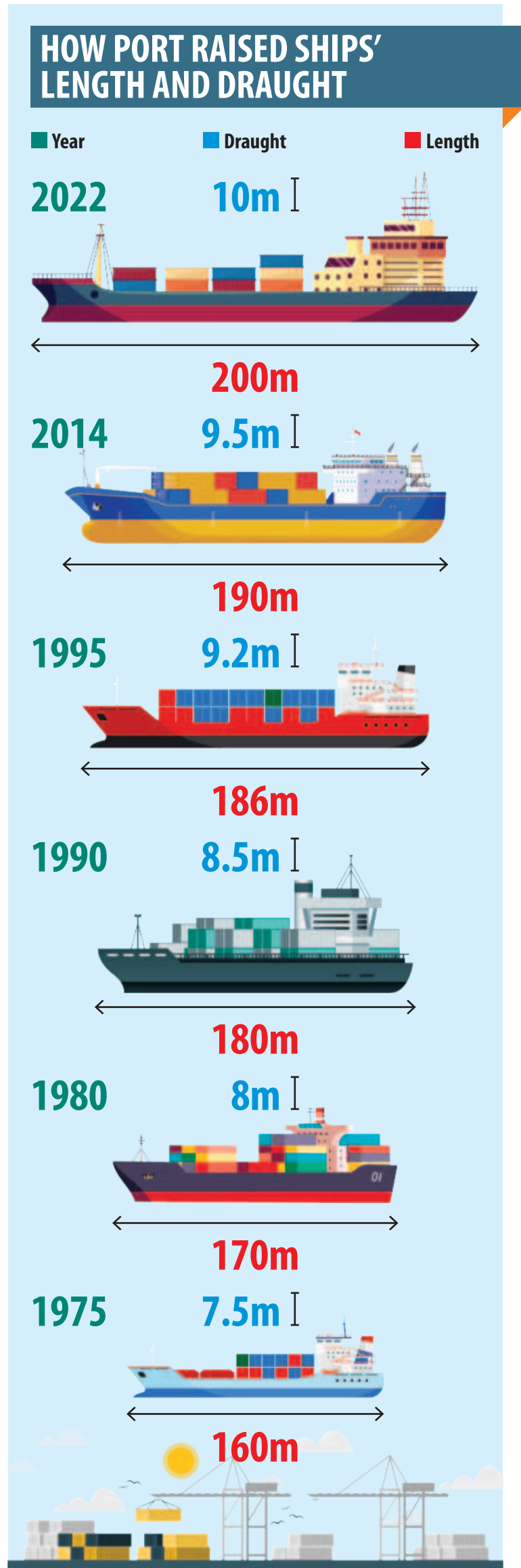


Star BUSINESS



New era begins as Ctg port sees bigger ships berth

Allows vessel of 10-metre draught for the first time

DWAIPAYAN BARUA

A vessel with 10 metres draught berthed at a jetty of the Chattogram port for the first time yesterday, a major leap forward as the movement of larger ships is expected to cut costs and save time.

Port users hope that the increased draught limit would enable the transportation of more cargoes and containers by a single vessel and help ease congestion at the seaport, which handles around 90 per cent of Bangladesh's \$135 billion annual trade.

"It is very good news," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

Owing to the lower draught in the Karnaphuli channel, relatively larger ships could not enter the channel as of yesterday. Now they will be able to come with higher loads.

"It is a good signal to international shipping companies. Our buyers will also become happy," Hassan said.

"The port is performing well and further dredging would increase the depth of the channel."

Port users say initially container vessels would benefit from the move since the new draught limit is applicable for only the container jetties at General Cargo Berth, Chittagong Container Terminal (CCT) and New Mooring Container Terminal.

A team led by CPA Member (Harbour) Commodore M Fazlar Rahman successfully berthed MV Common Atlas, a Marshal Island-flagged vessel, at a jetty of the CCT at 5.24pm yesterday. The vessel arrived from the Port of Santos of Brazil with 60,500 tonnes of sugar.

The vessels with a draught of up to 7.5 metres and a length of 160 metres could berth at the port in 1975. The Chittagong Port Authority (CPA) gradually increased the draught limit in the last 47 years to cope with the increasing trade demand.

Until yesterday, ships with a maximum 9.5-metre draught, the vertical distance between the waterline and the bottom of the ship's hull, and of up to 190 metres in length could berth at some of the port's main jetties.

The authority has fixed the new draught limit upon recommendation by United Kingdom-based consultant firm HR Wallingford.

The firm conducted a detailed hydrological study in the Karnaphuli and gave the opinion that the port can accommodate vessels with 10 metres in draught, said CPA Secretary Md

Port users hope that the increased draught limit would enable the transportation of more cargoes and containers by a single vessel and help ease congestion at the seaport, which handles around 90 per cent of Bangladesh's \$135 billion annual trade

Omar Faruk.

"The navigability of the port channel and the jetty areas has improved thanks to the prevention of siltation through continuous maintenance and dredging. This enabled the port to raise the draught limit."

Bangladesh Shipping Agents Association (BSAA) Chairman Syed Md Arif said till to date, container vessels arriving at the port jetties could carry around 2,000 twenty-foot equivalent units (TEUs) of containers to 2,500 TEUs.

"With the new draught and length limit, vessels would now be able to carry at least 500 TEUs to 700 TEUs more."

As vessels would be able to carry more containers, freight costs would be reduced, leading to a decrease in import and export costs. The turnaround time of vessels would also come down, he said.

"Definitely, this will help us save a lot," said Abdul Bashir Chowdhury, chairman of BSM Group, a commodity importer based in Chattogram.

