

Leather trade show kicks off tomorrow

STAR BUSINESS DESK

A three-day international technology trade show on leather goods, including the machinery, chemicals, accessories and other components needed to make them, will kick off in Dhaka on Wednesday.

Supported by the Bangladesh Tanners Association, Bangladesh Finished Leather, Leather-goods and Footwear Exporters Association, Bangladesh Paduka Prostutkarak Samity, ASK Trade and Exhibitions Pvt Ltd in association with Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB), the eighth edition of "Leathertech Bangladesh 2022" will be held at the International Convention City Bashundhara.

Commerce Minister Tipu Munshi is expected to inaugurate the three-day trade show, according to a press release.

Nearly 200 exhibitors from 10 countries with the Council for Leather Exports (CLE) and Indian Footwear Components Manufacturers Association (IFCOMA) pavilion from India will participate in the event.

The global market for leathergoods was estimated at \$240.8 billion in 2020 and is projected to reach a revised size of \$318.2 billion by 2027, growing at a CAGR of 4.1 per cent.

However, footwear is projected to record a 4.8 per cent CAGR and reach \$116.1 billion by the end of 2027.

The commerce ministry is drawing up a 10-year perspective plan, which includes a target to increase the leather sector's export earnings from below \$1 billion to \$10-12 billion by 2030.

The government is eyeing an ambitious 10-fold growth in its export earnings from leather and leather goods in the next nine years.

However, in fiscal 2020-21, exports increased by about 18 per cent. The export grew by about 30 per cent in the first seven months of the current fiscal year.

Syed Nasim Manzur, president of LFMEAB, and K Nandagopal, director of ASK Trade and Exhibitions Pvt Ltd, were present at a press conference on the event.



Bangladesh is drawing up a 10-year perspective plan, which includes a target to increase the leather sector's export earnings from below \$1 billion to \$10-12 billion by 2030. PHOTO: STAR/FILE

Walton makes Bangladesh's maiden electric bike

JAGARAN CHAKMA

Walton Digi-Tech Industries Ltd, a concern of Walton Group, has launched Bangladesh's maiden electric bike in the market, jumping on the bandwagon of a global shift towards eco-friendly transportation.

The electronics conglomerate received approval from the Bangladesh Road Transport Authority (BRTA) on November 22 to market the electric bike under the brand name of Takyon.

Thus, it became the first company in the country to launch the two-wheelers in Bangladesh.

"Takyon-branded electric bikes have hit the market," said Liaquat Ali, deputy managing director of Walton Digi-Tech Industries.

"This bike will cost riders only 10-15 paisa per kilometre."

The bike comes in three colours – red, blue and grey – and is priced at Tk 127,750. Apart from Walton's showrooms, Takyon bikes can be purchased through its website.

With the new bike, Walton



made re-entry into the vast motorbike segment, which posted Tk 5,000 crore sales annually before the coronavirus pandemic.

In the past, it manufactured conventional motorcycles in the range of 80cc to 100cc. But the company was compelled to shut the manufacturing plant after failing to sustain in the highly competitive market.

It comes at a time when the demand for eco-friendly bikes is going up across the world.

According to a report

published by Next Move Strategy Consulting, an American firm, the global electric bike market generated \$45.75 billion in 2021 and is estimated to generate \$109.53 billion by 2030, posting an annual growth of 10.21 per cent in the current decade.

In Bangladesh, between 4 lakh and 5 lakh units of conventional bikes were sold annually on average in the last few years.

Walton says it is developing and marketing electric bikes to protect the environment and ensure safe transportation at a

lower cost by cutting the use of fossil fuels.

It has an annual manufacturing capacity of 2.5 lakh units.

Ali said that like conventional petrol and octane-run bikes, Walton's e-bikes can be registered with the BRTA for two or 10 years. The registration cost for electric bikes is lower than that of gasoline-operated bikes.

The electric bike has a powerful brushless DC motor with a maximum capacity of 1.5 kilowatts and it would cost Tk 10 per full charge, said Tauhidur Rahman Raad, chief commercial officer of Walton's computer products and Takyon electric bike.

"The bike will help riders travel up to 70km on a single charge. The maximum speed limit of the bike is 50km per hour."

The bike has a portable charger and can be charged at the household level.

Buyers will get free aftersales service for two years from Walton's designated service points, according to the company.

ICD assoc chief re-elected

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Nurul Qayyum Khan has been re-elected president of Bangladesh Inland Container Depots Association (BICDA) for the 7th consecutive term.

Khan is the president of Bangladesh Marine Fisheries Association and chairman of QNS Container Services Ltd, QNS Shipping Logistics Ltd and QNS Enterprise Ltd, said a press release.

Jowher Rizvi was elected as senior vice-president, while Khalilur Rahman, Mustafizur Rahaman, Mohammad Hossain and Imran Fahim Noor as vice-presidents.

