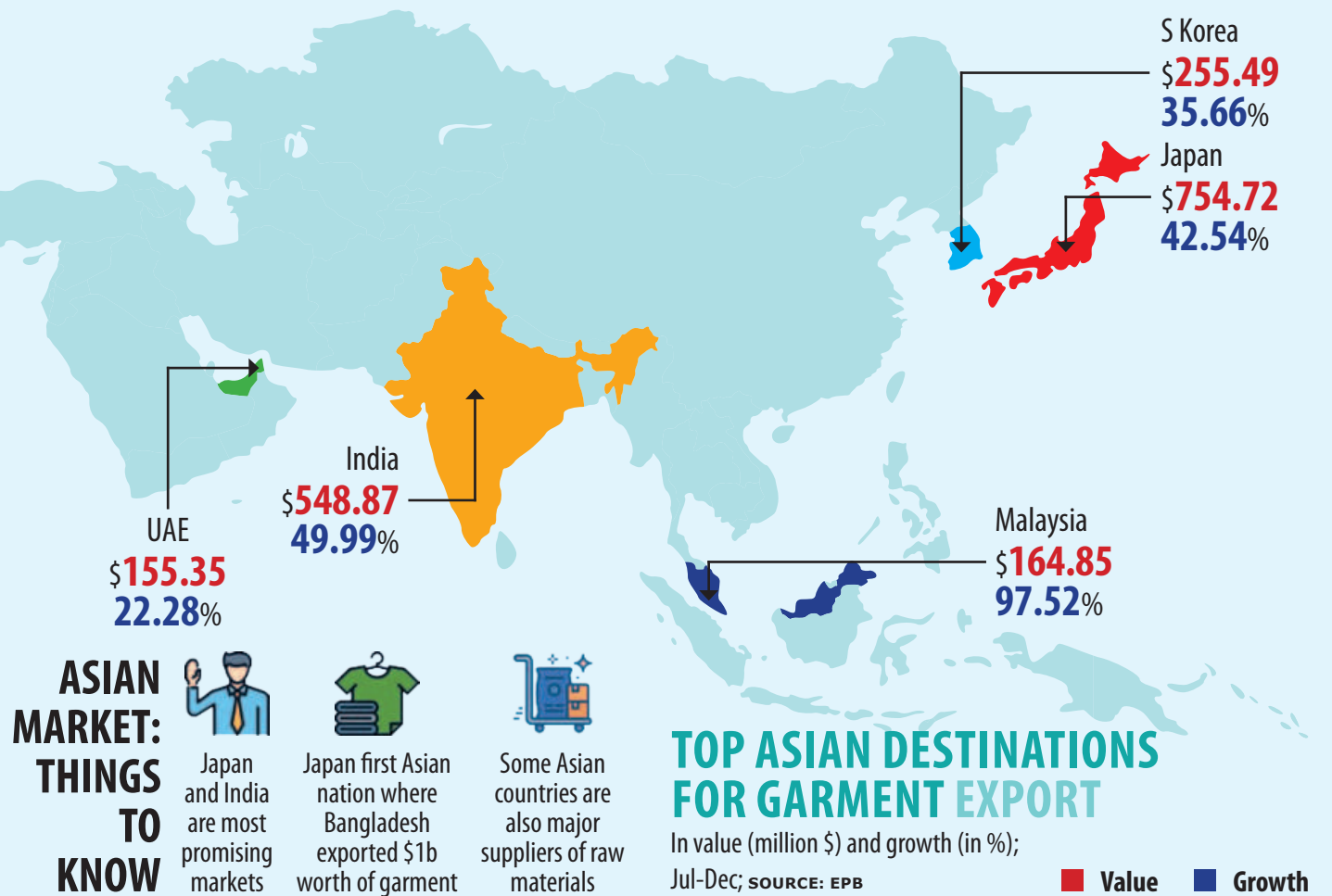




## REASONS FOR HIGHER GROWTH IN ASIA

- High inflation in the EU and the USA
- Rising middle income consumers in Asian markets
- Short lead-time and easy transportation
- Better prices compared to the past
- Drive by local exporters to grab more Asian markets
- Product diversification by local exporters



# Asia comes to RMG exporters' aid amid slowdown in EU, US

REFAYET ULLAH MIRDHA

Amidst the slowdown in garment shipment to the European Union and the United States owing to persistently higher inflation, the Asian markets are emerging as the saviour for the apparel exporters from Bangladesh.

Consumers in the two largest garment export destinations of Bangladesh have remained concerned about the lasting economic uncertainty caused by the raging Russia-Ukraine war.

As a result, the earnings from the garment export to the US, Bangladesh's single largest market, registered a paltry growth of 1.11 per cent year-on-year in the first six months of the current financial year. Similarly, the receipts from the EU market clocked a 16.61 per cent growth.

On the other hand, the export of apparel items to the major Asian markets posted substantial growth during the period and the momentum is expected to continue in the coming years as the continent gets richer.

For instance, the shipment to Japan, a very promising market for Bangladesh, rose 42.54 per cent year-on-year to \$754.72 million between July and December. It was \$529.46 million in the identical period

a year earlier, data from the Export Promotion Bureau (EPB) showed.

The export to India surged around 50 per cent to \$548.87 million and it climbed 35.66 per cent to \$255.49 million in South Korea and 97.52 per cent to \$164.85 million in Malaysia.

Garment sales to Turkey appear to be rebounding; the export to the country had been on the decline after Ankara maintained a 17 per cent duty on the import of garment items from Bangladesh since 2017.

