



Raw leather has to be imported from abroad for making leather goods though Bangladesh's own raw leather rots due to a lack of proper management, FBCCI president said.

PHOTO: STAR/FILE

Rancon avails Tk 5.79cr Idcol loan for rooftop solar plant

STAR BUSINESS DESK

Infrastructure Development Company Limited (Idcol) signed an agreement with the Rancon Infrastructures & Engineering to provide a long-term loan worth Tk 5.79 crore to finance the latter's second rooftop solar project.

Under the project, the Rancon will install a 1-megawatt peak solar power system on the rooftops of the factory of Rancon Electronics and Rancon Auto Industries located at Boro Bhabanipur in Kashimpur of Gazipur.

Alamgir Moshed, executive director of Idcol, and Mashid Rahman Abir, managing director of the Rancon Infrastructures & Engineering, inked the deal at the former's head office in Dhaka recently, said a press release.

To promote rooftop solar projects, Idcol not only provides concessionary loan facilities but also technical assistance to its borrowers, said Moshed.

SM Monirul Islam, deputy chief executive officer of Idcol, and Md Enamul Karim Pavel, head of renewable energy, were present.

## Keep food and agri inputs out of sanction purview

Agriculture minister urges global leaders

STAR BUSINESS REPORT

Agriculture Minister Muhammad Abdur Razzaque on Saturday urged the leaders of developed countries to keep food and agricultural inputs out of the purview of sanctions related to the Russia-Ukraine war, according to a press release.

"Developed countries should be more responsible and proactive in ensuring food security worldwide," he said.

Razzaque went on to say that Bangladesh has become an innocent victim of the war, due to which the prices of fertiliser have risen at least four times while the cost of food grains are also high, leading to food insecurity.

He also urged global leaders to take flexible, unbureaucratic and fast steps to mitigate the negative impacts of the war.

Razzaque made this call at the "15th Berlin Agriculture Ministers' Conference" in Germany, organised by the German Federal Ministry of Food and Agriculture.

The conference was held on the concluding day of the 15th Global Forum for Food and Agriculture (GFFA), which

took place from January 18 to 21.

Highlighting their preparations, Razzaque said the incumbent government is working to build developed, sustainable and climate resilient agriculture systems that will ensure food security and nutrition and a better life for farmers.

**Developed countries should be more responsible and proactive in ensuring food security worldwide," he said.**

However, land degradation, population growth, climate change, the coronavirus pandemic and ongoing Russia-Ukraine war have been obstacles, he added.

The agriculture minister also urged developed countries to quickly implement their commitments that were given in the COP26, COP27 and other global forums.

The conference focused on how to increase cooperation in crisis-proof food

systems, climate-resilient food systems, protecting biodiversity and building sustainable global food systems.

The 2023 GFFA addressed the issue "Food Systems Transformation: A Worldwide Response to Multiple Crises".

Agriculture ministers from more than 70 countries and representatives of 10 international organisations participated in the conference.

In the last four days of the conference, titled "Food System Transformation: A Worldwide Response to Multiple Crises", high-level representatives of the participating countries and agriculture ministers announced a "Joint Manifesto".

At the conference, it was mentioned that around 702 million to 828 million people were affected by hunger in 2021, which is 46 million more than in 2020 and 150 million more than in 2019.

The world is currently facing its worst food crisis since World War 2. The extinction of species, Covid-19 and the war have added a new dimension to the food crisis.

## RMG export to Russia drops

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"I am not exporting to Russia anymore," Islam also told The Daily Star over the phone.

Before the war, nearly 600 local garment exporters used to send apparel items to the Russian markets as they were paid better prices.

Russia is an emerging market for Bangladesh as exports to it had been growing rapidly because of high demand for the local clothing items offering competitive prices.

Export receipts from garment shipments to Russia registered a 35.30 per cent year on year growth to reach \$481.23 million during the July-February period of last fiscal year, according to the Export Promotion Bureau.

The growth in export receipt was showing a positive trend despite the fallouts of the war because payments of previous work orders were being made.

The real detrimental effects of the war started to materialise from the middle of last year for local exporters.