An importer could bring 20,000 tonnes of imported items in a vessel with up to an 8.5-metre draught. Now, businesses will be able to bring about 10,000 tonnes more goods in a single ship.

"This will give more comfort to shipping companies and help save time as importers will not need to use smaller vehicles to bring cargoes to the port jetty."

The risk of pilferage will also decline. Overall, the efficiency will improve," Chowdhury said.

BSAA Chairman Arif, however, said initially bulk vessels may not reap the benefit since six jetties dedicated to such ships are having as high as 8.5 metres draught.

BGMEA's Hassan, also the managing director of Giant Textiles Ltd, said the authorities should speed up the construction of the Bay Terminal and other projects to allow much bigger ships to come.

State Minister for Shipping Khalid Mahmud Chowdhury is scheduled to inaugurate the berthing of the 10-metre-draught vessel today.



MATARBARI PLANT LINK ROAD Cost to spiral for poor feasibility studies

MD ASADUZ ZAMAN

Although the overall length of a road linking the Matarbari coal-based power plant in Maheshkhali upazila to Cox's Bazar town has reduced, the construction cost is set to increase by more 70 per cent from the initial estimate owing to poor feasibility studies.

The initial cost of the project for construction and repair of the 43.66-kilometre (km) road was estimated to be Tk 602 crore and scheduled to be complete June 2020.

Following the first revision, this estimate reached Tk 660 crore and completion deadline extended to June 2022.

Now, due to a second revision, an additional Tk 365 crore will be sought, raising the overall cost to Tk 1,025 crore, according to documents of the planning commission.

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Moreover, the five-year project is expected to take nine years and be completed by June 2024.

The Ministry of Road Transport and Bridges took up the project in July 2015 in which the Roads and Highways Department (RHD) was the implementing agency.

Of the overall cost coming up in the second revision, Tk 791 crore will come from loans of Japan International Cooperation Agency (Jica) and Tk 235 crore from the government exchequer.

The second revision planned may be proposed at a meeting of the Executive Committee of the National Economic Council tomorrow.

PROJECT COMPONENT CHANGES
Of the road, 10.31 km was initially planned to be constructed for the first time at an estimated cost of Tk 96 crore.

In the second revision, this length was decreased by 2.96 km while the cost increased by Tk 105 crore.

Another 12.80 km of the road was initially supposed to be repaired on a large scale at a cost of Tk 35 crore.

READ MORE ON B3

Bangladesh misses out on using textile scraps in full

REFAYET ULLAH MIRDHA

Spinners in Bangladesh are facing a shortage of waste cotton and textile scraps since a major portion of them is shipped abroad amid higher demand for recycled yarns and fabrics worldwide.

Bangladesh, the second-largest apparel producer in the world, sees a huge volume of cotton textile scraps, but these wastes are usually dumped into a landfill, burned, exported, or recycled into low-quality fabrics.

This means the country misses the opportunity to produce recycled yarn from the bi-products with a view to manufacturing the apparel products whose demand is rocketing globally.

Owing to fast fashion -- the term used to describe clothing designs that move quickly from the catwalk to stores to take advantage of trends -- and cheaper clothing items, cotton consumption has gone up.

Higher cotton farming is hampering the environment whereas the manufacturing of apparel involves more groundwater, especially during washing and dyeing.

So, many clothing retailers and brands such as H&M prefer the reuse and recycling of garments to avoid environmental damage.

But a section of local traders in Bangladesh feels encouraged to export waste cotton and fabrics than sell them in the local market because of the price factor, said millers.

The shipments of waste cotton and scrap rose 49.67 per cent year-on-year to \$153.38 million in the July-December half of the current financial year. It was \$102.48 million in the identical period a year earlier.

This forces millers to buy recycled yarns from

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Workshop on economic development in Cox's Bazar

STAR BUSINESS DESK

Prabridhi, a local economic development project funded by Switzerland and Bangladesh, recently organised a capacity development and knowledge exchange workshop that was inaugurated by Muhammad Ibrahim, secretary to the Local Government Division in Cox's Bazar.

The three-day workshop that ended yesterday consisted of group discussions, exercises and presentations, a press release said.

"In recent years, the government's commitment to ensuring decentralisation has achieved momentum. If Switzerland's experience in local economic development is properly utilised, there remains a high scope to ensure development at the local level," Ibrahim said.

Corinne Henchoz Pignani, deputy head of cooperation at the embassy of Switzerland in Bangladesh, said the two countries share joint commitments, namely localisation of the sustainable development goals and applying the LED model.

The LED model will help Bangladesh reach the milestone of graduating from least developed country status in the year 2026, he added.

Md Kamal Hossain, joint secretary of Local Government Division and project director of Prabridhi, Md Sarwar Bari, director general of the monitoring inspection and evaluation wing at LGD, Md Shahidul Islam, joint secretary of the Urban Development Wing, Mujibur Hasan, country director of Swisscontact Bangladesh, and Markus Ehmann, team leader of Prabridhi, were present.



A farmer tends to a nursery of cauliflower saplings in Ranipukur village of Rangpur's Mithapukur upazila. The winter vegetable is planted from late October to mid-November and harvests are made from early January to early March. The photo was taken last week. PHOTO: KONGKON KARMAKER

DSE turnover exceeds Tk 700cr after 2 months

STAR BUSINESS REPORT

Stocks continued to rise for a fourth consecutive session yesterday when the day's turnover at Dhaka Stock Exchange (DSE) went on to exceed Tk 700 crore after two months with an appetite arising among some investors for making purchases.

The DSEX, the benchmark index of the DSE, rose 35 points, or 0.57 per cent, to 6,250.

The DS30, the blue chip index, advanced 0.41 per cent to 2,208 while the DSES, the index that represents Shariah-based companies, increased 0.51 per cent to 1,364.

