

## Involve REHAB while making rules for real estate

**FBCCI tells Rajuk**

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday urged Rajdhami Unnayan Kartripakkha (Rajuk) to ensure a sustainable and liveable Dhaka by reorganising itself with skilled and experienced technical members to implement the Detailed Area Plan (DAP).

The country's apex trade body also urged for including area-wise data in the DAP as well as involve the Real Estate and Housing Association of Bangladesh (REHAB) in formulating laws and rules related to real estate.

Mostofa Azad Chowdhury Babu, senior vice-president of the FBCCI and co-chairman of its standing committee on real estate and housing, made this proposal at meeting with Md Anisur Rahman Miah, chairman of Rajuk.

Babu focused on the effectiveness of the new DAP to build planned housing and a developed capital.



The FBCCI has made a number of proposals to Rajuk, the sole public agency responsible for coordinating urban development in Dhaka, to implement the Detailed Area Plan with sustainability and liveability in mind.

PHOTO: STAR/FILE

# Summit kicks off today to drive sustainability in financial sector

STAR BUSINESS REPORT

A three-day summit of the Global Alliance for Banking on Values (GABV), a network of 70 independent banks, credit unions and microfinance institutions from 43 countries, will begin in Dhaka today.

The event aims to facilitate the sharing of ideas and solutions for how the financial industry can drive sustainability.

Directors of the world's leading sustainable banks will reiterate their strong commitment to values-based banking and stress on spreading the message for a sustainable and secure future across numerous communities and countries.

Brac Bank is hosting the conference at the Radisson hotel, where more than 50 delegates, particularly chief executive officers and managing directors of GABV members, will participate in the conference.

The theme of the conference is "From Perspectives to Action: Transformational Practice in Action". This is the second time the GABV is holding the annual summit in Bangladesh.

Shirin Sharmin Chaudhury, speaker of parliament, will attend the inaugural

ceremony.

Selim RF Hussain, managing director and chief executive officer of Brac Bank, shared this information through a press conference yesterday.

Delegates will participate in several discussions that will touch on important transformation issues in the banking industry, the significance of values-based banking, decarbonisation, financial inclusion, microfinance, sustainability

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integration, human capital and organisational transformation.

They will observe Banking on Values Day on November 10, 2022 in a public event, where all members will join in person and virtually.

As a part of the conference, delegates will also meet Brac Bank customers who have set an exemplary benchmark in doing business sustainably.

"Brac Bank passionately works to make

the environment cleaner and the Earth greener through responsible financing. We strive to contribute to reducing the carbon footprint of Bangladesh through green financing," Hussain said.

"We believe prosperity and the planet should march hand-in-hand as we continue our development journey. We will continue to work with the GABV to adopt the best practices and pursue values-based banking for a sustainable future," he added.

Pointing to how this is the first global in-person meeting since the outbreak of Covid-19, David Reiling, chief executive of Sunrise Banks (USA) and chair of the GABV, said they are coming together to discuss how to respond as a movement in the face of the multiple crises shaking the world.

"In a rapidly changing world, values-based banks have been able to adapt while staying focused on their mission and purpose. We differ from conventional banks, not in how we respond to external challenges but in our starting point, which dictates everything we do," he said.

Responding effectively to rapid and continuous change requires holistic approaches that consider the well-being

of people and the planet.

"This is how members of the Global Alliance for Banking on Values understand banking as a force for good," Reiling added.

The GABV was founded in 2009 by 10 pioneer banks that believed in the need for a fairer, greener and more inclusive financial system.

Brac Bank is a founding member and the only bank representing Bangladesh in the global forum.

The GABV, currently made up of 70 pioneering banks, credit unions and microfinance institutions from across the world, advocates for banks to take a pivotal role in shaping the economy, society and the environment.

Members of the GABV have pioneered and helped expand initiatives like the Partnership for Carbon Accounting Financials (PCAF), a harmonised open-source tool to measure and disclose the greenhouse gas emissions (GHG) of financial institutions' loans and investments.

The GABV was recently recognised as a Climate Leader by the Finance for the Future Awards and will participate in COP27 as an Observer NGO.

## Bank Asia gets new MD

STAR BUSINESS DESK

Adil Chowdhury has been appointed as president and managing director of Bank Asia Limited recently.

Prior to the position, Chowdhury was president and managing director (current charge) of the bank since August 2022, said a press release.

