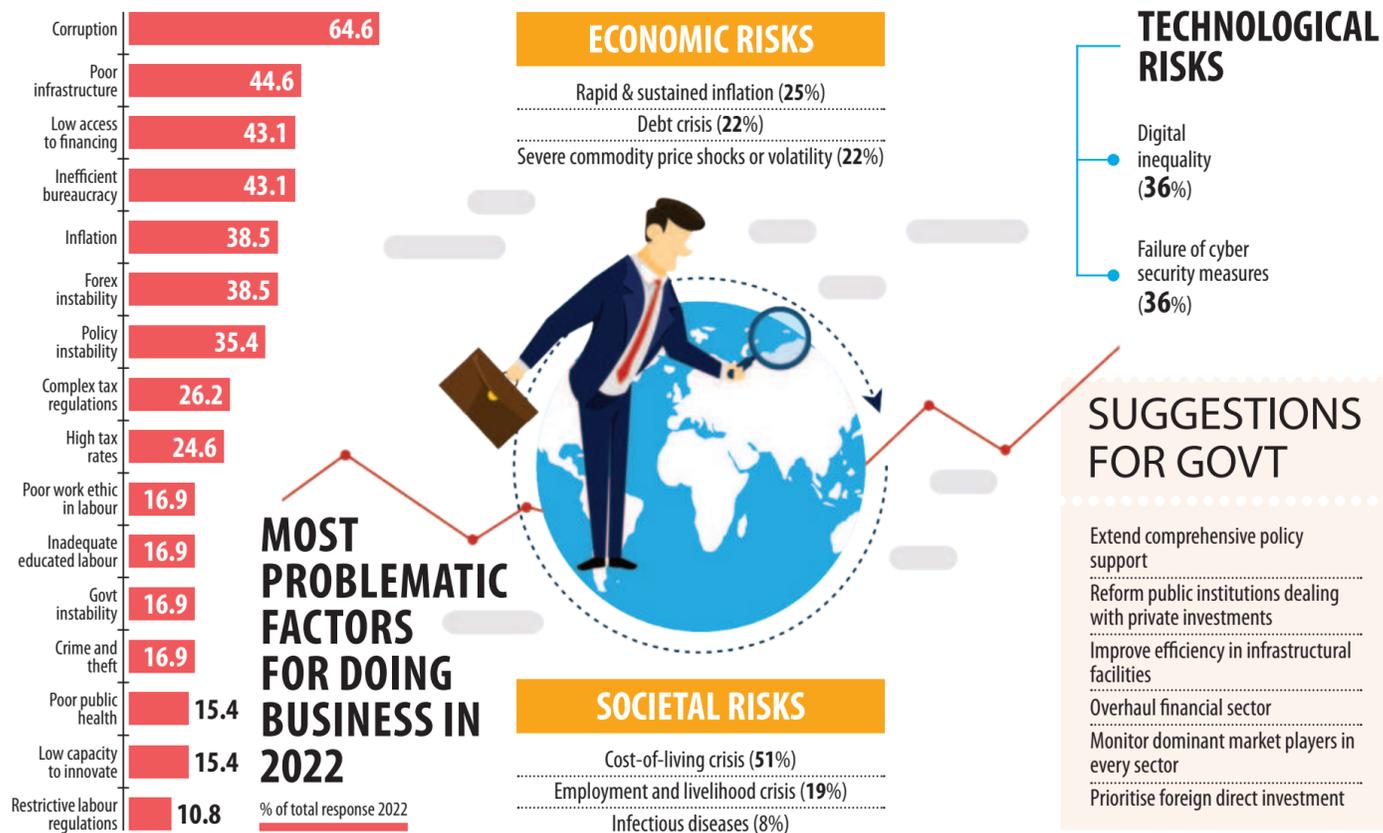


Star BUSINESS



Forex volatility costs large firms Tk 65,000cr

Says economist Ahsan H Mansur

STAR BUSINESS REPORT

Bangladesh's conglomerates have lost Tk 65,000 crore over the past one year because of the fluctuation of the value of the taka against the US dollar as loans have become costlier due to the volatile global economy, said a noted economist yesterday.

Previously, conglomerates used to buy \$100 at Tk 8,200, but over the last one year, they have bought the same \$100 for Tk 10,500, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Since the taka depreciated sharply, corporates have had to pay more to purchase the American greenback, he said.

The noted economist made the remarks while speaking at a roundtable styled "Monetary policy 2022-2023" organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at its office in the capital.

The taka has lost its value by about 25 per cent against the American greenback since Russia's war in Ukraine began in February last year and nearly 14 per cent in July-December, data from the central bank showed.