Still, the apparel shipment to Turkey rose 83.70 per cent to \$117.43 million in July-December.

The export to Saudi Arabia was up 41.62 per cent to \$104.31 million and to the United Arab Emirates by 22.28 per cent to \$155.35 million.

The shipment advanced 15.27 per cent to \$127.24 million in China, which itself is the largest apparel supplier in the world.

"We are studying the Asian markets very seriously as part of our roadmap," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He said this was not a normal time for the garment business as consumers in Bangladesh's

traditional export markets such as the US, Canada, the UK and the European Union are going through a tough time owing to higher consumer prices driven by the global energy shortage and supply disruptions.

"So, we are trying to ship more goods to Asia and other emerging markets like those

two months and its experts have also suggested expanding Bangladesh's apparel sales in Asia as the base of the middle-income consumer group is expanding in the countries in the continent.

More than 1 billion Asians are set to join the global middle class by 2030, according to Vienna-

based World Data Lab.

Asian nations make up more than half of the world's middle class, but they account for only 41 per cent of that group's consumer spending. The share is set to exceed 50 per cent within a decade.

The Asia-Pacific region is set to account for more than 40 per cent of the global menswear and womenswear sales by 2024, thanks to its high population density, increasing internet penetration, economic growth and the increased spending

in Latin America, Africa and Australia."

The BGMEA has set a target to generate \$100 billion from apparel shipments by 2030. Apparel manufacturers raked in \$42.61 billion in the last fiscal year, which ended in June.

"Our target is that we will maintain our EU and US markets as usual. At the same time, we will continue our drives to increase shipments to the Asian markets," said Hassan.

The BGMEA expects to release the roadmap in the next



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# Higher govt borrowing may crowd out private sector: DCCI

STAR BUSINESS REPORT

The central bank's target to raise the public sector credit growth in the January-June half of the ongoing fiscal year may crowd out the private sector, said the Dhaka Chamber of Commerce & Industry (DCCI) yesterday.

The credit growth target for the public sector has been adjusted upwards to 37.7 per cent from 36 per cent, according to the monetary policy statement (MPS) unveiled on Sunday. The actual credit growth was 26.6 per cent in the July-December period.

The goal for the private sector credit growth has been kept unchanged at 14.1 per cent, against an actual growth of 12.8 per cent in the first half of FY23.

"The target for public sector credit may cripple new borrowing and investment by the private sector," said DCCI President Sameer Sattar in a press release.

In order to reduce public sector borrowing, efficiency and good governance need to be continuously ensured through the reduction in government expenditure, austerity measures and prioritising development projects, he said.

The chamber, however, hailed the new monetary policy stance, saying it would help both the private and financial sectors turn around.

"As a whole, the MPS is promising with good indications to contain the current economic challenges," Sattar said.

**"The target for public sector credit may cripple new borrowing and investment by the private sector," said DCCI President Sameer Sattar**

"However, a timely implementation strategy through coordinated efforts from the public and private sectors along with strong monitoring by the central bank can achieve the core goals of the money market and the economy."

The MPS is primarily aimed at curbing inflation and stabilising the foreign exchange reserve.

Also, in the current market condition, the proposed relaxation of the lending rate cap for consumers' credit and the

READ MORE ON B3

## Speculative trading drives stocks

AHSAN HABIB

While most stocks in Bangladesh remain bearish, some surged in the first half of January fuelled by rumours.

Interestingly, the rumour is that manipulators are availing stakes in the stocks for which their prices will rise. This rumour is encouraging general investors to buy those stocks.

Meanwhile, stocks with good performance records are struggling to get buyers, for which their prices have remained unchanged these days.

Investor Abdul Malek was found buying stocks of Genex Infosys at a brokerage house. Asked by The Daily Star, he informed about the rumour.

"If anyone follows the manipulator, he can gain in the market now. Otherwise, none will get profit," he said.

Since January 2, the price of a number of stocks has gone up by a large extent, according to data from the Dhaka Stock Exchange (DSE).

They include Bashundhara Paper Mills (31 per cent), Genex Infosys (30 per cent), Meghna Life

READ MORE ON B3

## Matarbari deep-sea port to open in 2026

Says state minister for shipping

STAFF CORRESPONDENT, Ctg

State Minister for Shipping Khalid Mahmud Chowdhury yesterday hoped for a part of the Chattogram port's Bay Terminal to become operational from early 2026 while the Matarbari deep-sea port either from the middle or end of that year.

He also hoped for the Chattogram port's Patenga Container Terminal to be operational very soon as around 97 per cent of its construction was complete.

He was addressing as chief guest a ceremony marking the first time a Chattogram port jetty has been able to accommodate a 200-metre vessel with a 10-metre draught.

The vessel, MV Common Atlas, berthed at jetty no 1 of Chittagong Container Terminal (CCT) on Sunday afternoon.

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI ▲
0.07%	0.04%
6,246.06	18,440.49

COMMODITIES	
Gold ▼	Oil ▼
\$1,912.92	\$79.18
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.28%	▼ 1.14%	▼ 0.31%	▲ 1.01%
60,092.97	25,822.32	3,283.60	3,227.59

READ MORE ON B3



MV Common Atlas, a 10-metre draught vessel, anchored at a jetty of Chattogram port on Sunday. With the arrival of the Marshal Island-flagged bulk carrier, the largest port of the country stepped into a new era as the movement of larger ships is expected to generate more revenue by cutting costs and saving time.