Turnover, an important indicator of the market, soared 40 per cent from that on the previous session to Tk 711 crore.

Investors increased their participation in the market expecting a market-friendly monetary policy to be unveiled by the central bank, believes International Leasing Securities.

Following the previous session's upward momentum, the market started off on an upbeat note that accelerated the upward movement till the closure, the brokerage firm

said in its daily market review.

The stocks showcases interest at making purchases in all the major sectors such as services, insurance, miscellaneous and pharmaceuticals which has led the market to add 35 points in its benchmark index, it said.

Investors increased their participation in the market expecting a market-friendly monetary policy to be unveiled by the central bank

Among the sectors, IT advanced 4.1 per cent, general insurance 4 per cent and services 2.5 per cent.

Investors' activities were mainly focused on the IT sector, which accounted for 19.1 per cent of the day's total turnover, followed by miscellaneous (13 per cent) and pharmaceuticals (12.4 per cent).

Among the companies to undergo trade, 110 advanced, 61 declined and 190 remained unchanged.

Sena Kalyan Insurance Company posted

the highest appreciation, rising 9.96 per cent. BDCOM Online surged 9.8 per cent, Pragati Insurance advanced 9.7 per cent and Federal Insurance Company and Genex Infosys gained more than 8 per cent each.

Monno Ceramic Industries suffered the biggest fall, sliding down 2.1 per cent. Bata Shoe Company Bangladesh dropped 1.16 per cent and Pacific Denims and Eastern Lubricants also fell by more than 1 per cent.

Genex Infosys was the most-traded stock on the day with shares worth Tk 63 crore changing hands.

Bangladesh Shipping Corporation, Orion Pharma, Bashundhara Paper Mills and Intraco Refueling Station also saw significant transactions.

The Caspi, the all share price index of Chittagong Stock Exchange (CSE), rose 78 points, or 0.4 per cent, to end the day at 18,431.

Of the securities, 51 advanced, 33 declined, and 83 did not show any price movement.

Turnover at the CSE almost tripled to Tk 15.62 crore from that on the previous session.

City Bank gets new AMD

STAR BUSINESS DESK

City Bank has promoted Mahia Juned to the post of additional managing director (AMD).

Mahia has been with the bank as deputy managing director, chief operating officer and chief anti-money laundering compliance officer (CAMLCO), said a press release.

In her new position, she will continue to be the chief operating officer and CAMLCO and also be in charge of the women affairs of the lender concurrently.

She started her banking career with Citibank, NA Bangladesh as an operations officer in 1994 and left the bank in 2001 as resident vice-president and head of operations.

She joined City Bank in 2007 as the first vice-president and head of project management. She became the DMD of the bank in 2016.

Mahia obtained her BBA degree from the Assumption University of Thailand.



UAE pledges to invest \$30b in South Korea

REUTERS, Seoul

The United Arab Emirates (UAE) has decided to invest \$30 billion in South Korea's industries, South Korea's presidential office said on Sunday, as the two countries seek to expand economic cooperation.

The investment decision was announced as South Korea's President Yoon Suk-yeol met his UAE counterpart, Sheikh Mohammed bin Zayed al-Nahyan, in Abu Dhabi during a four-day state visit, Yoon's office said.

"We have decided a \$30 billion investment based on the trust on South Korea which keeps promises under any circumstances," Yoon's office quoted the UAE president as saying.

Seoul's finance ministry said the \$30 billion investment would be led by sovereign wealth funds, including Mubadala Investment Company.

| PRICES OF KEY ESSENTIALS IN DHAKA CITY | | | |
|--|----------------------|----------------------------|--------------------------|
| | PRICE (JAN 15, 2023) | % CHANGES FROM A MONTH AGO | % CHANGE FROM A YEAR AGO |
| Fine rice (kg) | Tk 58-Tk 75 | -2.92 ↓ | 2.31 ↑ |
| Coarse rice (kg) | Tk 46-Tk 52 | -4.85 ↓ | 3.16 ↑ |
| Loose flour (kg) | Tk 58-Tk 62 | -4 ↓ | 66.67 ↑ |
| Lentil (kg) | Tk 100-Tk 105 | -2.38 ↓ | 0 |
| Soybean (litre) | Tk 168-Tk 170 | -4.79 ↓ | 18.6 ↑ |
| Potato (kg) | Tk 22-Tk 25 | -9.62 ↓ | 23.68 ↑ |
| Onion (kg) | Tk 35-Tk 45 | -20 ↓ | 0 |
| Egg (4 pcs) | Tk 40-Tk 43 | 12.16 ↑ | 13.7 ↑ |

SOURCE: TCB



Romo Rouf Chowdhury, chairman of Bank Asia, hands over a cheque worth Tk 4 crore to Prime Minister Sheikh Hasina for Prime Minister's Ashrayan Project-2 Fund for the underprivileged and homeless people of the country at the Prime Minister's Office in Dhaka yesterday. PHOTO: BANK ASIA

Bank Asia donates Tk 4cr to PM's Ashrayan Project-2 Fund

STAR BUSINESS DESK

Bank Asia has donated Tk 4 crore to the prime minister's Ashrayan Project-2 Fund for underprivileged and homeless people of the country as a part of its corporate social

responsibility.

Prime Minister Sheikh Hasina received the cheque from Romo Rouf Chowdhury, chairman of Bank Asia, during a programme held at the Prime Minister's Office in Dhaka yesterday, said a press release.



