Two more RMG units get global green recognition

Total number of LEED certified factories now 173

REFAYET ULLAH MIRDHA

The number of green garment factories in Bangladesh has reached 173 as two more units received the Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council (USGBC) yesterday.

Of the two factories, Aman Tex Limited located in Boiragirchala of Gazipur received the highest-rank of platinum while Ayesha Fashion Ltd in Dhaka received gold, the second highest ranking.

Sharaf Apparels Washing and Dyeing Industries, Debonair Limited and Orbitex Knitwear Limited in Ashulia, and Fatullah Apparels in Jalkuri of Narayanganj received platinum level LEED certifications from the USGBC last month.

Of the total number of green garment units in the country, 54 are platinum, 105 gold, 10 silver and 4 are only certified, according to data from Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Some 550 more factories are registered with the USGBC to be LEED certified.

Nine of the top 10 green factories in the world are located in Bangladesh.

Also, 41 of the 50 greenest garment factories are located in the country, making it the global champion in green garment units.

Md Shahidullah Azim, vice-president of the BGMEA, said although international retailers and brands do not pay any additional price for the green initiative, local manufacturers are building LEED certified green factories to be compliant and brighten the industry's image as well as that of the country.

Buyers always pressure local manufacturers to comply with environmental and ecological protection guidelines in the production of garment items.

However, international retailers and brands were asked to tag the green logo on garment items produced in the green factories but they are not following this instruction, Azim said.

The BGMEA vice president then said they have long been pushing global buyers to pay additional prices for garments purchased from green factories as more money is spent for the construction of these units.

After the nation's two deadliest industrial disasters -- the fire at Tazreen Fashions and collapse of Rana Plaza -- local apparel makers started constructing green garment factories mainly to brighten the image of the sector and the country among international communities.

KDS Accessories' profit up 6pc

STAR BUSINESS REPORT

KDS Accessories Limited's profit rose nearly 6 per cent year-on-year to Tk 16.58 crore in the year that ended on June 30, 2022.

The profit stood at Tk 15.66 crore a year ago, data from the Dhaka Stock Exchange (DSE) showed.

The company reported earnings per share of Tk 2.33 for 2021-22, against Tk 2.20 a year ago.

The net asset value, which is the value of an entity's assets minus the value of its liabilities, rose to Tk 25.58 per share from Tk 24.75.

KDS's net operating cash flow, which refers to the amount of cash a company generates from the revenues it brings in excluding costs associated with long-term capital investment, went up to Tk 8.97 per share from Tk 6.58.

The board of directors recommended a 16 per cent cash dividend for 2021-22, according to a filing on the DSE yesterday. It was 15 per cent in the previous financial year.

The company supplies a range of apparel trims and packaging products and services. The products include general packaging boxes, sewing threads, hangers, poly bags, buttons, gum tapes, woven labels, printed fabric labels, elastics and narrow fabrics, heat transfers and offset printing, according to its website.

Shares of KDS Accessories closed 0.13 per cent higher to Tk 77.40 on the DSE yesterday.

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- First green bond
- First zero-coupon green bond

"I am seeing an oasis of growth here in Bangladesh. Not only it is resilient, but it is also one of the few countries that continued to expand during the pandemic and – as I understand – grew more than 17 per cent over the last three years.

BENJAMIN HUNG
CEO of Standard Chartered for Asia

Bangladesh – an oasis of growth

Says Standard Chartered CEO for Asia Benjamin Hung

SOHEL PARVEZ

Bangladesh is currently weathering a period of heightened external pressure and economic headwinds like it has done since the outbreak of the coronavirus pandemic and kept growing, said a top official of a multinational bank.

"I am seeing an oasis of growth here in Bangladesh. Not only it is resilient, but it is also one of the few countries that continued to expand during the pandemic and – as I understand – grew more than 17 per cent over the last three years," said Benjamin Hung, chief executive officer of Standard Chartered for Asia.

He was in Dhaka recently. During the visit, he met the finance secretary and the governor of the Bangladesh Bank.

"It is great to hear their plans to diversify Bangladesh's industries – augmenting the strength you have developed from the garments industry to other sectors, from investments into infrastructure, remittances, and a whole variety of aspects favouring the development of Bangladesh."

Besides, he met with many corporates and was encouraged by both the foresight and desire of the country to follow through to the next chapter.

"I am confident in Bangladesh's great potential to take its economy further forward," he told The Daily Star in an interview.

Hung has been working at Standard Chartered since 1992 and was appointed as the CEO of Standard Chartered for Asia in January 2021. He also sits on the group's management team and is the chairman of Standard Chartered Bank (China) Ltd.

According to him, the financial sector of Bangladesh is one of the top 10 FDI-attracting sectors with major inflows from the UK, the US, and China.

A burgeoning middle-class is sending demand higher for increasingly sophisticated financial products and a dynamic mobile financial services sector is causing ripples of disruption across the pyramid, driving financial inclusion.

"The confluence of shifting consumer patterns and technological investments has led to digital channels experiencing unprecedented growth. Domestic banks are becoming increasingly sophisticated."

Hung was bullish about Bangladesh's potential.

"Bangladesh strikes me as a country of immense opportunities. It is weathering a period of heightened external pressure and economic headwinds that have impacted many economies. With economic growth trajectory remaining stable and with the mitigatory effects of policy actions being visible, it seems that Bangladesh remains on course to achieve sustainable growth."

In his view, there are some key strategic levers the country could draw on to accelerate growth. One is mobilising investment to address the infrastructure deficit.

"Economies need to be more connected than they are now, both within and outside their borders. It is not just about the obvious infrastructure – bridges, railroads, ports, but digital infrastructure as well."