PHOTO: RAJIB RAIHAN

## Shahjalal Islami Bank re-elects Akkas as chair of exec committee



**Akkas Uddin Mollah**  
**Fakir Akhtaruzzaman**

### STAR BUSINESS DESK

Akkas Uddin Mollah has unanimously been re-elected chairman of executive committee of Shahjalal Islami Bank at the 354th meeting of the board of directors in Dhaka recently.

Mollah is the chairman and managing director of Russel Spinning Mills, PNR Industries, Tania Cotton Mills, Russel Garments, Russel Washing Plant, Ekram Sweaters, Nurul Islam Spinning Mills, Helal Textile Industries, Tofaz Dresses, Goodman Pharmaceuticals, PNR Leather Products and Ekram Industries, said a press release.

Shahjalal Islami Bank also re-elected Fakir Akhtaruzzaman as vice-chairman of executive committee of the bank. Akhtaruzzaman is the managing director of Fakir Knitwear, Fakir Eco Knitwear, FKL Spinning and Zaman Agro Fisheries.



Sunflower being cultivated on a piece of land of Bangladesh Agricultural Development Corporation (BADC) in Faridpur. The seeds are used as poultry feed and as a source of edible oil, which is nutritionally better than others for being low in saturated fats. The planting takes place from mid-November to mid-December and harvests from late February to mid-March. Around 400 kilogrammes to 500 kilogrammes are expected from one acre of Bari-3 sunflower, a variety developed by Bangladesh Agricultural Research Institute (BARI), according to BADC officials. Around 2,006 tonnes were produced on some 3,951 acres of land around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken last Friday.

PHOTO: SUZIT KUMAR DAS

## BGCCI gets new executive director

### STAR BUSINESS DESK

The Bangladesh German Chamber of Commerce and Industry (BGCCI) has appointed Irene Sommer as its new executive director.

Sommer has managed the international affairs of the vice-chancellor's office at Brac University, said a press release.

She is originally from Germany and moved to Bangladesh in 2019.

As the largest bilateral chamber in Bangladesh, BGCCI aims to reinforce its functions as a vibrant platform to support the interests of its members.

The chamber is involved in activities concerning trade and investment facilitation between Germany and Bangladesh.

Sommer is looking forward to taking BGCCI to a new height. As a native German, who has lived in Dhaka for several years, she has a strong understanding of bilateral diplomacy, the statement added.



## MTB launches Islamic banking campaign

### STAR BUSINESS DESK

Mutual Trust Bank has launched "Ei Somoy Islami Banking" campaign with a view to enabling the customers of its Islamic banking wing titled "MTB Yaqeen" to enjoy modernised Islamic banking services and facilities.

Syed Mahbubur Rahman, managing director, Chowdhury Akhtar Asif, additional managing director, Md Khalid Mahmood Khan, deputy managing director, and Md Arif Bin Idrish, head of Islamic banking division, inaugurated the campaign at the bank's corporate head office in Gulshan-1, said a press release.

Shah Mohammad Wali Ullah and Md Fariduddin Ahmed, members of the MTB Shariah Supervisory Committee, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 16, 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 ↓	64.38 ↑
Lentil (kg)	Tk 100-Tk 105	-2.38 ↓	0
Soybean (litre)	Tk 168-Tk 170	-4.79 ↓	14.58 ↑
Potato (kg)	Tk 22-Tk 25	-13.46 ↓	28.57 ↑
Onion (kg)	Tk 35-Tk 45	-20 ↓	0
Egg (4 pcs)	Tk 40-Tk 42	10.81 ↑	12.33 ↑

SOURCE: TCB

## Oil prices drop

### REUTERS, London

Oil prices held near this year's highs on Monday as easing Covid restrictions in China raised expectations for a demand recovery in the world's top crude importer.

Brent crude fell 41 cents, or 0.48 per cent, to \$84.87 a barrel by 1236 GMT, while US West Texas Intermediate crude was down 28 cents, or 0.35 per cent, at \$79.58 a barrel, amid thin trade during Monday's US public holiday.

Both contracts rose more than 8 per cent last week, the biggest weekly gains since October after China abandoned what remained of its zero-Covid policy by reopening its borders on January 8.

China's crude imports rose 4 per cent year on year in December, while an expected resurgence in travel for the Lunar New Year holiday at the end of the week raised the outlook for demand for fuels used in transport.

Traffic levels in China are rebounding from record lows after the easing of Covid-19 restrictions, resulting in stronger demand for crude and oil products, ANZ analysts said in a note.

# Stocks snap four-day rally as investors book profit

### STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) broke a four-day rally yesterday amid short-term profit booking and central bank moves that may squeeze fund flows to the bourses.

The DSEX, the benchmark index of the premier bourse of Bangladesh, was down 4.44 points, or 0.07 per cent, to 6,246.

The DS30, the blue chip index, retreated 0.31 per cent to 2,201 while the DSES, the index that represents Shariah-based companies, fell 0.17 per cent to 1,362.

Turnover rose slightly to Tk 713 crore a day after the important indicator of the market went past the Tk 700 crore mark for the first time in two months.

Of the issues traded on the DSE, 61 advanced, 116 declined, and 175 were unchanged.

The market fell on the first day after the Bangladesh Bank unveiled the monetary policy for the January-June half of the ongoing financial year.

On Sunday, the central bank unveiled a cautiously accommodative monetary policy stance to contain inflationary and exchange rate pressures.

The Bangladesh Bank has increased its

policy rates by 25 basis points as it unveiled the monetary policy for the second half of the ongoing fiscal year.