Shipment of garment items to Russia declined sharply by 47.06 per cent year-on-year to reach \$180.64

million in the July-December period of the current fiscal year.

Bangladesh shipped apparel items worth \$593.66 million to Russia in the last fiscal year of 2021-22, which comprised \$373.25 million worth of knitwear items and \$220.41 million worth of woven items.

After the beginning of the war, the garment export had not faced any major disruption since shipments were being made via alternative routes such as China and Hong Kong and the suppliers were receiving payments from China in renminbi, the Chinese currency.

The shipment of garments continued through alternative routes for a few months against work orders placed prior to the conflict.

Now, however, Russian importers are ready to place a higher number of orders with Bangladesh to fill up the void created after some large American and European retailers and brands pulled out of their market.

Russian buyers are even ready to make advance payments to Bangladeshi garment exporters as well since the demand for apparel

items has increased in their market.

Besides, most liaison offices of major retailers and brands in Russia are making payments from their offices in Hong Kong, China and Turkey.

"Still, many of the local exporters stopped sending goods to Russia because of uncertainty," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

"There is an uncertainty over payment and uncertainty over shipping of goods to Russia considering the fact that this is a time of war," Hatem said.

### Gas, power prices

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cent for industries, power plants and commercial establishments.

Together, they account for 78 per cent of gas used in Bangladesh.

Earlier on January 13, the government had raised the electricity price for consumers by an average of 5 per cent, skirting procedures of the Bangladesh Energy Regulatory Commission.

Munshi went on to say that legal action would be taken against any trader who tries to increase the prices of essential commodities by creating an artificial crisis through illegal stocking during the month of Ramadan.

The minister also said that if consumers do not buy all their required products at once, then there will not be much pressure in the market.

Still, arrangements have been made at the public and private levels to purchase products in much higher quantities than required.

So, the government has taken adequate steps to keep the supply, stock and market of essential commodities stable ahead of the upcoming month of Ramadan.

Many products have already arrived in the country while others are on the way or are being purchased, Munshi added.

"That was our initial philosophy," he said.

But building infrastructure involves heavy investment whereas the business is not that secure.

Summit Communications took a lease of the existing fibre and bandwidth from existing operators

and build a common network in 64 districts at minimal investment.

Before investing a lot of money, the company was able to generate cash flow and make it sustainable. And after three to four years, it started to pour in funds.

Summit Communications plans to launch the submarine cable by 2025.

Islam's enthusiasm to pay attention to details, the virtue of working hand in glove with associates and the fearlessness in pursuing new things, perhaps have helped him achieve significant feats in life.

But to him, nation building and the willingness to do something for the country and the world have always been the driving force.

"I have always wanted to do something for the mankind and for the country that has a big impact," he said.

"That was our initial philosophy," he said.

But building infrastructure involves heavy investment whereas the business is not that secure.

Summit Communications took a lease of the existing fibre and bandwidth from existing operators

## After energy, LC opening crisis

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investment seems to have slowed," said the official of Shah Cement.

Shahid Hossain, who runs a factory that makes media paper for packaging, said he had been trying to open LCs to bring some spare parts valued around \$16,000.

He applied to banks nearly two weeks ago. He has received no positive response so far.

Hossain, also the managing director of SB Distribution, an importer of deodorant, stationaries and cosmetics, said his company used to open \$200,000 of LCs every month until June.

Imports fell later, he said, adding that the market did not see any shortage as demand dropped between 30 and 40 per cent owing to increased prices.

Hossain said his firm could manage with the existing stock of goods for the time being.

"But the stock will not last forever. It will be really tough to do business if we can't import products. We are really worried," said Hossain, fearing that the decline might force him to lay off at a certain point.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry (MCCI), said import substitute industries are suffering.

He cited Bangladesh Bank's monetary policy statement and said the central bank claimed that it is not restricting the import of raw materials.

"The reality is imports have declined as banks don't have adequate dollars. I am quite concerned about the fall in the imports of industrial raw material imports and capital machinery."

"The fall in imports is disrupting the continuity in business. Continuity has to be there."