So, many conglomerates lost Tk 400 crore and Tk 500 crore in the first and second quarters of the current fiscal year, said Mansur.

READ MORE ON B3

Banking sector needs comprehensive reforms: ADB

STAR BUSINESS REPORT

Bangladesh's banking sector now requires comprehensive reforms for the financial sector to become strong enough to augment a transition to an upper middle-income country by 2031, said Edimon Ginting, country director of Asian Development Bank (ADB), yesterday.

The South Asian country also needs to raise foreign currency inflow, develop human capital and expand the private sector's role, he told a luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham) at The Westin Dhaka.

"Comprehensive and holistic reforms in the banking sector, including an NPL (non-performing loan) resolution mechanism, are necessary," he said.

He also suggested for stronger policies and strengthening governance and regulatory oversight of banks and other financial institutions.

Speaking on "Bangladesh macro-

READ MORE ON B3

THREE RISKS AHEAD

Businesspeople cite higher inflation, debt crisis and commodity price shocks in a survey by World Economic Forum

STAR BUSINESS REPORT

Higher inflation, debt crisis and severe commodity price shocks are some of the major economic risks Bangladesh may face in the upcoming years, a new survey of executives warned.

Other challenges include asset bubble burst and proliferation of illicit economic activity, said the "Executive Opinion Survey" of the World Economic Forum (WEF).

The study was as part a global survey carried out by the WEF on 11,800 respondents from 121 economies from April to July of 2022. In Bangladesh, the Centre for Policy Dialogue (CPD) conducted the survey and the number of respondents was 74.

The respondents represented private companies in the agriculture, manufacturing and services sectors and they are based in Dhaka, Chattogram, Narayanganj and Gazipur.

The top three societal risks for the upcoming years for Bangladesh are the cost-of-living crisis, employment and livelihood crisis, and infectious diseases, said the report.

According to the survey, most of the indicators in the financial sector showed lower scores in 2022 compared to 2021.

"Overall, the level of performance of the financial

sector remained negative, indicating a struggling situation as in previous years."

"A negative perception was observed in the case of the soundness of banks, accessing start-up capital, and financial and auditing reporting standards."

"The financial sector needs

Commission, and the Insurance Development and Regulatory Authority.

The country's business environment deteriorated in 2022 compared to the previous year mainly due to corruption, said the report.

Corruption was one of the



major overhauling," said CPD Research Director Khondaker Golam Moazzem while making a presentation on the findings of the survey at an event at the CPD office in Dhaka yesterday.

The overhauling could be initiated as part of meeting the loan conditionality of the International Monetary Fund and amending to the Bank Company Act and by way of lifting the cap on lending rates and ensuring an effective oversight role of the central bank, the Bangladesh Securities and Exchange

major barriers to doing business in Bangladesh as 64.6 per cent of the respondents complained about the high level of corruption.

Weak institutions are the most challenging components for doing business in Bangladesh, said the report.

Improvement of institutions is sluggish and most importantly, their performance deteriorated in 2022. Public entities dealing with taxes, licences, public utilities, judicial system, export, and import performed poorly last year.

READ MORE ON B3

Disbursement of foreign aid slows

STAR BUSINESS REPORT

The disbursement of foreign assistance for development projects in Bangladesh fell by 9.48 per cent in the first half of the current fiscal year due to sluggish implementation and a lack of budgetary support.

As per statistics of the Economic Relations Division (ERD), the total disbursement of foreign assistance amounted to \$3.78 billion in the July-December period of fiscal 2022-23 while it was \$4.4 billion at the same time the year before.

An ERD official said although the implementation of foreign-funded projects accelerated during the period, it failed to hit the government target.

READ MORE ON B3

| STOCKS | |
|----------|-----------|
| DSEX ▼ | CASPI ▲ |
| 0.12% | 0.02% |
| 6,288.33 | 18,570.93 |

| COMMODITIES | | AS OF FRIDAY |
|-------------|--------------|--------------|
| Gold ▼ | Oil ▲ | |
| \$1,927.60 | \$86.66 | |
| (per ounce) | (per barrel) | |

| ASIAN MARKETS | | | | FRIDAY CLOSINGS |
|---------------|-----------|-----------|----------|-----------------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI | |
| ▼ 1.45% | ▲ 0.07% | ▲ 0.76% | ▲ 0.05% | |
| 59,330.90 | 27,382.56 | 3,264.81 | 3,394.21 | |



Workers are seen preparing sugarcane molasses from nearby stalks of the plant in Fulchhari upazila of Gaibandha. With the nearest state-run sugar mill currently shuttered, locals have taken it upon themselves to process the natural sweetener, which sells for about Tk 70 per kilogramme. The photo was taken recently.