As a result, the repo rate, the interest rate at which the central bank loans money to commercial banks, would be 6 per cent from 5.75 per cent in the first half of 2022-23.

### Turnover rose slightly to Tk 713 crore a day after the important indicator of the market went past the Tk 700 crore mark for the first time in two months

The reverse repo rate, the rate at which the central bank borrows money from commercial banks, has been increased to 4.25 per cent from 4 per cent.

The BB also relaxed the lending rate cap for consumer loans, allowing banks to hike it up to 12 per cent from the current ceiling of 9 per cent.

"All these initiatives may hamper the money flow to the capital market," said International Leasing Securities Ltd in its daily market analysis.

City General Insurance posted the highest appreciation on the day, rising

9.78 per cent, followed by Indo-Bangla Pharmaceuticals, which climbed 9.41 per cent, and BDCOM Online, which was up 8.94 per cent.

Gemini Sea Food Ltd and SK Trims & Industries added more than 6 per cent and Pragati Insurance and Genex Infosys advanced more than 5 per cent.

Popular Life Insurance suffered the sharpest fall, declining 4.67 per cent. Fareast Islami Life Insurance shed 4.14 per cent while Pragati Life Insurance and BD Thai Food & Beverage both gave up more than 4 per cent.

Genex Infosys was the most-traded issue on the day, with its shares worth Tk 64 crore changing hands. Bangladesh Shipping Corporation, Bashundhara Paper Mills, Orion Pharma, and JMI Hospital Requisite Manufacturing also saw significant turnover.

The Caspi, the all share price index of the Chittagong Stock Exchange, however, rose 9.17 points, or 0.05 per cent, to end the day at 18,440.

Among the securities traded, 40 went up, 65 fell, and 97 did not show any price movement.

Turnover on the bourse in the port city was up more than 13 per cent to Tk 17.29 crore from a day earlier.



Tarique Afzal, managing director of AB Bank, hands over a cheque to Prime Minister Sheikh Hasina at her office in Dhaka on Sunday as a donation for Ashrayan-2 Project for the landless and homeless.

PHOTO: AB BANK



Anwaruddin Chowdhury, chairman of audit committee of Prime Bank, hands over a cheque worth Tk 4 crore to Prime Minister Sheikh Hasina at her office in Dhaka on Sunday as a donation for Ashrayan-2 Project for the landless and homeless.

PHOTO: PRIME BANK



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, hands over a cheque worth Tk 1 crore to Prime Minister Sheikh Hasina for her office in Dhaka on Sunday as a donation for Ashrayan Project-2 for the homeless and landless.

PHOTO: UNION BANK



Chowdhury Nafeez Sarafat, chairman of Padma Bank, hands over a cheque to Prime Minister Sheikh Hasina at her office in Dhaka on Sunday as a donation for Ashrayan-2 Project for the landless and homeless. Nazrul Islam Mazumder, chairman of the Bangladesh Association of Banks, was present.

PHOTO: PADMA BANK



Md Showkat Ali Chowdhury, chairman of Eastern Bank, hands over a cheque worth Tk 4 crore to Prime Minister Sheikh Hasina at her office in Dhaka on Sunday as a donation for Ashrayan-2 Project for the landless and homeless.

PHOTO: EASTERN BANK



HBM Iqbal, chairman of Premier Bank, hands over a cheque worth Tk 4 crore to Prime Minister Sheikh Hasina for Ashrayan Project-2 for homeless and landless people of the country at her office in Dhaka on Sunday.

PHOTO: PREMIER BANK



Anisuzzaman Chowdhury, chairman of the executive committee of United Commercial Bank, hands over a cheque worth Tk 4 crore to Prime Minister Sheikh Hasina at her office in Dhaka on Sunday as a donation for Ashrayan-2 Project for the landless and homeless.

PHOTO: UNITED COMMERCIAL BANK



Md Julhak Hossain, national sales manager (retail) of Electro Mart, cuts a ribbon to inaugurate the company's sales and display centre in Patuakhali recently. Kamrus Sufi, assistant manager (retail), and Parvez Roy, zonal manager (retail), were present.

PHOTO: ELECTRO MART



Ahsan-uz Zaman, managing director of Midland Bank, inaugurates the bank's "Annual Business Strategy Summit 2023" at its head office in Gulshan-2, Dhaka on Saturday. Md Zahid Hossain, deputy managing director, and Javed Tarek Khan, head of institutional banking, were present.

PHOTO: MIDLAND BANK



The light engineering sector contributes 3 per cent to the country's gross domestic product. The new policy does not feature any special provision for attracting foreign direct investment to the sector, says an expert.

PHOTO: STAR/FILE

## Job growth in South Asia may halve this year: ILO

### STAR BUSINESS REPORT

The growth of jobs in South Asia is expected to nearly halve to 1.6 per cent in 2023 from 3 per cent a year ago, according to a new International Labour Organization (ILO) report released yesterday.

This will be due to slowing economic growth impacted by the war in Ukraine, high inflation and worsened public finances, it said.

The report "World Employment and Social Outlook: Trends 2023" also projects that global employment growth would be only 1 per cent in 2023, less than half the level in 2022.

This would mark a reversal of the decline in global unemployment seen between 2020-2022.

It means that global unemployment will remain at 16 million above the pre-crisis benchmark set in 2019, said the report.

The report said South Asia, comprising countries including Bangladesh, India, Sri Lanka and Pakistan, was likely to register a

total of 54.1 million of unemployed people in the current year, up 2.46 per cent from the previous year.