Md Mehmood Husain, managing director of National Bank, chaired the bank's annual business conference at Le Meridien Dhaka yesterday. Lieutenant General (retd) Md Shafiqur Rahman, director of the bank, virtually joined the event. Syed Rois Uddin and Hossain Akhtar Chowdhury, deputy managing directors, were present. PHOTO: NATIONAL BANK



Mohammad Feroz Hossain, managing director of Exim Bank, hands over a donation worth Tk 4 crore to Prime Minister Sheikh Hasina at the Prime Minister's Office in Dhaka yesterday for PM's Ashrayan Project-2 Fund for homeless people. Md Nazrul Islam Mazumder, chairman of Exim Bank and the Bangladesh Association of Banks, was present. PHOTO: EXIM BANK

Pran to invest \$22.5m

FROM PAGE B4

Regarding the source of the investments, Chowdhury said it was various domestic and foreign financial institutions, including banks and equity.

He said meanwhile Pran-RFL Group was working on building a new industrial park named Kaliganj agro processing at Muktarpur in Gazipur for soybean seed processing and oil refining and for the production of flour, salt, dal, starch and farm feed.

The construction and installation of machines are progressing rapidly on 180 bighas of land of the industrial park.

The products produced in the factory are expected to reach the market by the end of this year, he noted. Pran-RFL Group will manufacture smart and feature phones as well as various types of mobile accessories including headphones, batteries and chargers at Pran Industrial Park located in Narsingdi.

It is setting up a garment factory in Rajshahi's Godagari with the aim of creating massive employment in North Bengal.

According to Chowdhury, the main objective of the group was to create mass employment and enable development of the rural economy through business activities.

"All the factories we are building now are in remote rural areas outside Dhaka. We are trying to set up labour intensive industries outside Dhaka," he said.

Pran-RFL Group started its journey in 1981 by manufacturing tube wells and agricultural machinery through Rangpur Foundry. Later in 1993 a factory was set up at Narsingdi to process agricultural produce.

The group went on to become a leading industrial enterprise by manufacturing and marketing various products including drinks, food items, toiletries, houseware and electric and electronic items.



Monzurur Rahman, chairman of Pubali Bank, hands over a donation cheque worth Tk 4 crore to Prime Minister Sheikh Hasina for the Prime Minister's Ashrayan Project-2 Fund for the underprivileged and homeless people of the country at the Prime Minister's Office in the capital yesterday. PHOTO: PUBALI BANK



Alamgir Kabir, chairman of Southeast Bank, hands over a donation worth Tk 4 crore to Prime Minister Sheikh Hasina at the Prime Minister's Office in Dhaka yesterday for the PM's Ashrayan Project-2 Fund for the underprivileged and homeless people across the country. PHOTO: SOUTHEAST BANK

China's 2022 growth

FROM PAGE B4

policy, which put the brakes on manufacturing activity and consumption.

Strict lockdowns, quarantines and compulsory mass testing prompted abrupt closures of manufacturing facilities and businesses in major hubs -- like Zhengzhou, home of the world's biggest iPhone factory -- and sent

reverberations across the global supply chain.

Beijing abruptly loosened pandemic restrictions in early December after three years of enforcing some of the harshest Covid measures in the world.

China is battling a surge in Covid cases that has overwhelmed its hospitals and medical staff.

Nigeria keen to expand trade with Bangladesh

Says an official of the African country

STAR BUSINESS REPORT

Nigeria wants to expand trade with Bangladesh as the south Asian country has achieved significant development in the last decade, said Akinremi Bolaji, director for economic, trade and investment of the foreign affairs ministry of the west African nation.

The Nigerian government is reviewing the possibilities of creating cooperation between the two nations in various sectors, including business, trade, investment and information technology, he said.

He made the comments at a multi-sectoral investment meeting held between Bangladesh Investment Development Authority (Bida) and the representatives of various ministries and departments of the Nigerian government at Bida's conference room in Dhaka yesterday.

Professor Isa Ali Ibrahim Pantami, minister for communications and digital economy of Nigeria, was the head of the Nigerian delegation, which consisted of 11 members from various ministries and departments.

Bangladesh has completely changed in the past decade and became a role model for development, Lokman Hossain Miah, executive chairman of Bida, said at the event.

Bangladesh's development in different fields, including power, communication, infrastructure and per capita income, has made the country a good destination for investment, he claimed.

"We have a huge domestic market full of energetic youths, which is highly desirable to the investors."

Hossain Miah also highlighted the current scenario of Bangladesh's investment, trade, economic development and the country's future plans to the Nigerian delegation.

In the meeting, Md Ariful Haque, director of Bida, came up with a visual presentation on the "Investment climate and opportunities in Bangladesh".



Visitors browse at a stall of bedsheets and cushions at the ongoing monthlong Dhaka International Trade Fair-2023 in Bangabandhu Bangladesh-China Friendship Exhibition Centre at Purbachal in Dhaka. The photo was taken yesterday.

PHOTO: PALASH KHAN

Only 8.7% households have computers: BBS survey

STAR BUSINESS REPORT

Only 8.7 per cent of households in Bangladesh have a computer, found a government survey, underscoring the lack of access to digital devices and their unaffordability.

The digital divide is also palpable in terms of computer ownership as only 3.1 per cent of rural households and 25.6 per cent of urban households own a computer.

The Bangladesh Bureau of Statistics carried out the survey titled the "Survey on ICT Use and Access by Individuals and Households 2022".

Access, usage and ownership of ICT are key to linking communities, facilitating businesses and empowering communities socially and economically, said the survey report.

"It is therefore imperative that every effort is made to bridge the digital divide between those who have information and those who need the information," it said.

In general, household ownership of personal computers and mobile phones and their access to the internet are closely linked and dependent on household incomes.

The highest proportion of households with a computer is in Dhaka (15 per cent) while the lowest in Barishal (4 per cent).