PHOTO: MOSTAFA SHABUJ

Graft directly affects 74pc SMEs: study

STAR BUSINESS REPORT

Seventy four per cent of entrepreneurs of small and medium enterprises (SME) across eight divisions of Bangladesh were directly affected by corruption while doing business.

This was revealed at a discussion hosted by the Centre for Governance Studies (CGS) in partnership with the Center for International Private Enterprise at a city hotel yesterday.

The programme unveiled the findings of a two-year study conducted by the CGS on the nature of corruption in the SME sector of Bangladesh.

According to the study's respondents, the use of bribes and political influence to gain favours were the two most common forms of corruption in Bangladesh.

Economist Dr Debapriya Bhattacharya, distinguished fellow at the Centre for Policy Dialogue, thinks that the role of business leaders was questionable in many cases, besides the irregularities of government officials.

Instead of being accountable to businesspeople, they came into office and remained loyal to the rulers. It started with the nomination, not election, of the merchant organisation leaders, he said as chief guest.

He believes that if the situation does not improve, corruption would not decrease in the overall environment of business and commerce in the country.

Bhattacharya said all the research of the world shows that corruption obviously makes poverty permanent, creates discrimination, curtails rights, foils skills and investments and destroy relationships of trust.

According to the study's respondents, the use of bribes and political influence to gain favours were the two most common forms of corruption in Bangladesh

The prime minister increased salaries and allowances of government employees with a view to reduce corruption but it has not gone down, he said.

So, it is not correct that corruption goes down when incomes increase, he added.

He said in some cases corruption has reduced due to digitalisation but corruption in purchase systems of the government has not reduced even after the introduction of e-procurement.

READ MORE ON B3



Garlands being prepared for sale at Purbachal right opposite to the 27th Dhaka International Trade Fair venue. The traders had rented a space for Tk 5,000 solely to make the product and sell it to visitors at the fair all throughout the 31 days that the show would run. Each garland sells for Tk 50 to Tk 100 depending on the flowers used. The photo was taken recently.

PHOTO: SK ENAMUL HAQ

Most stocks fall as companies report losses, lower profit

STAR BUSINESS REPORT

Most of the shares on Dhaka and Chittagong stock exchanges fell yesterday as investors booked profit and remained cautious as most companies reported either profit declines or losses.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), lost 7 points, or 0.12 per cent, to close the day at 6,288, breaking a five-day winning run.

The DS30, the blue-chip index, rose 0.02 per cent to 2,231 while the DSES, the shariah compliant index, dropped 0.18 per cent to 1,371.

Turnover, an important indicator of the market, dropped about 3 per cent to Tk 489 crore.

The losers were strong as out of 343 securities traded on the DSE, 142 declined, 26 advanced and 175 remained unchanged.

Though the market started on an upbeat note, the upward trend couldn't sustain after the first hour of the trading session, said International Leasing Securities Limited.

The stocks slipped into the red as risk-averse investors went for a quick profit booking and followed a cautious stance amid quarter-end earnings declarations.

"The jittery investors are cautiously reshuffling their portfolios based on upcoming earning expectations as most of the companies reported de-growth of their earnings," said the brokerage house.

Anlima Yarn Dyeing topped the gainers' list with an increase of 6.2 per cent. Olympic Industries was up 6 per cent, Sinobangla Industries rose 5.5 per cent, Summit Alliance Port advanced 5.4 per cent, and Gemini Sea Food gained 3.8 per cent.

EGeneration Ltd topped the list of losers by shedding more than 7.6 per cent. Metro Spinning, Meghna Life Insurance, Eastern Cables, and National Housing suffered substantial losses as well.

The stocks slipped into the red as risk-averse investors went for a quick profit booking and followed a cautious stance amid quarter-end earnings declarations

Bashundhara Paper Mills was the most-traded stock on the day at the premier bourse in Bangladesh with its shares worth Tk 51 crore transacted. Genex Infosys, Eastern Housing, Aamra Networks, and Sea Pearl Beach Resort & Spa also witnessed significant turnover.

Among the sectors, service was up 2.6 per cent and travel advanced by 2.2 per cent.

The IT sector and the life insurance sector both slipped 1.6 per cent, while the paper sector was down 1 per cent.

Investors' activities were mainly focused on the IT sector, capturing 15.8 per cent of the day's turnover. The paper sector accounted for 11.3 per cent of the turnover and the services sector represented 9.4 per cent.