Bangladesh needs an estimated $320 billion of infrastructure investment by 2030 if it is to fulfil its potential to act as the gateway to the massive regional markets in South Asia and Asean.

"Developing viable and efficient financing strategies that mobilise

READ MORE ON B2

Stocks tumble as economic crisis deepens

STAR BUSINESS REPORT

Both Dhaka and Chittagong stock exchanges closed lower yesterday snapping their three-day gaining streak as the clouds over the economy darkened further after a fall in exports and remittance receipts in September.

Exports fell 6.25 per cent year-on-year to $3.9 billion last month while remittances dropped 11 per cent to $1.54 billion, data from the Export Promotion Bureau and the Bangladesh Bank showed.

The weakening macroeconomic situation left investors worried.

As a result, the DSEX, the benchmark index of the premier bourse in Bangladesh, lost 13 points, or 0.20 per cent, to close at 6,518.

Both DS30, the blue-chip index, and DSES, the shariah-based index, were down 0.32 and 0.10 per cent respectively.

Of the securities, 74 advanced, 122 declined and 178 did not show any price movement.

"The stocks on the DSE slipped into red following a three-day gain as cautious investors were involved in quick profit-booking on sector-specific stocks," said International Leasing Security Ltd, a brokerage house, in its daily market review.

The market opened on a positive note but couldn't sustain its gaining streak after the mid-session and continued to fall till the end in a gradual manner.

On Sunday, the central bank raised the key interest rate by 25 basis points to 5.75 per cent to curb inflation, which is running at a multi-year high.

Moreover, export earnings and remittances declined in September that are widening the trade deficit and piling up more pressure on foreign exchange reserves.

"All the news created a negative sentiment among investors, so they decreased their participation in the market," said the brokerage house.

Turnover, another key indicator of the market, dropped to Tk 1,284 crore, down 16 per cent from the previous day's Tk 1,533 crore.

Summit Alliance Port Ltd topped the gainers' list with an 8.23 per cent rise. Lub-rref, Gemini Sea Food, International Leasing & Financial Services, and Yeakin Polymer also rose significantly.

ADN Telecom suffered the sharpest correction, eroding 6.7 per cent. Bashundhara Paper Mills, Bangladesh Monospool Paper Manufacturing, Aman Feed, and Mozaffar Hossain Spinning Mills were also on the top losers' list.

Orion Pharma Ltd became the most-traded stock with its shares worth Tk 82 crore followed by Beximco, Eastern Housing, BBS Cables, and Bangladesh Building Systems.

The Chittagong Stock Exchange (CSE) also fell.

The Caspi, the all-share price index of the bourse in the port city, dropped 60 points, or 0.31 per cent, to 19,199 at the end of the day. Turnover stood at Tk 21 crore.

On the CSE, 68 stocks advanced, 74 fell, and 94 were unchanged.

Oil jumps $4

REUTERS, *London*

Oil prices jumped by about $4 on Monday as Opec+ considers reducing output by more than 1 million barrels per day (bpd) to buttress prices with what would be its biggest cut since the start of the Covid-19 pandemic.

Brent crude futures rebounded by $3.77, or 4.4 per cent, to $88.91 a barrel by 1226 GMT. US West Texas Intermediate crude was up $3.95, or 5 per cent, at $83.44.

Oil prices have tumbled for four straight months since June, as Covid-19 lockdowns in top energy consumer China hurt demand while rising interest rates and a surging US dollar weighed on global financial markets.

To support prices, the Organization of the Petroleum Exporting Countries (Opec) and its allies, known collectively as Opec+, is considering an output cut of more than 1 million bpd ahead of Wednesday's meeting, Opec+ sources have told Reuters.

World factory activity weakens

Slowdown, cost pressures to blame

REUTERS, *London/Tokyo*

Global factory output mostly weakened in September as slowing demand added to the pain from persistent cost pressures and tighter monetary policy, surveys showed on Monday, diminishing economic recovery prospects.

The data clouds the outlook for a sustained recovery from the Covid-19 pandemic and could add to concerns of a global slowdown as major central banks embark on the most aggressive round of interest rate rises in decades to tame soaring inflation.

Those hikes have stoked fears of a sharp downturn in global demand that had underpinned exports.

Manufacturing activity across the euro zone declined further last month as a growing cost of living crisis kept consumers wary while soaring energy bills limited production. S&P Global's final manufacturing Purchasing Managers' Index (PMI) for the bloc fell to a 27-month low of 48.4 in September from August's 49.6, further below the 50 mark separating growth from contraction.

"The European manufacturing sector continues to face serious challenges, weighed down by surging energy prices, while new orders are seeing further decline," said Thomas Rinn, global industrial lead at Accenture.

"Economies continue to face drawbacks from high inflation, growing uncertainties and the increasing cost-of-living crisis."

Soaring energy costs set off alarm bells about the outlook for business in Germany, Europe's largest economy, as manufacturing activity contracted there for a third month. French factory activity contracted at the fastest pace since May 2020.

A worker does surface preparation of molds at Mitchell Aerospace, a manufacturer of light alloy sand castings for the aerospace industry, in Quebec, Canada on September 9.

PHOTO: REUTERS/FILE

Europe braces for heavy oil refinery outages

REUTERS, *London*

A heavy oil refinery turnaround season in Europe this autumn, plus French strike action, is set to push diesel prices higher and tighten supplies ahead of a European Union ban on Russian refined products which is due to come into force early next year.

In October, around 1.5 million barrels per day (bpd) of crude refining capacity is expected to be offline in Europe for planned and unplanned maintenance, Energy Aspect estimated.

This figure compares with 1.1 million bpd of offline capacity in September, and is above the 2015-2019 average for this period. In November, offline capacity is expected to reach 600,000 bpd.

The busier maintenance schedule is likely to be related to the Covid-19 pandemic.

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