At the national level, only 0.8 per cent of households in Bangladesh have a fixed line telephone connection.

Access, usage and ownership of ICT are key to linking communities, facilitating businesses and empowering communities socially and economically, said the survey report

Some 38.1 per cent of households have internet access at home.

The survey said 12.8 per cent of households in Bangladesh have a radio while 62 per cent at least one television.

The highest proportion of households with a radio is in Barishal (29 per cent) and the lowest in Rangpur (4 per cent).

The highest proportion of households with a television is in Dhaka (68.1 per cent)

and the lowest in Khulna (54 per cent).

The proportion of households with a telephone is 97.4 per cent. The highest are in Dhaka and Sylhet (98.6 per cent) and the lowest in Rangpur (94.8 per cent).

The highest proportion of households with internet is in Dhaka (58.2 per cent) and lowest in Rajshahi (19.7 per cent).

The proportion of households with a mobile (cellular) phone is 97.4 per cent. The highest are in Dhaka and Sylhet (98.6 per cent) and the lowest in Rangpur (94.8 per cent).

The proportion of households with a smartphone is (52.2 per cent). The highest is in Dhaka (69.4 per cent) and the lowest in Rajshahi (32 per cent).

The proportion of households with internet by mobile broadband network via a handset is 59.8 per cent.

At the national level, 41,433,742 households have a mobile phone, 325,580 fixed telephone, 5,431,793 radio, 26,354,551 television, 41,435,264 telephone, 3,687,455 computer and 16,198,194 internet.

MONETARY POLICY (Jan-Jun)

Lending rate cap relaxed for consumer loans

STAR BUSINESS REPORT

Bangladesh Bank yesterday relaxed the lending rate cap for consumer loans, allowing banks to hike it up to 3 percentage points from the current level.

This means banks can charge up to 12 per cent in interest rates on consumer loans from 9 per cent now, according to the new monetary policy of the central bank.

Similarly, the BB has withdrawn the floor on the deposit rate.

Since April 2020, the BB has maintained a 9 per cent cap on all loans, except for credit card loans.

Banks can now set credit cards' interest rates

STAR BUSINESS REPORT

Banks can now fix interest rate of their credit cards, Bangladesh Bank (BB) said yesterday after allowing the lenders to charge up to 12 per cent interest on consumer credit.

"There is no cap on credit card loans," the central bank said in its monetary policy for January-June period of 2022-23 fiscal year.

The monetary policy was unveiled at Bangladesh Bank's headquarters in Dhaka.

The BB said it will consider removing the lending rate cap in the presence of a 'suitable economic condition'.

Banks have been following a 9 per cent cap on lending since April 2020 as per the instruction of the BB to allow businesses to cut cost of funds.

Rupee notches best week in 2 months

REUTERS, Mumbai

The Indian rupee strengthened on Friday, posting its biggest weekly gain in two months, as benign US inflation reading reinforced expectations of a smaller rate hike by the Federal Reserve next month.

The rupee finished the session at over a one-month high of 81.3250 per dollar, versus its last close of 81.55.

This was the local currency's best week since the week-ended November 11, gaining about 1.7 per cent after it broke out of a narrow trading range.

Public sector (PSU) banks likely bought dollars around the 81.30 levels on Friday, suggesting 81.20 could remain a resistance level for the rupee in the near term, said a private bank trader.

Dealers also cited current levels being attractive for importers to jump in.

Bangladesh misses

FROM PAGE B1

international markets. This means local manufacturers are paying more for the imported goods that are already available locally.

In some cases, imported recycled yarns are made from the wastes and scrap fabrics exported from Bangladesh, said industry people.

In 2019, Bangladesh produced approximately 577,000 tonnes of waste just from the ready-made garments and fabrics mills of which almost half was 100 per cent pure cotton waste, according to the Circular Fashion Partnership project led by Global Fashion Agenda, with partners Reverse Resources and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

On the other hand, Bangladesh heavily relies on the import of textile fibre.

The country imported 1.63 million tonnes of staple cotton fibre in 2019 with a value estimated to be \$3.5 billion. And if the 100 per cent cotton waste is recycled within Bangladesh, imports could decrease by around 15 per cent, therefore saving \$500 million that would have been spent on cotton imports, said the Circular Fashion Partnership.

Cotton imports were more than \$3 billion in 2021.

Md Abdur Rouf, executive director of Bhaluka-based Simco Spinning & Textiles Ltd, says currently, the company is producing 20 tonnes of recycled yarn a day against the capacity of 50 tonnes.

Since the demand for recycled yarn-made apparel is growing worldwide, the company is fully booked for the next three months. But, Rouf's company is facing difficulties when it comes to sourcing scraps and waste cotton from the local market as traders prefer to export them.

Almost all kinds of apparel items such as T-shirts and denim and knitted fabrics are made from recycled yarns.

"International retailers and brands nominate recycled yarns as eco-friendly consumers also want companies to manufacture more garment items from recycled yarn and fabrics," Rouf said.

The demand for recycled yarn and fabrics is so high that the company has reinvested almost every year to expand its production capacity.

In 2010, Simco began its journey with an investment of Tk 60 crore. Later, it reached Tk 150 crore.

Square Textiles Ltd is also witnessing a recycled raw materials shortage.

"In many cases, the same recycled materials are mixed with the cotton local millers import," said Taslimul Haque, operation director of the company.

BGMEA President Faruque Hassan says the demand for apparel made from recycled yarns is growing globally as consumers are increasingly getting conscious of the importance of protecting the environment.

"So, the export of textile scraps is also growing from Bangladesh."

He cited scraps and waste cotton as the asset of the country and urged the government to put a restriction on their exports.

