

Bangalink
investing
heavily in Ctg
Says Veon CEO

STAR BUSINESS REPORT

Veon has achieved double-digit growth in Bangladesh and the parent company of Bangalink is now investing heavily in its network in key regions, including Chattogram, to maintain the growth, Veon Group CEO Kaan Terzioglu said yesterday.

Bangalink has expanded its network coverage by 50 per cent in Chattogram division in the last one year as part of its ongoing countrywide network expansion drive, he said.

The mobile phone operator initiated its new spectrum from 2.3 GHz band with time division duplex technology in the port city to ensure two times faster internet, he added.

Terzioglu said he hoped in the next two to three years Bangalink will do a business of around \$2 billion, serve around 70 million subscribers and the company will get listed on Dhaka and Chattogram stock exchanges.

Desco posts
lower profit
in 2021-22

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Dhaka Electric Supply Company Ltd (Desco) posted a 14.50 per cent decline in profit in the financial year that ended on June 30.

The state-run power supplier made a profit of Tk 63.21 crore in 2021-22, which was Tk 73.94 crore a year earlier.

Thus, it reported earnings per share of Tk 1.59 in the last financial year, down from Tk 1.86 recorded in 2020-21.

The EPS fell due to the higher deferred tax provision made as per income tax law, according to a filing on the Dhaka Stock Exchange (DSE) yesterday.

The net asset value per share, however, improved to Tk 65.96 from Tk 65.24 a year earlier.



The apparel industry in Bangladesh has made significant progress towards sustainable manufacturing and continues to build a resilient ecosystem along with key stakeholders within the supply chain.

PHOTO: STAR/FILE

'Made in Bangladesh Week' to enhance garment exports

BGMEA says; campaign kicks off next month

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The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) aims to brighten the country's image and increase its apparel exports by hosting the first "Made in Bangladesh Week" from November 12, according to a top official of the organisation.

Through the event, to be held at the International Convention City Bashundhara, the BGMEA will celebrate the progress being made in the domestic garment industry and highlight its pursuit for sustainable growth, which will have positive impacts on the economy, environment and peoples' lives.

"This is a challenging time for the country and its garment sector due to the ongoing gas crisis and load-shedding," BGMEA President Faruque Hassan said at a press conference with members of the Overseas Correspondents Association of Bangladesh at the former's head office in Dhaka yesterday.

In addition, the Russia-Ukraine war and high inflation across Europe are posing big challenges for the garment sector as exports slowed in the July-September period of the current fiscal year.

"So, holding a mega event like 'Made in

Bangladesh Week' will help continue the commendable growth in garment exports as major international retailers, brands, stakeholders and manufacturers from across the world will participate in the event," he added.

Hassan went on to say that different issues such as doing business in the post-pandemic era, how to survive in times of crisis, the latest fashion trends and the global supply chain will be discussed at the weeklong event.

Besides, holding this event will help find innovative solutions to cope with the double-digit inflation across Europe that has slowed garment shipments to the trade bloc in recent months, he said.

Prime Minister Sheikh Hasina is scheduled to inaugurate the event.

The apparel industry in Bangladesh has made significant moves toward sustainable manufacturing and continues to build a resilient ecosystem along with key stakeholders within the supply chain.

In the past decade, the industry has undergone a massive transformation to ensure workplace safety, workers' well-being and environmental sustainability.

Going forward, the vision is to pursue

new areas of opportunity and excellence. So, this mega event aims to draw a strategic alignment among broader stakeholders toward a modern, responsible and sustainable supply chain.

Hassan then said the event will accommodate a number of programs, including the third edition of the Dhaka Apparel Summit, 37th World Fashion Convention by IAF, various expos and awards, green factory tour, cultural and fashion shows, and so on.

The event will be instrumental in telling compelling stories of the local garment sector, especially its strides in areas of workplace safety, environmental sustainability and workers' well-being.

The industry's moves in enhancing competitiveness through innovation, diversification, upgrading technology, and up-skilling will be also highlighted, he added.

While this event will contribute to changing the narrative of the garment industry and showcase Bangladesh as a value-added apparel-producing nation, it will also bring new and innovative business opportunities for the country to demonstrate its strength to the global audience, the BGMEA said in a statement.

Movement of containerised cargo drops

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at the port in the last three months till September this year.

This was 3.26 per cent less than that of the same period last year.

Meanwhile, 3.67 lakh containers, around half of which contained exports, were shipped from the port, a year-on-year decrease of 0.95 per cent.

In July, the first month of the current fiscal year, 1,23,653 TEUs of import-laden containers were unloaded at the port. It fell to 1,19,634 TEUs the following month and 1,09,702 TEUs in September.

In case of containers shipped out, it was 1,19,128 TEUs in July, 1,30,378 TEUs in August and 1,17,476 TEUs in September.

Overall container handling at the port also came down to its lowest in the last nine months to 2.48 lakh TEUs in September, which was 8.62 per cent lower than that in August.

This figure takes into account all types of containers handled at the port, 19 privately-owned inland container depots (ICDs), Dhaka ICD

and in the inland container terminal at Pangaon.

The monthly average for container handling remained at 2.71 lakh TEUs in the previous eight months till August. The highest was 2.92 lakh TEUs in January.

Restrictions imposed by the government on the import of luxurious items has led to a gradual fall in overall imports in the last few months, Bangladesh Shipping Agents Association (BSAA) Chairman Syed Md Arif told The Daily Star.

Echoing the same, Bangladesh Freight Forwarders Association Vice President Khairul Alam Suzan said on the other hand, it was positive for the country as foreign currency was being saved.