"Several countries, such as Bangladesh, rely heavily on exports to Europe; weaker demand for these goods is reducing growth prospects in the subregion," it said.

"Inequality both between and within countries is growing and the recovery from the pandemic has been deeply uneven," said the report.

The scarcity of new jobs will hit countries at a time when many are still recovering from the economic shock of the global pandemic and the coronavirus is tearing through China after Beijing lifted tight lockdown restrictions, said Reuters.

"...we don't expect the losses incurred during the Covid-19 crisis to be recovered before 2025," said Richard Samans, director of the ILO's research department and coordinator of the report.

"The slowdown in productivity growth is also a significant concern, as productivity is essential for addressing the

interlinked crises we face in purchasing power, ecological sustainability and human well-being," he said.

The ILO said the South Asia region was expected to register 692 million of employment in 2023, up from 681 million the previous year.

### This will be due to slowing economic growth impacted by the war in Ukraine, high inflation and worsened public finances

The report referred to International Monetary Fund and World Bank projections regarding economic growth.

It said the South Asia region witnessed the strongest growth and some of the highest regional figures in the world and the economy of the region was projected to grow 5.3 per cent in 2023.

"Originally high growth projections for India have been revised downwards and may be so revised further, given deteriorating global conditions and faster

than anticipated monetary tightening," said the report.

"Household consumption will be held back by slow recovery of the labour market and by high inflation," it said.

The report said South Asia has few direct links with Russia and Ukraine but was very vulnerable to the higher global commodity prices that have resulted from the conflict.

The ILO said recent high and volatile energy prices have shown how vulnerable the region was with respect to energy imports; there is a clear need to become less dependent on these imports.

"The region remains highly vulnerable to natural disasters, for example on the flood plains of Pakistan and Bangladesh," it said.

The ILO said the current global economic slowdown was likely to force more workers to accept lower quality, poorly paid jobs which lack job security and social protection, so accentuating inequalities exacerbated by the Covid-19 crisis.

## Room to improve light engineering dev policy: BUILD

### STAR BUSINESS REPORT

The Light Engineering Industry Development Policy-2022 does not feature any special provision for attracting foreign direct investment to the sector, according to a top official of the Business Initiative Leading Development (BUILD).

And although technology transfer has been identified as a constraint with the accommodation of artificial intelligence being suggested as a solution, there is no policy to this end, said Ferdaus Ara Begum, chief executive officer of Build.

She made these comments at the 8th meeting of the SME Development Working Committee of BUILD at the Ministry of Industries yesterday.

Begum then said issues regarding the industry's dependency on high-quality raw materials, scale of operation, compliance, environmental protection and climate change need to be addressed as well.

In the export policy, it is mentioned that industry owners will be encouraged to categorise factories as green, but there is no specific strategic target regarding this in the development policy, she added.

The BUILD CEO went on to say that only five countries – China, the US, India, Singapore and Japan – import about \$2.51 trillion of light engineering products each year.

"And as Bangladesh enjoys market access to all these destinations, we can export about \$25 billion worth of products from the sector if we can meet just 1 per cent of their requirement," Begum said.

Having appreciated the role of the industries ministry in formulating the Light Engineering Industry Development Policy, she pointed out there is room to improve the policy by developing strategy and action plans considering the post-graduation scenario and "Made in Bangladesh" campaign.

"We will extensively support the light engineering sector while exploring ways to set up a separate industrial park for it while also giving special incentives," said Zakia Sultana, secretary of the industries ministry.

Mahbulul Alam, president of the Chittagong Chamber of Commerce and Industry, urged the ministry to keep supporting the sector, which has high potential as it contributes 3 per cent to the country's gross domestic product.

The SME Foundation is currently formulating a cluster development guideline that will promote small-and-medium enterprises in the light engineering sector, said Mafizur Rahman, managing director of the organisation.

He then urged for resolving tax-related issues for importing raw materials and accessories for entrepreneurs.

Mohammad Monjurul Islam, additional director of Bangladesh Bank, said they are very much willing to support the sector during its growing stage.

"And we will see how they can gain financial benefits under the collateral scheme," he added.

All industrial policies need to be mandatory and, in that respect, an industrial protection act can be framed where different chapters will be included in other sectors, suggested Manzur Ahmed, adviser of the Federation of Bangladesh Chambers of Commerce and Industry.

Aledul Amin, director of the Bangladesh Engineering Industry Owners Association, said a subcontracting act is needed as soon as possible while industrial plots need to be ensured at affordable costs for safeguarding the sector's interests.

## Higher govt borrowing

### FROM PAGE B1

removal of the deposit floor rate may encourage savings and smoothen the liquidity reserve of banks, according to Sattar.

Regarding the exchange rate stability, the business leader said he was relieved to see that the BB hopes to gradually move towards a market-based, flexible and unified exchange rate regime by the end of this fiscal year.

In order to avoid trade-based money siphoning, he supported the BB decision to beef up its monitoring to track import letters of credit (LCs) before making any final payment.

"Also, it will be helpful to pre-inspect any LCs worth \$3 million or more."

However, under the current economic scenario, the DCCI chief suggested the relaxation of the LC

margin for essential commodities and industrial materials for catering to local and export-oriented industries.

According to the press release, Sattar was hoping for solid recommendations from the central bank to deal with non-performing loans (NPLs).

"This is because maintaining a low NPL and ensuring good governance practices are critical for maintaining financial sector stability."