The MCCI chief warned if the import-substituting factories could not manufacture goods, production would suffer and the import of finished products would be required.

"The cumulative effect will be higher inflation," he said.

Md Fazlul Hoque, one of the

top knitwear manufacturers and exporters, said exporters don't face problems in the opening of LCs to import raw materials as they can earn dollars as export proceeds.

M Asrur Reaz, chairman of the Policy Exchange Bangladesh, pointed out that load-shedding has been on while the gas supply is far from becoming smooth.

With this, the problem of falling opening of LCs for industrial raw materials, intermediate goods, and capital machinery has been added to the recent hike in gas prices.

"So, it is a double blow for businesses. The overall business has certainly slowed."

Economic challenges in Bangladesh continue to persist despite some important steps from the government.

"In some cases, it has amplified," he said.

"The industrial situation has worsened while there is no sign of stability in the balance of payments. The only encouraging development is prices are on the downward trend globally although prices are still high."

The former economist of the International Finance Corporation thinks an up to 178 per cent increase in the prices of gas will fuel the cost of production.

"It is an additional blow for exporters as the demand is feared to slow down for recession worries in the west. Many factories will have to run at break-even after the spike."

"Job cuts are likely. So, employment will be under threat."

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, thinks part of the business slowdown was expected for the steps taken by the central bank that aimed at discouraging the import of non-essentials.

"However, desired imports can't be done," he said, pointing to the problems in payments for essential commodities.

Moazzem suggested the BB open a central monitoring cell to track dollar requirements and inflow and decide

accordingly.

"Otherwise, the problem will intensify," he said.

Md Mezbui Haque, the spokesperson of the central bank, said: "The slowdown was expected. So, we have revised down economic growth forecasts."

The central bank took measures to reduce demand for the dollar.

"There is uncertainty over when the war in Ukraine would end while Covid-19 is returning in some countries. So, we have become conservative. But we are providing support to essential imports," he said.

## Bangalalink

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mobile internet provider in the country, he said.

Bangalalink has also introduced many innovative digital services in the recent past, including Toffee, through which millions of people in the country were able to watch the recent FIFA World Cup.

In addition, the company's MyBL app has become the first super app in the country while there are many other services that are appreciated by customers as well.

"Bangalalink thrives to provide better and quality services for the people of the country," Rahman added.

Market leader Grameenphone, which has 8.03 crore subscribers, was the second-best internet service provider with a median download speed of 14.16 Mbps.

The second largest operator, Robi Axiata, which now has 5.43 crore customers, secured second position in the speed test with its brand Airtel posting 10.85 Mbps download speed while Robi registered 10.61 Mbps.

AKM Habibur Rahman, CEO of Teletalk Bangladesh, said they have identified the network's congestion points and have been increasing bandwidth at those points in the last 3-4 months.

"I hope the network quality will improve in the future," he added.

CETP of int'l standard needed urgently for leather sector: FBCCI

STAR BUSINESS REPORT

A central effluent treatment plant (CETP) of international standard is necessary for the development of the leather sector of the country, said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), yesterday.

The CETP at the Savar Tannery Industrial Estate in Hemayetpur should be made operational as per international standards at the fastest possible time so that the leather sector's potentials can be utilised, he said.

The leather sector has some of the highest potentials in Bangladesh, enabling 100 per cent value addition, he told a meeting of a Standing Committee on Hide and Skin, Leather and Leather Goods and Artificial Leather at the FBCCI.

However, due to a lack of proper management, raw leather has to be imported from abroad for manufacturing goods while those being generated in the country is rotting, he said.

The FBCCI president believes that compliance and certification were essential to developing leather and leather products of Bangladesh and enhancing sales in the global market.

He further called for inclusion of the young generation in modernising the sector.

FBCCI Senior Vice-President Mostafa Azad Chowdhury Babu opined that cold storages and modern slaughterhouses could be established at district levels to preserve hides.

Slaughterhouses can also be a source of business if they run properly following government guidelines, he noted.

FBCCI Vice President Md Amin Hela said increasing use of cold storages would help ensure supply of raw leather round the year according to demand.