The Caspi, the all share price index of the Chittagong Stock Exchange, rose 5.3 points, or 0.03 per cent, to close at 18,570.

Of the issues that traded on the bourse in the port city, only 25 advanced, 59 retreated and 62 did not see any price swing.

Turnover plummeted 70 per cent to Tk 6.53 crore. It was Tk 21.39 crore on Thursday.

Nagad wins award for digital innovation

STAR BUSINESS DESK

Nagad has won the "Posts and Telecommunications Award 2023" for its outstanding contribution to digital innovations in Bangladesh's mobile financial service industry.

Muhammad Solaiman, director of corporate communications at Nagad, received the award from Mustafa Jabbar, minister for posts and telecommunications, at the Digital Bangladesh Mela 2023 held at Bangabandhu International Conference Centre on Saturday, said a press release.

"Nagad has brought about a revolution in the mobile financial market through many customer-friendly innovations, especially its easy account opening process through e-KYC on smartphone or by simply calling *167# on basic phones," said Jabbar.

"This mobile money service of the postal department has shown the innovative power that we are talking about. That is why we have honoured it," the minister added.

"On behalf of the Nagad family, I express my heartfelt gratitude to the posts and telecommunications division for recognising our work towards making people's daily life easy," said Solaiman. Muhammad Zahidul Islam, head of public communications of the mobile financial service provider, was present.

Paint promotion expo held

STAR BUSINESS DESK

A weeklong Expo Paint and Coating 2023 organised by the Bangladesh Paint Manufacturers' Association (BPMA) to promote over 100 brands of paint and coating products from home and abroad ended at International Convention Centre Basundhara in Dhaka yesterday.

Salim Ahmed, the association president, visited stalls and pavilions on the last day of the exposition, said a press release.

Arun Mitra, general secretary, Md Nuruzzaman and M Abdur Rahman, vice presidents, Shamim Ahmed Chowdhury, treasurer, Pinaky Mohan Saha, general manager of Imperial Paint Company, and AKM Mohibullah, general manager for sales & marketing of Akij Paint, were present.

| PRICES OF KEY ESSENTIALS IN DHAKA CITY | | | |
|--|----------------------|----------------------------|--------------------------|
| | PRICE (JAN 29, 2023) | % CHANGES FROM A MONTH AGO | % CHANGE FROM A YEAR AGO |
| Fine rice (kg) | Tk 60-Tk 75 | 1.5 ↑ | 5.47 ↑ |
| Coarse rice (kg) | Tk 52-Tk 58 | -1.79 ↓ | 1.85 ↑ |
| Loose flour (kg) | Tk 58-Tk 60 | -3.28 ↓ | 66.2 ↑ |
| Lentil (kg) | Tk 95-Tk 100 | -4.88 ↓ | 0 |
| Soybean (litre) | Tk 168-Tk 170 | -3.43 ↓ | 14.58 ↑ |
| Potato (kg) | Tk 25-Tk 30 | 44.74 ↑ | 66.67 ↑ |
| Onion (kg) | Tk 35-Tk 40 | -9.64 ↓ | 25 ↑ |
| Egg (4 pcs) | Tk 40-Tk 45 | 16.46 ↑ | 18.06 ↑ |

SOURCE: TCB



Mohammed Rabiul Hossain, managing director of Uttara Bank, cuts a ribbon to inaugurate Birampur sub-branch of the bank at Birampur upazila of Dinajpur yesterday. Md Rabiul Hasan, general manager of public relations division, and Madhu Sudan Sarder, deputy general manager, were present.

PHOTO: UTTARA BANK



Md Nurul Amin, fourth from right, managing director of Electro Mart Group, presents an award at a "Retail Conference 2023" attended by retail managers and officials of the company at Hotel The Cox Today in Cox's Bazar recently. Mohammed Nurussafa Majumder, deputy managing director, Nurul Azim Sunny, director, and Md Julhak Hossain, national sales manager, were present.

PHOTO: ELECTRO MART GROUP



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, inaugurates the bank's Annual Business Conference 2023 in Cox's Bazar recently. Md Habibur Rahman, additional managing director, Md Nazrul Islam, deputy managing director, and Golam Mostafa, senior executive vice-president, were present.

PHOTO: UNION BANK



Tarique Afzal, managing director of AB Bank, cuts a ribbon to inaugurate a sub-branch at Gani Bhaban at Nathullabad in Barishal sadar upazila yesterday.