BSAA Director Muntasir Rubayat, however, said usually the country's exports remain low between September and mid-October every year and it is the same this time around.

The major volume of exports for the winter season has already been

shipped in July and August, he said.

He admitted that feeder vessels that usually bring imports in the range of 1,200 TEUs to 1,400 TEUs were now arriving with only around 400 TEUs to 600 TEUs.

Chittagong Chamber of Commerce and Industry Vice President Syed Mohammed Tanvir said the import of commodity items have reduced noticeably in the wake of high prices in global markets following the Russia-Ukraine war.

Tanvir, also the managing director of denim exporter Pacific Jeans, said placement of purchase orders for garments have drastically fallen in the last few months.

Confirmations of fresh orders have also been slow to come by, which also prompted a drop in the import of associated raw materials, he said.

He believes imports, alongside exports, may further drop in the coming months as not that many letters of credits were being opened.

However, he hopes for the situation to improve from March next year.

deep sea port in Matarbari, a metro rail in Dhaka and a third terminal at Hazrat Shahjalal International Airport in Dhaka, which are expected to be completed within the next few years, he said. According to the Ministry of Foreign Affairs of Japan, the nation currently has 21 operational FTAs or EPAs.

They are with Singapore, Mexico, Malaysia, Chile, Thailand, Indonesia, Brunei, the Association of Southeast Asian Nations (Asean), the Philippines, Switzerland, Vietnam, India, Peru, Australia, Mongolia, TPPII, European Union, US, UK and Regional Comprehensive Economic Partnership.

Another three FTAs are underway with Turkey, Colombia, Japan-China-Republic of Korea, the foreign ministry also said.

On the other hand, Bangladesh has just signed one preferential trade agreement with Bhutan

in December 2020. Initiatives at signing a comprehensive economic partnership agreement (Cepa) with India were taken last month.

Experts said Bangladesh would make much gains from the proposed FTA or EPA as Japan was a major export destination and there was no possibility of losing that much revenue from tariffs Bangladesh imposes on the import of Japanese goods.

However, it was the opposite in case of China and India.

The economic giants are major sources for Bangladesh's imports. Bangladesh will lose a significant amount of revenue from import tariffs if an FTA with China and Cepa with India are signed.

Bangladesh imported goods worth more than \$20 billion from China and earned nearly Tk 30,000 crore from import duties last fiscal year.

Another Tk 20,000 crore was earned as duty from goods worth more than \$16 billion imported from India.



Md Mahbub Ul Alam, chairman of Social Islami Bank, virtually inaugurates the bank's 3rd quarterly business conference from its head office in Dhaka on Saturday. Zafar Alam, managing director of the bank, Md Shamsul Hoque and Mohammad Forkanullah, deputy managing directors, were present.

PHOTO: SOCIAL ISLAMI BANK

Taka third weakest currency

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much lower than the taka as the neighbouring nation allows its currency to move in keeping with demand and supply.

But Bangladesh has not done it on time. As a result, the taka has suffered shock recently.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, says that Bangladesh has been able to manage its exchange rate more efficiently than Sri Lanka and Pakistan.

"But the central bank should have managed it more competently than what it has done."

The BB had initially tried to manage the exchange rate in its own way but failed to do so as there was no speculation in the market that the taka would lose against the US dollar.

Hossain describes the ongoing practice of banks fixing the exchange rate of the taka for exporters, importers and remitters in line with their own formula as undesirable.

"The main issue is that the stress in the foreign exchange market is continuing. And there is a strong possibility that the central bank may face difficulties in keeping the exchange rate stable in the days ahead," he said.

"The supply of the dollar to the local market is not adequate compared to its demand because of the ongoing global uncertainty."

Salehuddin Ahmed, a former

governor of the central bank, says that the taka has nosedived faster compared to the currencies in South Asia.

"Although the economy is in good shape, the trend of depreciation is not a good thing for the country. It is worrisome that there are no coordinated efforts to fortify the macroeconomy."

For instance, he said, the country should take measures to stop money laundering and contain the private sector borrowing from external sources.

Private companies in Bangladesh took foreign loans to the tune of \$25.95 billion as of June, up 39 per cent year-on-year.

"Besides, the central bank should emphasise disbursing more loans to the productive sector so that essential goods can be produced smoothly," said Ahmed.

Some policymakers argue that the ongoing volatility will be managed within one or two months. Ahmed disagrees, saying the way of thinking to resolve stress is not the right one.

Countries must preserve vital foreign reserves to deal with potentially worse outflows and turmoil in the future, recommended the IMF recently.

"Countries with sound economic policies in need of addressing moderate vulnerabilities should proactively avail themselves of the IMF's precautionary lines to meet future liquidity needs."

Urea stock enough

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Five teams of the BCIC check fertilisers at different stages of their import, he said, brushing aside the allegation of importing expired and unusable fertilisers.

Meanwhile, the BCIC today suspended deputy manager and in-charge of Gaibandha Buffer Godown, Nazrul Islam, for giving 'misleading' information to the media and failing to look after fertiliser.

A probe committee will be formed to investigate the matter, said Haque, adding that sometimes contractors get involved in fertiliser counterfeiting.

Earlier, Agriculture Minister Muhammad Abdur Razzaque said there would be no fertiliser crisis in the country before the next boro season despite the closure of two plants amid gas shortage.

PM to inaugurate

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Besides, nearly \$4 billion has been invested in 12 private economic zones. At present, 29 industries have started commercial production in public and private economic zones, and another 61 industries are under construction.

The economic zones have attracted foreign direct investments from countries including Japan, China, India, Australia, the Netherlands, Germany, America, the United Kingdom, Singapore, South Korea, and Norway.