He joined Bank Asia as deputy managing director in August 2020. Later, he was promoted as additional managing director with more responsibilities for supervising the global banking sector, special asset management division and global subsidiary of the bank.

Chowdhury has over two decades of successful banking experience with nearly 15 years of international exposure, most recently serving as a director of The Bank of Nova Scotia (Canada) in Hong Kong and Singapore.

He embarked on his professional journey as deputy manager in Credit Agricole Indosuez, Dhaka in 1995. After serving there for more than three years, he joined American Express Bank at the Dhaka office.

Chowdhury joined as head of treasury at The Bank of Nova Scotia (Dhaka) in 1999, where he set up the treasury department and ensured best corporate governance and practices.

In 2001, he was relocated to The Bank of Nova Scotia in Hong Kong, where he was responsible for business development and strategic planning that covered financial institutions for 13 countries in Asia.

He was promoted as director international funding under group treasury at The Bank of Nova Scotia, Singapore, in January 2011, where his mandate covered the Asia Pacific region, the Middle East and North Africa, managing a portfolio of \$9.0 billion while serving central banks and government investment agencies.

He has a bachelor's degree in electrical engineering in VLSI Design from the University of Texas at Austin and completed an MBA degree from Richard Ivey School of Business, the University of Western Ontario in Canada.

## IPO subscription of Islami Commercial Ins begins Nov 20

STAR BUSINESS REPORT

The subscription of the initial public offering (IPO) of Islami Commercial Insurance is going to start on November 20 and will run until November 24, an official of the Dhaka Stock Exchange said.

The insurer will issue 2.02 crore shares to raise Tk 20.2 crore from the stock market. It will use the IPO proceeds to invest in fixed deposits with banks, government securities and listed stocks.

On December 31, its net asset value per share stood at Tk 20.96 and earnings per share were Tk 1.82. The IPO received approval on September 15.

## Legacy issues, not just external factors Falling cotton price

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problems that have become legacy in absence of effective measures and reforms."

The tax-to-GDP ratio is very low. In fact, it is one of the lowest in the world and it has constrained the government's ability to spend.

Bhattacharya said: "Bangladesh would have been able to manage the current situation better had the GDP-tax ratio been 12 per cent from 9 per cent now."

The quality of public investment is still an issue and projects suffer from cost and time overruns, said the noted economist.

"On the other side, the operational expenditure of the government is increasing. In the financial sector, non-performing loans (NPLs) have remained high and the problem has been unattended for a long time."

Defaulted loans in the country's banking sector hit an all-time high of Tk 125,257 crore in June.

The issue of subsidy pressure on the public coffers was also discussed at the roundtable.

"Bad subsidies have taken over good subsidies," Bhattacharya said, citing the example of the capacity payments made to rental power plants.

The government paid Tk 16,785 crore in capacity charges to power plants in the first nine months of the last fiscal year.

MM Akash, chairman of the economics department at the University of Dhaka, emphasised two crises: inequality and lack of governance.

"These problems should be solved, but the governance crisis has been deepened by corruption."

He said the basic reason for the prevalence of corruption is the government can't punish the corrupt because the power structure has been captured by them.

Prof Akash went on to say that the state is now captured by three sections: dishonest bureaucrats,

businessmen and politicians.

There is a nexus among them and they mutually support each other to control the state.

In the nexus, bureaucrats and businessmen have gained the upper hand whereas politicians are in a relatively weaker position, the professor explained.

In recent times, the opening of letters of credit (LCs) has started to come down, but both exports and remittances have declined as well, a mixed development for the economy.

"The declining export is understandable given the business slowdown in the global market. But decreasing remittances is unexplained since the manpower export to the Middle East has boomed," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Remittance has been on the decline largely because of hundi, an illegal cross-border financial transaction system.

"It should be controlled," said Mansur.

Remittances to Bangladesh declined 7.4 per cent year-on-year to \$1.52 billion in October.

Prof Sayema Haque Bidisha, research director of the South Asian Network on Economic Modeling, said that there is no way to neglect the agriculture sector and it has to be supported either through subsidies or other incentives.

She said inflation has to be contained, macro-economic stability has to be restored, the poverty rate has to be brought down, inequality has to be narrowed and adequate jobs have to be created.

The economics professor also called for narrowing the exchange rate gap between the banking system and the kerb market.

Prof Bidisha also underscored reforming the tax system.

"We need to reform the direct taxation system. Because if we cannot generate enough income and

cut expenses, how will we be able to spend for people?"