The total volume of NPLs increased by more than three times in the last 10 years since 2012, according to a report by the Centre for Policy Dialogue.

The NPLs surged to Tk 134,396 crore in the first quarter of 2022-23 from Tk 42,725 crore in the fourth quarter of FY2012, as per the report.

"The MPS could benefit from more concrete and clear measures or instructions from the BB as to how

the NPL can be effectively reduced," said Sattar.

Since the growing NPL is limiting the private sector credit and stalling private sector growth, Sattar feels that stern measures for quick loan recovery should be brought into place.

The chamber suggested the BB identify and pinpoint the exact reasons for NPLs, focus on habitual defaulters and start engaging with various institutions and stakeholders in order to work towards reducing the current backlog in recovery cases and bringing quick reforms to the existing laws by introducing alternative dispute resolutions.

Sattar welcomed the BB decision to establish a special monitoring cell for continuous review and oversight of big loans as part of a comprehensive NPL resolution mechanism.

## Dollar on the back foot

### REUTERS, Singapore/London

The dollar started the week on the back foot, hitting a seven-month low against a basket of major peers in Asian trade before steadying, with the yen in particular focus due to traders' bets the Bank of Japan will tweak its yield control policy further.

The euro hit a fresh nine-month top of \$1.0874 in early trade before retreating to last stand 0.16 per cent lower at \$1.0816, while the Australian dollar breached the key \$0.7000 level for the first time since August, before dipping back to \$0.6962.

Thanks also to early strength from sterling and the Japanese yen, the dollar index slumped to a seven-month trough of 101.77, extending its selloff from last week after data showed that US consumer prices fell for the first time in more than 2-1/2 years in December.



Humaira Azam, managing director of Trust Bank, and Md Abul Kalam Azad, director of the agriculture credit department of Bangladesh Bank, exchanged signed documents of an agreement on disbursement of loans under a refinancing scheme of Tk 50 billion for food security of the country at the latter's headquarters in Dhaka recently. Abdur Rouf Talukder, governor of Bangladesh Bank, was present. PHOTO: TRUST BANK

## Matarbari deep-sea port to open

### FROM PAGE B1

Addressing as a guest, Chittagong Chamber of Commerce and Industry President Mahbulul Alam requested that the state minister inform about the progress attained in the three ongoing projects.

Referring to his request, the state minister said he had earlier announced that the Bay Terminal would become operational by 2024.

"Unfortunately, within a year of our government coming to power in 2019, the global pandemic started and the first two years were lost from our lives. And then another global disaster of Russia-Ukraine war has appeared," he said.

"But I want to say that we are not sitting idle, rather we are progressing with our capacity," he said.

The government had initially decided to construct the 3,500-metre-long Bay Terminal under a public-private partnership, said Chowdhury.

Later, in line with a proposal of the business community, the project was divided and a decision was taken for

Chittagong Port Authority (CPA) to construct a multipurpose terminal on a major portion of the Bay Terminal, he said.

The proposal for that multipurpose terminal is now in the making and it could start running operations by early 2026, said the state minister.

Work on the deep-sea port is ongoing, said Chowdhury.

The Chattogram port is the heart of country's economy, not closing for a single day in the last 14 years while its capacity and efficiency was upgraded, he said. Berthing of the bigger vessel at the port was a matter of joy and pride, he said.

The CPA raised its permissible draught limit to up to 10 metres from a previous limit of 9.5 metres upon recommendation from a British consultant firm, HR Wallingford, appointed by the port in November 2020 to study navigation at the port.

British High Commissioner Robert Chatterton Dickson, Shipping Secretary Md Mostafa Kamal, Dr

Manzur Haque, executive chairman of Interport BD, the local agent of IHR Wallingford; and Bangladesh Shipping Agents Association Chairman Syed Mohammad Arif also spoke at the ceremony chaired by CPA Chairman Rear Admiral Mohammad Shahjahan.

## Asia comes

### FROM PAGE B1

Despite enjoying a duty-free market access, Bangladesh's exports to China are not picking up, said M A Razzaque, research director of the Policy Research Institute of Bangladesh in a study report on "Making: The Most of Market Access in China" last year.

The imported apparel market in China is about \$10 billion compared to \$180 billion in the EU and almost \$90 billion in the US.

Due to the smaller market for imported apparel items, it is difficult for Bangladesh to succeed in the Chinese market relying only on clothing items, Razzaque said in the report.

## Speculative trading

### FROM PAGE B1

Insurance (29 per cent), BDCOM Online (28 per cent), Sea Pearl Cox's Bazar Beach Resort (25 per cent), and Pragati Life Insurance (24 per cent).

Shares of Eastern Housing rose 23 per cent, Pragati Insurance was up 22 per cent, Indo-Bangla Pharmaceuticals advanced 22 per cent, Bangladesh Shipping Corporation added 21 per cent, and Navana Pharma went up by 20 per cent.

These stocks are going up although the companies made few price-sensitive disclosures that could have increased their profits.

"Your analysis will tell you to buy stocks of good companies. But these stocks remained unchanged for months and showed no sign of an increase," said the investor.

Almost all the blue chip stocks, including British American Tobacco, Brac Bank, Bangladesh Submarine Cables, Grameenphone, Renata, and Square Pharmaceuticals, remained the same in the first half of the month for having a low number of buyers. Previously, investors bought stocks

with good performance records but received low returns as the stocks were not rising. "So, I decided to follow the rumour-based stocks," he added.

The market is driven by some stocks, which are mainly bought and sold over speculations and with general investors rushing to get overnight profits, said a mid-level official of a stock brokerage firm, preferring anonymity.

