



Although horse-drawn carts are a thing of the past in most parts of the world, they are a constant necessity for people living and working in char areas along the Brahmaputra river in Gaibandha as a lack of paved roads makes it difficult for heavy vehicles to navigate the region. Demand goes up during the dry season from November to June as boat services are halted for a drop in the river's water level. The photo was taken at Guptamani Char in Phulchari upazila recently.

PHOTO: MOSTAFA SHABUI

# Bangladesh to present investment potential, successes to foreigners

Business summit in March

## STAR BUSINESS REPORT

A three-day "Bangladesh Business Summit 2023" is scheduled to begin on March 11 to share business environment improvements, investment successes and good practices and gain insights of global investors' priorities for the development of policies.

The summit will be organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in celebration of the 50th anniversary of the country's independence. Prime Minister Sheikh Hasina is expected to inaugurate the summit.

The FBCCI organised a luncheon with ministers of Bangladesh, foreign ambassadors and business leaders at Sheraton Dhaka yesterday to inform about the event.

The objectives include securing concrete investment proposals, developing a solid investment pipeline for important sectors and facilitating effective networking, dialogue and

partnership opportunities among national and international investors, policymakers and stakeholders.

Foreign Minister AK Abdul Momen termed it a timely initiative against the backdrop of the global economy downturns and supply chain disruptions stemming from the pandemic and Russia-Ukraine war.

"I am particularly happy, my ministry is also a key partner of this special event. We are working with our best possible calculations to stimulate our production ecosystem and trade investment," he said.

He laid emphasis on stronger partnerships and collaborations, noting that Bangladesh was moving towards the right direction to become a trillion-dollar economy by 2035.

"We have potential to become an international business and manufacturing hub and it is time we start creating narratives which would allow Bangladeshi platforms to become global incubators for innovation and entrepreneurship," he was quoted by news agency UNB as saying.

Bangladesh's success story is attracting investors from global players like Saudi Arabia, Singapore, Japan, India, China, Russia and the US, said Commerce Minister Tipu Munshi.

The country's sustainable progress has

**The agriculture-based economy is being replaced by export-oriented industrialisation and will be gradually evolving into a knowledge-based economy, said Commerce Minister Tipu Munshi**

been reflected in the nation becoming eligible for the United Nations status graduation from a least developed to a developing nation, he said.

Once the 100 economic zones are ready to accommodate factories, there is potential to attract a huge amount of investment, he said.

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He requested the diplomats to join the event and brand Bangladesh as one of the top trade and investment destinations alongside its lucrative business opportunities and incentives.

"Now our priority is to ensure ease of doing business, and for this sake we took initiatives to provide all necessary support under an umbrella with a view to promoting business," said Munshi.

Bangladesh is now moving forward with its new "Smart Bangladesh" vision, said Md Jashim Uddin, president of the FBCCI.

A cost-effective, sustainable, knowledge-based and innovative Bangladesh will be built on four main foundations – "Smart Citizen, Smart Economy, Smart Government and Smart Society" by 2041, he said.

The FBCCI is organising the summit as a part of that journey, said Jashim.

## India may keep lid on sugar exports

REUTERS, New Delhi

India is not looking at allowing more sugar exports, government and industry officials said on Thursday, dampening speculation that the world's biggest producer of the sweetener would permit a second tranche of overseas shipments.

India, the world's biggest sugar exporter after Brazil, exported a record 11 million tonnes in the previous season to September 30, 2022.

But the government has allowed sugar mills to export only 6.1 million tonnes of the sweetener in the current season that began on October 1, 2022. Food price inflation was high at the start of the season, prompting curbs on exports.

But the authorities had said they could take a view on a second tranche of sugar exports after getting a clearer idea about local production.

Mills have already contracted to export about 5.6 million tonnes, and producers, traders and industry officials were expecting the government to allow an extra 2-4 million tonnes of overseas shipments.

But expectations of a drop in sugar output have dampened prospects of any additional exports during the current 2022-23 season, government and industry officials said.

Lower sugar exports from India could raise global prices and allow rivals Brazil and Thailand to increase their shipments.

"Sugar cane yields were far lower than last year. The production is not sufficient to permit additional exports," said an official with direct knowledge of the matter. He did not wish to be named as he is not authorised to talk to the media.