JCI Dhaka Young gets new local president

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Rabeya Nasir Ovi has been elected president of the executive committee of Junior Chamber International (JCI) Dhaka Young for 2023 at its general assembly in Dhaka recently.

Samia Rahman was elected local executive vice-president, Sami Mahmud Khan local vice-president while Sourav Adhikari and Rajan Zahid elected to the committee, said a press release.

JCI, an organisation of energetic young people aged 18 to 40 years, is headquartered in St. Louis, Missouri in the US. Currently, more than 5,000 members are actively working in social development in Bangladesh.

ACCESS TO RUSSIA

India shares product list with Moscow

REUTERS, New Delhi

India gave a list of Indian products to Moscow for access to Russian markets, Foreign Minister Subrahmanyam Jaishankar said on Monday, as his country seeks to narrow a growing trade deficit with Russia at a time when Moscow faces acute shortages of some crucial materials following Western sanctions.

Reuters reported last week that Moscow had sent India a list of more than 500 products for potential delivery, including parts for cars, aircraft and trains, as sanctions following Russia's invasion of Ukraine squeeze its ability to keep vital industries running.

Russia has been India's largest supplier of military equipment for decades and it is the fourth-biggest market for Indian pharmaceuticals. But with India's purchases of Russian oil soaring and coal and fertiliser shipments also strong, the South Asian nation is looking for ways to rebalance trade.

Inflation falling

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"Considering all these, I think not only the inflation or wage rate, but also the overall growth rate will reach the expected 7 per cent in the current fiscal," Mannan said.

He hoped for the country's economy to attain positive trends next fiscal year as it had been prior to the pandemic, even if the current condition of the Russia-Ukraine war prevailed.

A five basis points decrease in headline inflation, at best, indicates a pause in the increasing trend seen through September earlier, Zahid Hussain, former lead economist at the World Bank's Dhaka office.

"This has been possible due to a decrease in food inflation as winter crops have begun to enter the domestic food markets and there has been no further uptick in food import prices," he said.

According to the BBS data, food inflation declined to 8.14 per cent in November from 8.5 per cent the

previous month.

However, consumers had to spend more to buy non-food items. Non-food inflation rose to 9.98 per cent in November from 9.58 per cent the previous month, showed the data.

"Non-food inflation has continued to increase, reaching almost 10 per cent in November," said Hussain.

"This shows that domestic demand containment measures have not yet made any visible impact in counteracting the knock-on effects of supply side forces such as diesel price increases and exchange rate depreciation," he said.

"This is not at all surprising because the demand containment measures have been limited to intended austerity in government development expenditures," he added.

"There is hardly any up-to-date data on the extent of compliance and the realized size of austerity," he said.

"Both food and nonfood inflation remain very high in the rural areas,

in particular where the vast majority of Bangladesh's poor live. Urban inflation is not too far behind," said Hussain.

"Managing livelihood for the rural and urban poor continues to be an uphill struggle given that the growth in nominal wage for unskilled labour in all sectors is well short of food and non-food inflation," he added.

Non-food inflation in the rural areas reached 10.31 per cent in November, up from 9.98 per cent in the previous month.

Food inflation in rural areas stood at 8.23 per cent in November, higher than the 7.95 per cent in urban areas.

BBS National Accounting Wing Director Ziauddin Ahmed, at the briefing, said rice and vegetable prices were cheaper at the rural areas.

However, prices of a number of non-food and food items like sugar, edible oil and salt which are not produced there remain higher than that in urban areas due to transport costs, he said.

government should have investigated them. The government will have to investigate the allegations against S Alam Group and take action, if necessary."

There are no legal scopes to take money abroad from Bangladesh, Mansur added.

"But it takes \$150 million to \$200 million to buy a hotel. How did they get that money in Singapore? These things would have come out after investigation. But no investigation was done then. Now it is essential to investigate."

Mansur urged the BEIU and the ACC to investigate the matter.

In a recent advertisement in newspapers, IBBL said that it did not give any fake loans and all the loans were given in accordance with rules.

"The truth should be found out by carrying out probes by a third party. None of the information and statements of the Islamic Bank authorities are acceptable."

Evaly asked for list of clients

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The commerce ministry plans to issue the same letter to other troubled e-commerce platforms, such as E-Orange, to begin reimbursing their aggrieved clients as well.

As of Thursday, the commerce ministry had refunded about Tk 303 crore to 34,670 customers of 13 e-commerce companies through 37,402 transactions, according to data from the commerce ministry.

With the surfacing of misdeeds by a section of e-commerce companies, the commerce ministry formed the new Digital Commerce Cell (DCC) mainly to supervise the emerging e-commerce sector in 2021.

Mohammad Rassel had launched Evaly, an online shopping platform, on December 16, 2018.

With lucrative discounts ranging between 50 per cent to 100 per cent, the company attracted sales of about 50 lakh within two-and-a-half years of operation.