"A separate hub of waste cotton and scraps should be built so spinners don't face any crisis of raw materials," he said.

Hassan thinks a new opportunity has been created for Bangladesh as buyers favour apparel made from recycled yarn and fabrics.

"The value-addition in the recycled yarn is higher than the traditional yarn made from cotton and manmade fibre as scraps are entirely generated locally," he added.

Bangladesh has the potential to produce \$1.2 billion worth of recycled textile and garment items as the country has a big production base for cotton fibre clothing items, said the Global Fashion Agenda and McKinsey & Company in a report in 2021.

Cost to spiral for poor feasibility studies

FROM PAGE B1

Now the length meant for this repair has been reduced by 7.57 km while its expenditure increased by Tk 5.10 crore.

In the original plans, the road construction and repair included building a 640-metre bridge at a cost of Tk 180 crore over the Kohelia river.

But the second revision increased its length to 895 metres and the cost to Tk 220 crore, meaning an extra Tk 40 crore will be needed.

Apart from that, a new 54-metre reinforced concrete girder bridge will have to be built, increasing the overall cost by Tk 32 crore.

REACTIONS

A project evaluation committee of the planning ministry has asked to explain the reasons of the high cost of road construction and Kohelia bridge's components in the second revision.

Asking not to be named, an official of the planning commission also blamed poor feasibility studies for cost and time overruns.

"A total of three (project evaluation committee) meetings have been held for this project as the planning commission did not get the proper response from the project officials," he said.

At least seven years has already elapsed since the project was undertaken but it is still not at a satisfactory stage, he added.

The project director, Mohammad Jahangir Alam, also acknowledged that the feasibility studies were of a poor standard.

"It was not detailed and complete," he said.

"In the first feasibility study, the measurement was not carried out properly. That is why the cost in the revision has increased," he added.

However, Alam claimed that the latest feasibility studies were properly conducted by international consultants.

"The construction cost has risen due to the soil status being different in the coastal areas where the soil subsides easily," he said.

Alam affirmed that the price determination for the new components had been very "accurate".

"All is neat and clean," he quipped.

BB looks to promote digital banking

FROM PAGE B4

The benefit of reduced cash transactions and digitalisation of payment systems are immense and can address the fundamental challenges against transparency, inclusion, improvement of revenue collections and simplifications once implemented in a meaningful and sustainable manner with appropriate safeguards against cyber-securitys and data privacy/ protections, he said.

In order to realise the real potential value of digital banking and payment systems, the banking ecosystem and national identification, the Credit Information Bureau, and the customs and tax systems need to be integrated, according to Naser.

"Clearly, it is a journey that needs to be implemented carefully and at the right synchronisation. We are delighted to see a progressive approach and clear statement of intent from the central bank. Now all stakeholders need to collectively move towards execution."

Big US banks gird for 'mild recession'

AFP, New York

Major US banks reported mixed fourth-quarter results Friday as executives pointed to the rising odds of a "mild recession," with inflation and interest rate hikes challenging households and businesses.

The biggest US bank, JPMorgan Chase, set aside \$1.4 billion in fresh reserves in case of loan defaults, noting that its "central" scenario is "a mild recession" with somewhat higher unemployment.

Bank of America accounted for \$403 million in possible bad loans as Chief Executive Brian Moynihan alluded to an "increasingly slowing economic environment," while Citigroup reserved \$640 million and Wells Fargo \$397 million for similar purposes.

Citigroup Chief Financial Officer Mark Mason described the outlook as "a rolling country-level recession rather than a simultaneous global downturn." But Mason cited the moderate winter thus far in Europe as an ameliorating factor in the outlook, while noting that credit card delinquencies are still coming in at exceptionally low levels, a sign of consumer resilience.

"Our base case is still a mild recession in the latter part of 2023," he said in a briefing with reporters, calling the outlook "very manageable." Bank shares initially tumbled on the reports, but reversed course in the middle of the session. All four banks finished solidly higher.

Briefing.com analyst Patrick O'Hare noted that JPMorgan Chief Executive Jamie Dimon has warned last year of a potential economic "hurricane." "The banks are bracing for at least a mild recession, but it's not a hard landing," O'Hare told AFP.

/- 'We remain vigilant' -/The

addition of reserves in the fourth quarter reflects a shift from the year ago period when many of the banks released reserves, boosting profits.

At JPMorgan, profits came in at \$11.0 billion, up six percent from a year ago, while revenues rose 18 percent to \$34.5 billion.

The biggest lift to earnings came from a whopping 48 percent rise in net interest income, offsetting the drag from lower investment banking results and elevated expenses.

Dimon praised the company's performance, saying the "US economy currently remains strong with consumers still spending excess cash and businesses healthy." But he pointed to war in Ukraine, persistent inflation and tightening Federal Reserve policy as headwinds, adding that "we remain vigilant and are prepared for whatever happens," according to a JPMorgan press release.

While charge-offs for loan losses were abnormally low in 2022, JPMorgan forecast a return to historic levels by mid-2023.

Dimon, who has warned for months about major macroeconomic obstacles that could lead to a mild or severe recession, said his views had not changed.

"We don't know the future," Dimon told reporters. "I'm simply pointing out that there are geopolitical uncertainties, which are real and we just have our eyes focused on it." "We hope they go away. They may not," he added at a briefing.

At Bank of America, profits came in at \$6.9 billion, up two percent from a year ago on an 11 percent jump in revenues to \$24.5 billion.

The results included a 33 percent rise in charge-offs to \$689 million compared with the prior quarter.



Workers at a small export-oriented garment factory in Saidpur of Nilphamari are seen stitching together various garment items made from discarded cloth. Although these garments are widely popular at home and abroad for their cheap yet fashionable designs, many producers have been unable to resume operations after losing their capital amid the coronavirus pandemic.