Investors are searching for stocks based on rumours so stocks with a good performance record are not in the driving seat, he said.

"Institutional investors are still inactive in the market so stocks with good performance records are still suffering."

Another top official of a merchant bank echoed the same, saying only speculative trading was taking place which was leading to the formation of the lists of top gainers and turnovers in the last couple of days.

Institutional investors are not buying stocks apprehending that the country's economic indicators may

deteriorate in the coming months and so they have adopted a wait-and-see approach, he said.

Their apprehensions are centring on the performances of listed companies as the price hike of raw materials impacted their profits in recent months, he said.

"Though speculative trading is rising, investors should not invest in these companies as it may only end up in a loss of money."

On the contrary, stocks with good performance records enable sustainable profits for investors in the long run, the merchant banker added.

Mohammad Rezaul Karim, the spokesperson of the BSEC, said the regulator was trying to reduce the rumours and was using many tools and techniques to control them.

The BSEC has already taken legal steps against some people and is trying to stop it, he said, adding that investors also need to be cautious.

"The regulator is always cautious but sometimes it has nothing to do if there was no proof against those spreading rumours."



Agricultural machinery, such as bed planters and tillers, developed by Reshma Krishi Engineering Workshop on display at a recent fair in Dinajpur sadar upazila. Rafiqul Islam, a local, crafted these devices in a bid to provide affordable solutions for increasing agricultural productivity in the country.



PHOTO: KONGKON KARMAKER

## BSEC forms shariah advisory council

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission (BSEC) yesterday formed a nine-member shariah advisory council to get advice on issuing shariah-compliant securities.

As per Bangladesh Securities and Exchange Commission (Securities Market Shariah Advisory Council) Rules 2022, the council should have five shariah scholars and four industry experts.

The members include Mohammad Abdur Rashid, a professor of Islamic studies department of Dhaka University; Syed Shahid Rahmani, an Islamic scholar; Yousuf Sultan, a shariah adviser and auditor; Waliur Rahman Khan, a representative from Islamic Foundation Bangladesh, and Shah Wali Ullah, an Islamic scholar, according to a press release.

The rest are Abu Taleb, a professor of the banking and insurance department of Dhaka University; AKM Nurul Fazal Bulbul, a law consultant; Md Nazim Uddin Bhuiyan, an accounting expert, and Mezbah Uddin Ahmed, a capital market expert.

The scope for issuing shariah-based securities in the capital market will now widen, the BSEC said.

# Homemade agro-machinery making a difference

Single producer in Dinajpur changing the face of local cultivation



INSPIRING STORIES FROM THE FIELD

KONGKON KARMAKER

Rafiqul Islam, who lives in the Dashmile area of Dinajpur sadar upazila, has innovated various types of agricultural machinery that provide a cheap and easy way for farmers to achieve higher production.

Over the years, Islam has developed weeding tools, automated pesticide sprayers, planters, harvesters, manual and power tillers, and more despite being educated only to the fifth-grade level.

And with affordable prices ranging from Tk 150 to Tk 60,000, many farmers and institutions across Bangladesh prefer these wares over more expensive, industrially made models.

As the country depends on agriculture for food security, operations in the sector must be made as cost-effective as possible, according to Islam.

"Otherwise, our dependency on food imports will keep rising," he told The Daily Star yesterday.

Islam started working as an assistant at an agricultural tool repair shop in the Dashmile area of Dinajpur's Kaharol upazila back in 1990s.

Initially, his work simply meant helping out experts at the



workshop. However, they saw fit.

But after a couple of years, Islam had learnt the inner workings of various agricultural machinery and became adept at repairing them.

Some common imported tools, such as tractors and tillers, were available in local markets back then but most farmers could not afford them.

For example, maize was widely cultivated in Dinajpur at the time, but farmers had to separate the husks by hand in what was a very difficult and time-consuming process.

This prompted Islam to develop a device to ease such work. Then in 1995, he finally succeeded in crafting the required tool, which closely resembles a traditional spinning wheel and had to be

cranked by hand.

The device, which costs about Tk 150 to make, received a massive response from local farmers and Islam soon found himself unable to keep up with the demand.

"That device was very helpful for us at the time," said Dukhu Mia, a farmer of the Dashmile area.

Later, Islam developed a power-operated version of the same tool.

In 2008, he opened a shop for his own agricultural machinery in Sadarpur village under Dinajpur sadar upazila, just next to the Dinajpur-Rangpur highway.

So far, he has developed around 15 different tools to facilitate farming.

Other than farmers, Islam has received orders from different organisations, including the

Hajee Mohammad Danesh Science and Technology University, Bangladesh Agricultural University in Mymensingh, Bangladesh Agricultural Research Institute (BARI) and Bangladesh Wheat and Maize Research Institute (BWMRI).

In addition, many private organisations are purchasing agro-machinery from Islam as well.

Islam's bed planter machine is particularly popular as this single device can be used to till land, apply fertiliser and plant seeds, helping farmers reduce costs while increasing production.

"This device gained popularity among local farmers for being highly cost-effective," said Abdul Hakim, principal scientific officer of the BWMRI in Dinajpur.

As such, Islam has already supplied a large number of bed planters, which can be used to grow wheat, rice, maize, lentil, jute, potato and other vegetables too, he added.

The International Maize and Wheat Improvement Center (CIMMYT), a global organisation for maize and wheat research, also purchased bed planters from Islam for use in different countries.