However, many customers started complaining that they were not getting their products or refunds even after several months had passed since making advance payments.

Amid legions of complaints, a Bangladesh Bank audit in April last year found that Evaly's liability is

much bigger than its assets.

In September last year, Mohammad Rassel, founder and managing director of Evaly, and his wife Nasrin were arrested in connection with cases filed by thousands of aggrieved customers. Nasrin later got out on bail after serving six months of her sentence.

Meanwhile, the High Court appointed a five-member board of directors for the beleaguered e-commerce platform in October 2021 to run its activities. Shamsuddin Chowdhury Manik, a former justice of the appellate division of the Supreme Court, was made chairman of the board.

However, on September 21, the five-member board turned in its 3,500-page audit report to the court as well as their resignations and individual reports on the company.

The auditors found that Evaly made more than Tk 6,000 crore transactions with "very poor, unreliable, unorganised, incomplete books and records".

As such, neither the list of customers who paid advances to the company nor the list of merchants owed payments could be obtained.

The auditors were not provided with a system-generated inventory

report, inventory verification report, list of obsolescence items, delivery and order closing report and voucher report, among others.

With this backdrop, the board called for an investigation into money laundering at the company as vast sums of cash remain traceless in its accounts.

When Evaly began its journey with a paid-up capital of Tk 1 crore, it did not have a chief financial officer or follow any accounting rules at the time, the audit found.

In a press conference in early October, Nasrin claimed that following a raid last year, the Rapid Action Battalion did not lock up Evaly's headquarters, enabling looting.

As such, the registers and documents could not be provided to an audit team, she said.

Last year, Nasin said Evaly had informed the commerce ministry that its debt was approximately Tk 400 crore and it would take some time to collect a report on the company's full debt.

She then said its total liability cannot be determined without the release of Mohammad Rassel, CEO and managing director of the company, and also her husband.

"Without him, Amazon will not give access to the server," she added.

Islami Bank's loan scams

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big challenge for the banking sector," Mansur recalled.

"At that time, I jokingly told the governor to make arrangements for keeping an ambulance standby for the S Alam Group owner round the clock so that he can be taken to the hospital quickly if he suddenly becomes ill seriously in order to keep him alive. Otherwise, the banking sector will collapse as soon as he dies."

"The banking sector can be destroyed by the activities of one person. The governor listened and remained silent. He said nothing about it," Mansur added.

According to the economist, the common people are now getting to know that S Alam Group has taken on loans of Tk 30,000 crore, Tk 80,000 crore or Tk 100,000 crore.

"The concerned banks, the Bangladesh Bank, and even the finance ministry were aware of the matter. But everyone remained silent.

No one performed their duty."

Mansur, also the chairman of Brac Bank, said in 2019, some Singapore-based newspapers reported that S Alam Group purchased multiple hotels in the city-state spending millions of dollars.

"According to some reliable sources, the group has three hotels in Singapore and bought the Hyatt Hotel in Singapore two weeks ago. It is also heard that it has a shopping mall in Singapore. The hotels and shopping malls will be worth hundreds of millions of dollars."

When these facts were known or allegations were made against the group, the matter should have been brought under investigation, said the former official of the International Monetary Fund.

"Bangladesh needed to know whether the allegations are true or untrue."

"Ever since the allegations were made against S Alam Group, the

Economists call for visible actions

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inspection it has launched into IBBL following allegations of irregularities in loan sanctioning to certain borrowers and the restriction on the disbursement of loans, according to the participants.

An economist, who attended the meeting, said the issues of the shortage of foreign exchange and the volatility in the exchange rates were also discussed.

"They listened to us and it seemed that they were convinced," he said.

Sanem Executive Director Raihan said the current inflation data does not reflect the real scenario as prices are measured using the fiscal year of 2005-06 as the base year.

"It is vital to address the problem to properly plan to contain inflation."

The economics professor at the University of Dhaka also reiterated his calls to withdraw the interest rate cap. "Otherwise, it will be tough to control inflation," he said.

The central bank has maintained the interest rate cap on loans since April 2020.

According to Raihan, money laundering out of the country also creates demand for hundi, an illegal cross-border money transfer system.

Mansur said the crisis in the foreign exchange is going to be over as imports are falling and exports are rising.

The former economist at the International Monetary Fund recommended the BB reduce the spread in the exchange rate of the US dollar.

"The spread should be 2 to 2.5 per cent," he added.

However, there is a debt overhang and it will not be over soon, he said, adding that economists recommended measures to address the problem.

"It will also yield positive results if the central bank makes the interest rate flexible."

The meeting was part of the BB's preparation to formulate the next monetary policy, said a central banker who attended the meeting.

The monetary policy is likely to be unveiled in January.

"We have discussed macroeconomic indicators and the global economic scenario. We also shared the actions we have taken so far," added the BB official.