## Fed policymakers call for further rate hikes

REUTERS

Federal Reserve policymakers on Wednesday signaled they will push on with more interest rate hikes, with several supporting a top policy rate of at least 5 per cent even as inflation shows signs of having peaked and economic activity is slowing.

"I just think we need to keep going, and we'll discuss at the meeting how much to do," Cleveland Fed President Loretta Mester said in an interview with the Associated Press.

The remarks appeared to reflect a widely shared view among her fellow policymakers, most of whom as of December had penciled in a 5.00 per cent 5.25 per cent policy rate in coming months.

Mester said that for her part she expects the Fed's policy rate to need to go "a bit higher" than that and stay there for some time to further slow inflation.

The Fed's benchmark overnight lending rate currently sits in a target range of 4.25 per cent to 4.50 per cent, and investors expect the Fed to lift that rate by a quarter of a percentage point at the end of its January 31-February 1 meeting.

But slowing spending, inflation, and manufacturing - all reported earlier on Wednesday - have helped stoke expectations that the Fed will end its current round of rate hikes sooner than Mester and most of her colleagues expect, with the policy rate just shy of 5 per cent.

## Japan's export growth slows sharply in Dec

REUTERS, Tokyo

Japan's export growth slowed sharply in December as China-bound shipments fell for the first time in seven months, stoking fears of further slowdown in the global economy and external demand for Japanese shipments.

Exports rose 11.5 per cent year-on-year in December after a 20 per cent gain in November, marking the slowest growth since the start of 2022, dragged down by a falloff in sales to China of cars, auto parts and chip-making machinery, Ministry of Finance (MOF) data showed on Thursday.

The weak data dashes policymakers' hopes for an export-led recovery from the pandemic, putting more pressure on the government to persuade Japanese firms to accelerate wage hikes to help boost domestic demand.

Exports to China, Japan's largest trading partner, fell 6.2 per cent year-on-year in value and were down by 24 per cent in terms of volume in December.

Exports to the United States in December rose 16.9 per cent from a year ago, led by cars, mining equipment and aero-engine parts.

"The unexpected stalling of the Chinese economy came on top of slowdown in Europe and America. In the worst case, it may deal a blow to Japanese exports, which could in turn hit Japan's factory output and capital expenditure," said Atsushi Takeda, chief economist at ITOCHU Research Institute.

"Japan would then have no choice but turn to domestic demand to pick up the slack. In that sense, spring wage talks between labour and management holds the key to see whether private consumption will hold up to drive virtuous economic growth."

## Why firms switching

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corporation designation.

The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

In Bangladesh, the companies are switching to the PLC suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020.

"The changing of the name will not bring about any extra benefits. It will only make it easier for people to realise that the company is publicly listed and the number of its share is limited," said Md Rafiqul Islam, company secretary of Walton Hi-Tech Industries PLC.

## BB injects record \$8.37b

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would people bring their funds to Bangladesh?" he asked.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, also called for measures to withdraw the multiple exchange rates with a view to restoring discipline in the foreign exchange market.

As per a decision agreed by the Bangladesh Foreign Exchange Dealers' Association and the Association of Bankers, Bangladesh, exporters are allowed to get a maximum of Tk 102 for each US dollar from banks and lenders are not permitted to offer more than Tk 107 to mobilise remittances from foreign exchange houses.

Importers buy the greenback based on the weighted average exchange rate plus Tk 1.

"If the floating exchange rate is permitted, it will help defuse the volatility," Hussain said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says that his bank's capacity to open letters of credit has reduced due to the shortage of the greenback.

"Although the central bank has asked to open LCs for essential

The electronic giant changed its suffix in January last year.

Alam said most companies were awaiting a move from the Registrar of Joint Stock Companies and Firms to change the suffix of all of the listed companies. However, some companies are taking the step to switch to "PLC" from "Ltd" proactively.

According to the amended Company Act, publicly listed companies would have to carry the PLC suffix after their names.

Private limited companies will continue to use the "Limited" or "Ltd" suffix, while one-person companies will use the OPC designation.