PHOTO: EAM ASADUZZAMAN



BB looks to promote digital banking

STAR BUSINESS REPORT

The Bangladesh Bank plans to promote digital banking to encourage the broad adoption of financial products and services as it looks to accelerate financial inclusion, thus moving the country towards a cashless society.

The central bank has made a significant effort to develop a modern digital payment system over the last decade.

The digitalisation of the banking sector, the popularisation of mobile financial services (MFS) and agent banking, the rise of online-based banking services, the introduction of payment systems operators (PSOs) and payment service providers (PSPs), and the full interoperability of the financial sector, specifically the introduction of interoperable digital transaction platform "Binimoy" are some of the critical initiatives to impact the onboarding and transaction behaviour of end-users.

"However, as expected by the central bank, these accounts are yet to spark the broad adoption of the whole spectrum of financial products and services," said the BB in its monetary policy statement yesterday.

"Against the backdrop, the banking sector is considering a new wave of technological innovation, digital banking, in ways that could lead to a deeper level of financial inclusion, moving towards a cashless society and thereby economic activities would be augmented."



Small export-oriented garment units struggling to survive

EAM ASADUZZAMAN, Nilphamari

Small export-oriented garment factories in Saidpur of Nilphamari are struggling to recover from setbacks faced during the Covid-19 pandemic, when orders from abroad took a steep dive owing to lower demand amid economic uncertainty.

And although the government tried to revitalise the industry using stimulus funds, from which businesses could borrow between Tk 10-50 lakh with 4 per cent interest, only 20 to 25 large-scale operations were given the facility.

Now, those entrepreneurs who were deprived are trying to manage enough capital to reopen by any means necessary.

Khaja Garib-e-Newaz, who owns a small export-oriented garment factory in Saidpur, said most units like his were closed down due to the decline in work orders.

Besides, the lack of work forced many skilled employees to leave the profession in search of an income.

Newaz then said small and medium (SME) entrepreneurs like himself have little access to formal credit as banks worry about being able to recover loans from businesses such as theirs.

Shahedur Rahman, the owner of another small garment factory in the area, said he asked his friends and relatives for loans in a bid to make up the Tk 10 lakh needed to reopen his unit as no other options are available.

"But whether they will be able to provide me sufficient amounts is uncertain," he added.

Ershad Alam Pappu, the owner of Rup-Milon Garments, said he used to export 1.40 lakh pieces of garment to India each month before the pandemic.



CHALLENGES

-  Limited access to govt support
-  Lack of formal credit
-  Decline in work orders
-  Higher production costs

However, he then turned to domestic markets across eight northern districts in order to survive following the coronavirus outbreak.

"Now, we are eyeing some southern districts as well," added Pappu, who is also vice-president of the Exportable Small Garments Factory Owners Association (ESGFOA) in Saidpur.

Md Dulu, the owner of MR Garments, told a similar tale as he used to export garments to India worth \$5 lakh annually but now, sales hardly reach even \$3 lakh.

The garments made in Saidpur come with a story of their own as the industry took its first steps just a few years ago, when innovative producers started making fashionable but cheap attire, such as jackets, jeans and shorts.

Other than being crafted on traditional sewing machines, the speciality of these garments is that they are made using

discarded scraps of cloth collected from large-scale garment factories.

The garments quickly gained popularity among the region's poor and middle-income households and then spread to the surrounding areas before eventually making it to the export market.

This came as a blessing for low-income people in Saidpur as they could set up their own production unit at home with just two to three sewing machines.

Exports began when a few visitors from India involved in the clothing business found the garments made in Saidpur to be suitable for their country's market.

Seeing the growing popularity of these cheap garments abroad, many more traders from India and Bhutan started placing work orders.

Anwar Hossain, general secretary of the ESGFOA, said they have 55 regular members and around 500 associate

members that employ 6,000 workers in Saidpur.

In addition, Saidpur's convenient location near Bhutan and India has also helped increase garment exports from the region's Burimari land port.

Factory owners informed that they purchase the discarded cloth from middlemen in Dhaka. The materials required for making blazers and jackets can cost up to Tk 150 per kilogramme (kg) while the amount varies between Tk 80 and Tk 150 for denimwear and so on.

If the middlemen are taken out of the equation, then production costs would be much lower, they say.

At present, a children's clothing such as jackets are selling at Tk 150 per piece at wholesale while it was Tk 100 previously. Similarly, apparels made for adults can cost up to Tk 500 while it was Tk 350 before.

When asked about how the owners of some small garment units allege that they are being deprived of cheap loans, Muhammad Anisur Rahman, senior vice-president of the Islami Bank branch in Saidpur, said they are providing funds to "genuine borrowers".

"We do not consider providing the loan to those who are defaulters," he added.

Akhtar Hossain Khan, president of the ESGFOA, said the industry could earn Tk 100 crore this year if all roadblocks are removed.

"The government should establish a small garments village in Saidpur to accommodate all local factories for increasing their productivity as they contribute to national economy," said Shaiful Alam Dablu Shah, president of the Nilphamari Chamber of Commerce and Industry.

Pran-RFL to invest \$22.5m in four sectors

JAGARAN CHAKMA

Pran-RFL Group is going to invest in four new sectors -- \$10 million in automobile parts, \$3 million in stainless steel and aluminium pipe, \$2.5 million in electric bike and \$7 million in tableware.

These are a part of its target to complete investing \$200 million by this year.

"In response to consumer demand, and provide import substitutes, Pran-RFL Group has undertaken new investments and expansions. This will result in employment of about 25,000 people," Chairman and Chief Executive Officer Ahsan Khan Chowdhury.

