ensure a stronger local currency, albeit artificially. But such a stance has come under pressure once reserves started depleting to keep the wheels of the economy moving.

In June, the BB decided to move towards a floating exchange rate when remittances started to decline sharply. It later backpedalled when the taka lost its value sharply against the dollar.

The US dollar traded at Tk 105.20 on October 2, up 23 per cent year-on-year. On September 12, banks were allowed to set the exchange rate under the guidance of the central bank.

"The repeated changes to the exchange rate regime have adversely affected the remittance flow," Hussain said.

Despite a surge in the outflow of migrant workers, remittances declined 11 per cent year-on-year to \$1.54 billion in September, the lowest in seven months. Migrant workers sent home more than \$2 billion each month between July and August.

"There is no reason for the remittance to fall in September as a record 7.84 lakh migrant workers left the country for jobs abroad in the first eight months of this year," said Hussain. Experts blame the hundi, an illegal cross-boundary financial transaction system, for the falling remittance.

Expatriate Bangladeshis used to get as high as Tk 115 for each dollar if they sent the money through the official channel. But as per a decision taken by banks last month, no lender now offers more than Tk 108 for a dollar from foreign exchange houses, which facilitate remittance transfers.

"The central bank should follow a uniform exchange rate instead of multiple fixed exchange rates," said

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"If the fluctuation in the exchange rate regime persists, the remittance flow will continue facing difficulties."

In addition, exchange houses might not have remitted the money immediately so that the foreign exchange market faces further volatility and they can gain from the situation.

He hopes remittance flow would accelerate within a few months if a proper policy action is taken.

"Law enforcement agencies should take strict actions against the people involved in hundi," said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

AUSTERITY MEASURES NOT FOLLOWED PROPERLY

Although the government earlier took various initiatives to implement austerity measures, no significant progress to this end is visible.

The country has been enforcing power outage since July to save diesel amid its spike in price globally, in a bid to cut consumption and save US dollars. It has also stopped importing liquefied natural gas, sending the supply of natural gas low amid inadequate domestic generation.

But since factories are facing more than 10 hours of load-shedding nowadays, many manufacturers have turned to diesel owing to a lower pressure of gas and power supply, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, on Sunday. As a result, the consumption of diesel has increased, he said.

Zahid Hussain urged the government to stop the implementation of development projects funded by the domestic resources. This is because a large amount of US dollars is required to implement such projects and it is mobilised from the local source. Although the government had earlier taken a decision not to implement such projects, adequate action is not visible. "Austerity measures are also important for the private sector," said Mansur.