Miran Ali, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said Bangladesh is not necessarily operating in the low-end of the market only.

"We are not the cheapest destination for garments in the world. We are the most efficient and transparent. In some categories, we have the biggest capacity."

"We are not necessarily cheap. In fact, a lot of our products are sold in the North American, west European and Australian markets."

The entrepreneur said that there is a problem with demand.

"But I believe it will stabilise and the export sector can continue to prosper provided the exchange rate is rational and free from the shackles of various mechanisms," he said, urging the government to protect the business community from unnecessary and counterproductive policies.

Mahfuz Anam, editor and publisher of The Daily Star, moderated the roundtable.

## Govt to shell out Tk 1,914cr

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document, a jetty will be built in the Jaliar Dwip Island, which is located in the middle of the Naf river where the Naf Tourism Park is currently being built. The park will have all the modern tourist facilities.

The jetty will ensure the landing facilities for travellers as well, it said.

Sonadia, which is 7 kilometres far from Cox's Bazar, is a popular place for making dried fish. A jetty with landing facilities is needed to ensure smooth communication for prospective travellers, said the documents.

The Mirsarai Economic Zone, which is located on the bank of Sandwip channel, will be the

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gas pressure," said Md Masud Rana, managing director of Gazipur-based Asia Composite Mills, which uses 40,000 tonnes of cotton a year.

His production fell 50 per cent in the last three months because of a lower pressure of gas caused by the suspension of the purchase of liquefied natural gas from the international market and inadequate domestic production.

Rana is even ready to sell the yarn at a lower price if he can run the mills at full capacity.

This year, he will not be able to use the same quantity of cotton because of the energy crisis.

"It is bad luck for Bangladesh that local spinners are not able to take the advantage of the lower cotton price," said the entrepreneur.

Local spinners say they are sitting on piles of unsold yarn made from cotton imported earlier at a higher price.

Like Rana, most spinners are failing to make the most of the reduction in the price of the white fibre.

"Already cotton import has started declining," said Mohammad Ali Khokon, president of the Bangladesh

Textile Mills Association.

"The stockpiling of unsold old yarn has reached five lakh tonnes over the last two months because of a lower demand from garment manufacturers."

During peak times, local spinners can sell 1.20 crore kgs of yarn a day to export-oriented garment factories alone. Owing to the lower demand, they can sell 80 lakh kgs of yarn daily presently.

A stronger US dollar, driven by declining foreign currency reserves, is also hitting spinners.

A few months ago, spinners could buy a US dollar for Tk 83-Tk 85. Now, the same American greenback is costing them Tk 107.

"So, importers are going slow now," Khokon added.

Similarly, apparel exporters are not being able to benefit from the lower cotton prices as orders for the March-May season have slumped by 30 per cent.

Orders are declining as higher inflation has squeezed the buying capacity of European consumers, according to both Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers

and Exporters Association and Md Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

Now everything is depending on the war and the supply of energy domestically, they said.

Currently, the widely consumed 30-carded yarn is being sold between \$3.55 and \$3.60 per kg in Bangladesh. It was \$5.25-\$5.30 in March and April.

The United States Department of Agriculture (USDA) recently forecast that cotton imports would reach 8.9 million bales in the marketing year of 2022-23, up 7.2 per cent from 2021-22.

"Cotton import may decline because of a lower demand for yarn and fabrics from garment exporters," said Monsoor Ahmed, additional director of the BTMA.

Had the previous trend continued, the import of cotton would have crossed 10 million tonnes at the end of 2022, he said.

Importers who have already booked cotton at \$1.30-\$1.41 per pound are in trouble now since they have to pay a high rate when it comes to settling the letters of credit although the price has gone down, he added.

But the Cupertino, California-based company has now fallen victim to China's rigorous zero-Covid-19 policy, which has already prompted many global firms including Estee Lauder Companies Inc and Canada Goose Holdings Inc to shut their stores in China and cut full-year forecasts.

"The facility is currently operating at significantly reduced capacity," Apple said in a statement on Sunday without elaborating how much production has been impacted.

Apple Inc expects lower shipments of high-end iPhone 14 models than previously anticipated following a significant production cut at a virus-blighted plant in China, dampening its sales outlook for the year-end holiday season.

Solid demand for the new iPhones has helped Apple remain a rare bright spot in the global tech sector that has been battered by spending cutbacks due to surging inflation and interest rates.

REUTERS, Taipei

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