For non-profit cooperatives and companies, there is no need to use any suffixes in their names.

commodities aimed at meeting the demand during upcoming Ramadan, it is difficult for us to do comply fully as we do not have adequate greenbacks."

Bangladesh's \$4.5 billion loan programme with the IMF, which is expected to get the final approval from the lender on January 30, could provide some relief to the country.

A BB official says that declining import payments and increasing export earnings have not brought any change as the inflow of remittance is still feeble.

Import payments stood at \$32.53 billion in the first five months of the current financial year, up 4.41 per cent year-on-year. Exports grew 11.7 per cent to \$20.74 billion, while remittances stood at \$8.79 billion during the period, up 2.14 per cent.

Export is projected to grow at 10 per cent in FY23, down from 13 per cent the BB stated earlier. Bangladesh posted a 33.4 per cent and a 14.9 per cent growth in FY22 and FY21, respectively.

The remittance flow is forecast to display a paltry growth of 4 per cent in FY23, way down from the 15 per cent the BB had anticipated in June.

## Locally made

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marks the 50th anniversary of Korea-Bangladesh diplomatic ties.

"And today, we are witnessing another significant development in the Korea-Bangladesh partnership," he added.

Jang-keun then said the opening of a Hyundai factory in Bangladesh can be a game changer, not only in the local automobile market, but also in the overall partnership between South Korea and Bangladesh.

Unsoo Kim, managing director of Hyundai Motor India, attended the ceremony as guest of honour.

Capt (ret'd) AB Tajul Islam, chairman of the parliamentary standing committee on the Ministry of Disaster Management and Relief, Zakia Sultana, secretary of the industries ministry, and Dr Bikarna Kumar Ghosh, managing director of the Bangladesh Hi-Tech Park Authority, were also present.

## TCB to buy

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awarded a package under a Dhaka-Sylhet highway project to a joint venture of Chinese company HEGO and Bangladeshi company Mir Akhter at a cost of Tk 1,055.20 crore.

Moreover, Noorani Construction was awarded with a project to construct nine residential buildings for members of police in Dhaka city at a cost of Tk 23.20 crore.

Besides, the cabinet committee on economic affairs approved operating and maintaining the 3rd terminal of Hazrat Shahjalal International Airport under a public-private partnership.

## 60% sub-branches

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Banks can't set up more than one urban branch a year. If an area is upgraded into a city corporation or a medium or lower-tier municipality graduates into a top-tier one, the status of the branches will change accordingly.

Banks will not have to take prior approval from the BB while setting up electronic booths. However, only digital transactions can be carried out at those booths, said the BB notice yesterday.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, hands over a cheque worth Tk 4 crore to Prime Minister Sheikh Hasina at her office in Dhaka recently as a donation for Ashrayan-2 Project for the homeless. Md Nazrul Islam Mazumder, chairman of the Bangladesh Association of Banks, was present.

PHOTO: STANDARD BANK

## Bangladesh wants

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MIGA-backed loan and fixing the interest rate is depending on the central bank. "We are awaiting the central bank's decision," Ghosh said.

If Bangladesh agrees to the terms and conditions related to the loans, it may take two months to have the fund disbursed. Local importers will get the funds to buy essential commodities from external sources.

Bangladesh needs US dollars as its foreign currency reserves have declined sharply amid a surge in import bills fuelled by escalated commodity prices owing to the fallout of the coronavirus pandemic and the Russia-Ukraine war.

The reserves slipped below \$33 billion recently from \$44.95 billion in January of 2021.

The government is trying to ensure a smooth supply of imported items such as rice, wheat, edible oil, sugar,

lentil, onion, chickpeas and dates during Ramadan when their demand usually surges.

But the import of edible oil, sugar, lentil, onion, chickpeas and dates dipped in July-November as traders face difficulties in opening letters of credit (LCs) amid the US dollar shortage. This led traders and importers to warn that there might be a shortage of the items during the fasting month.

Bangladesh is also negotiating with India for a guaranteed supply of wheat, rice and sugar with a view to forming a buffer stock of food items ahead of Ramadan.

On January 5, the commerce ministry asked the central bank to instruct banks to earmark a portion of their foreign currency holdings to open LCs to facilitate the imports of edible oil, refined sugar, lentil, onion, gram and dates.