He shared these while talking to The Daily Star recently. "Basically, we started to invest the amount in 2022 but could not complete it due to the ongoing economic condition," he said.

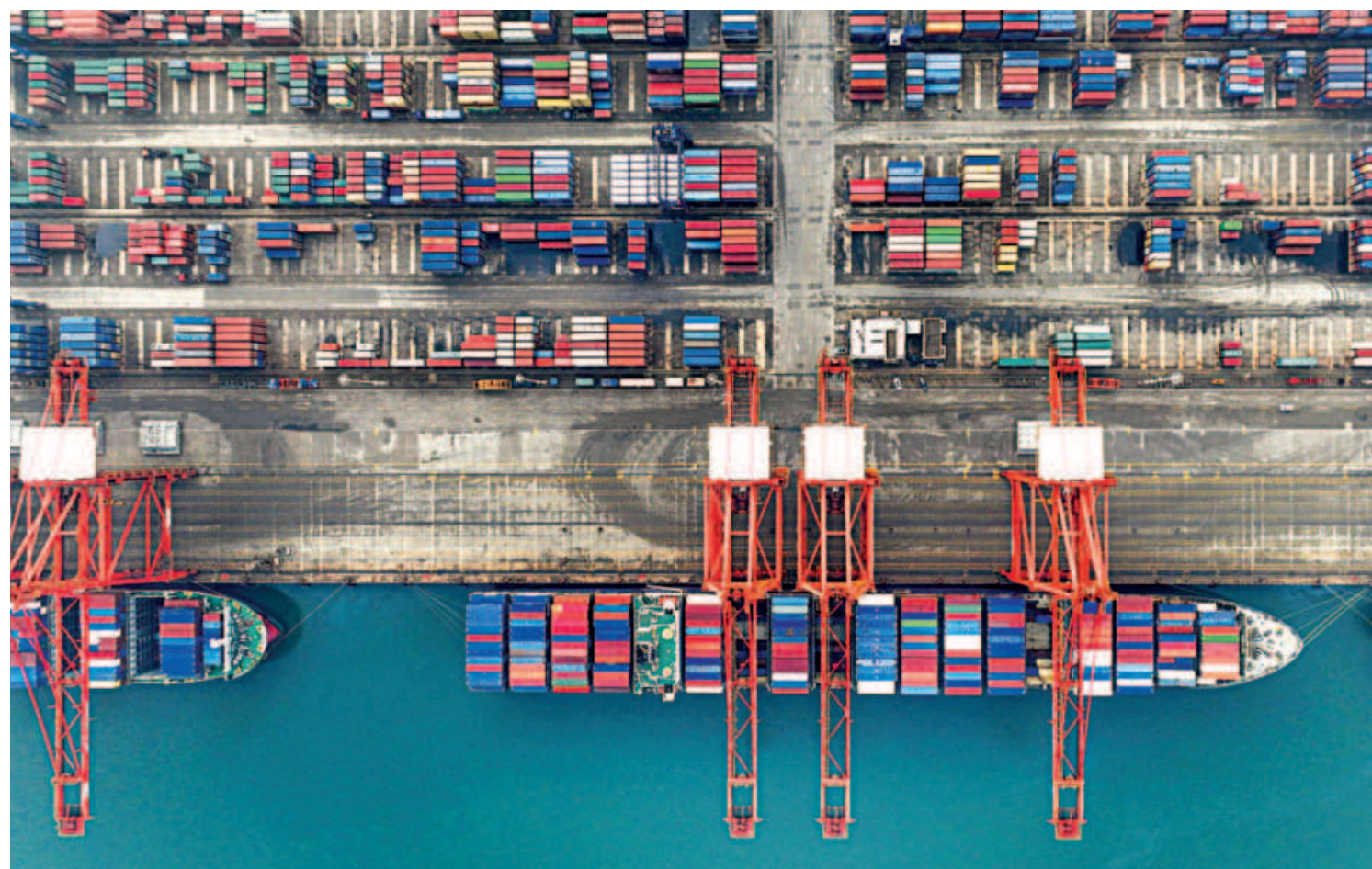
According to him, they could make around 25 per cent of the targeted investment in 2022. However, they have developed skills and efficiency of staff and formulated the investment strategy.

"We also tried to reduce cost of doing business and cost of production," Chowdhury said.

He said the sectors to get investments for business expansion include beverage, confectionery, biscuit and bakeries, garments, bicycle and accessories, refrigerator, elevator, footwear, pipe, cables and recycling.

New investments and expansions are underway at Pran-RFL Group's 18 industrial parks and factories across the country.

READ MORE ON B2



An aerial view of cranes and shipping containers at Lianyungang port in China's eastern Jiangsu province. Beijing had set itself a growth target of around 5.5 per cent for 2022 but this was undermined by the government's "Zero-Covid" policy, which put the brakes on manufacturing activity and consumption.

PHOTO: AFP

China's 2022 growth seen as its lowest in 40 years

AFP, Beijing

China's economic growth for 2022 is expected to have been among its weakest in four decades after the twin crises of the pandemic and property woes, analysts said ahead of Tuesday's GDP announcement.

Ten experts interviewed by AFP forecast an average 2.7 per cent year-on-year rise in gross domestic product (GDP) for the world's second-largest economy, a sharp plunge from China's 2021 growth of more than 8 per cent.

It could also be China's slowest pace since a 1.6 contraction in 1976 -- the year Mao Zedong died -- and excluding 2020, after the Covid-19 virus emerged in Wuhan in late 2019.

Beijing had set itself a growth target of around 5.5 per cent for 2022 but this was undermined by the government's "zero-Covid"

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