However, Islam feels he has not been able to play too big a role in developing agriculture in Bangladesh due to the lack of financial support.

## Most CEOs fear fall in global economic growth

Finds survey by PwC

STAR BUSINESS REPORT

Some 73 per cent of chief executive officers (CEOs) believe global economic growth will decline over the next 12 months, according to the PwC's annual global CEO survey released yesterday.

The bleak outlook is the most pessimistic CEOs have been regarding global economic growth since the PwC began the survey 12 years ago.

It is a significant departure from the optimistic outlooks of 2021 and 2022, when more than three-quarters thought economic growth would improve, the global advisory and tax services provider said.

The PwC survey polled 4,410 chief executives in 105 countries and territories in October and November 2022, as per a press release.

The survey found that 40 per cent of CEOs think their organisations will not be economically viable in a decade if they continue on their current path.

The pattern is consistent across a range of sectors, including telecommunications, manufacturing healthcare and technology.

As per the survey, the confidence CEOs have in their own company's growth prospects declined 26 per cent since last year.

It is the biggest drop since the 2008-09 financial crisis, when CEO confidence in their own company prospects slumped 58 per cent.

Meanwhile, inflation, macroeconomic volatility and geopolitical conflict are major concerns for CEOs.

**The survey found that 40 per cent of CEOs think their organisations will not be economically viable in a decade if they continue on their current path**

The PwC then said while cyber and health risks were the top concerns a year ago, the impact of the economic downturn is top-of-mind for CEOs this year.

Some 40 per cent of top executives think their companies are being exposed to inflation and nearly one-third are concerned about macroeconomic volatility in the next 12 months.

The war in Ukraine and growing concern about geopolitical flashpoints in other parts of the world have caused CEOs to rethink aspects of their business models, the PwC said in its statement.

The survey also found that almost half of respondents that are exposed to geopolitical conflict are integrating a wider range of disruptions into scenario planning and corporate operating models.

As such, they are either increasing investments in cybersecurity or data privacy, adjusting supply chains, re-evaluating market presence or expanding into new markets, or diversifying their product or service offerings, it said.

And in response to the current economic climate, chief executives are looking to cut costs and spur revenue growth.

As a result, 52 per cent of CEOs reported reducing operating costs while 51 per cent raised prices and 48 per cent diversified their product and service offerings.

However, more than half -- 60 per cent -- say they do not plan to reduce the size of their workforce in the next 12 months.

"A vast majority -- 80 per cent -- indicate they do not plan to reduce staff remuneration either in order to retain talent and mitigate workforce attrition rates," said Bob Moritz, chairman of PwC Global.

"A volatile economy, decades-high inflation, and geopolitical conflict have contributed to a level of CEO pessimism not seen in over a decade," he added.

Moritz then said CEOs are consequently re-evaluating their operating models and cutting costs but despite these pressures, they are continuing to put their people front and centre as they look to retain talent.

## Richest 1% grab two-thirds of new \$42tr wealth: Oxfam

STAR BUSINESS REPORT

The top 1 per cent of earners grabbed nearly two-thirds of all the new wealth, or \$26 trillion of the \$42 trillion, generated since 2020, according to a report by Oxfam International released yesterday.

This is almost twice the amount of money captured by the bottom 99 per cent of the global population at the same time, it said.

Moreover, the top 1 per cent have doubled their wealth in the past decade, as per the report, styled "Survival of the Richest", published on the opening day of the World Economic Forum in Davos, Switzerland.

As such, extreme wealth and extreme poverty have increased simultaneously for the first time in 25 years.

"While ordinary people are making daily sacrifices on essentials such as food, the super-rich have outdone even their wildest dreams," said Gabriela Bucher, executive director of Oxfam International.

"Just two years in, this decade is shaping up to be the best yet for billionaires across the globe -- a roaring '20s boom for the world's richest," she added.

The report suggested that taxing the super-rich and big corporations is the only way out of today's overlapping crises.

"So, it is time we demolish the convenient myth that tax cuts for the richest result in their wealth somehow 'trickling down' to everyone else. 40 years of tax cuts for the

super-rich have shown that a rising tide does not lift all ships -- just the superyachts."

The report then said billionaires have seen extraordinary increases in their wealth in recent times.

During the pandemic and cost-of-living crisis years since 2020, 63 per cent of all new wealth was captured by the richest 1 per cent while the remaining 37 per cent went to the rest of the world put together.

This means that each billionaire gained roughly \$1.7 million for every \$1 of new global wealth earned by a person in the bottom 99 per cent, it added.

Another way of seeing it is that billionaire fortunes have increased by around \$2.7 billion a day, which comes on top of a decade of historic gains.

Continuing the trend, billionaire wealth surged in 2022 with rapidly rising food and energy profits, Oxfam said in its report, citing how 95 food and energy corporations more than doubled their profits that year.

These companies made \$306 billion in windfall profits and paid out \$257 billion, 84 per cent of which went to rich shareholders.

The Walton dynasty, which owns half of Walmart, received \$8.5 billion over the last year.

Indian billionaire Gautam Adani, who owns major energy corporations in the neighbouring country, has seen this wealth soar by \$42 billion, or 46 per cent, in 2022 alone, the report said.



A general view of Burj Khalifa and shopping malls in the downtown area of the Gulf emirate Dubai. During the pandemic and cost-of-living crisis since 2020, more than 60 per cent of all new wealth was captured by the richest 1 per cent while the remainder went to the rest of the world put together, Oxfam found in a study.

PHOTO: AFP/FILE