PHOTO: AB BANK



Alamgir Kabir, chairman of Southeast Bank, attends the bank's "Business Policy and Planning Conference" in Dhaka yesterday. Duluma Ahmed, vice-chairperson of the bank, M Maniruz Zaman Khan, Nasir Uddin Ahmed, Md Rafiqul Islam, and Anjuman Ara Shahid, directors, Syed Sajedul Karim, independent director, and Nuruddin Md Sadeque Hussain, managing director (current charge), were present.

PHOTO: SOUTHEAST BANK

Pakistan lifts prices

FROM PAGE B4
He said the hike was recommended by oil and gas authorities due to the higher cost of buying energy in the global market.

"We will have to take the rise in international oil prices and the devaluation of the rupee into account," he said.

"This rise is being done immediately on the recommendation of the oil and gas regulatory authority who said there were reports of artificial shortages and hoarding of

fuel in anticipation of price rises - hence this price rise is being done immediately to combat this."

The day before, Reuters witnesses reported some petrol stations had long lines outside as residents filled their tanks due to speculation that prices would soon rise.

Pakistan is in the midst of a balance of payments crisis and the plummeting value of the Pakistani rupee will push up the price of imported goods. Energy comprises a large part of Pakistan's import bill.

Smartphone

FROM PAGE B4
Strict Covid-19 controls in China, which ramped up in the spring of 2022 across several cities, weighed heavily on its economy which slumped to one of its worst levels in nearly half a century last year.

The plunge in smartphone sales in China reflected the sector's performance globally. In 2022, global smartphone shipments hit 1.2 billion, the lowest since 2013 and a year-on-year fall of more than 11 per cent, according to IDC.



In Bangladesh, 45 per cent of the tea produced is consumed at the household level while the rest at tea stalls, restaurants and offices.

PHOTO: STAR/FILE

Tea production went down last year

SUKANTA HALDER

Tea production in Bangladesh has decreased by nearly 3 per cent year-on-year in 2022.

According to state-run Bangladesh Tea Board (BTB), nearly 94 million kilogrammes (kg) were produced last year.

Talking to The Daily Star, M Shah Alam, chairman of Bangladesh Tea Association, representing tea estates of Sylhet and Chattogram, blamed inadequate rainfall in the first half of 2022 and a halt to production for a few weeks for labour unrest later in the year.

The year's target could not be achieved, he said. The target was 100 million kgs, according to the BTB.

The weather was hot and dry, leading to a red spider mite infestation, for which plucking of the leaves was halted, he added.

The same was stated by Sumon Shikder, senior planning officer of the BTB.

Tea workers went on a two-hour strike every day from August 9 last year demanding an increase in wages. From

August 13, they went on an indefinite strike. They joined work from August 28 following an agreement.

Plucking was halted during the month since the leaves can be availed every seven or eight days, affecting production, said an official of Bangladesh Tea Research Institute.

Garden owners earlier claimed that the strike would affect production and cause losses.

Meanwhile export of tea and associated earnings has increased.

In 2021, 0.68 million kg was exported, bringing in Tk 180.57 million. In 2022, it increased to 0.78 million kg and Tk 196.31 million respectively.

This was apparently for quality enhancements, focus on retail packs and production being higher than domestic consumption, said Shamim Khan, managing director of the Halda Valley Food and Beverage.

However, 2.17 million kg of tea worth Tk 347.14 million was exported in 2020.

In Bangladesh, 45 per cent of the tea produced is consumed at the household level while the rest at tea stalls, restaurants,

and offices.

Tea is a part of social and professional life in the country, making it one of the most-consumed beverages and it is popular among low-income groups as well.

M Shah Alam, chairman of Bangladesh Tea Association, representing tea estates of Sylhet and Chattogram, blamed inadequate rainfall in the first half of 2022 and a halt to production for a few weeks for labour unrest later in the year

Local tea brands dominate the domestic market with a 75 per cent share while non-branded producers account for the rest.

The 167 tea gardens in the country cover almost 280,000 acres of land. Bangladesh is currently listed as the world's ninth largest tea producer, accounting for around 2 per cent of the world's total production.

A total of 90 of the tea gardens are in Moulvibazar, which accounts for 55 per cent of the tea produced in the country. Habiganj is the second largest producer of tea, contributing 22 per cent.

China is the largest producer of tea in the world, followed by India which is the second-largest country in the production of tea.

Also, Sri Lanka, Kenya, Korea and Japan were rated as the world's largest tea producing countries.

The global tea production amounts to over \$17 billion annually, while world tea trade is valued at about \$9.5 billion, accounting for an important source of export earnings, according to the Food and Agriculture Organization.

One key characteristic about tea is that smallholders are responsible for 60 per cent of world production, it said.

World tea production in 2021 increased to an estimated 6.5 million tonnes, from 6.3 million tonnes in 2020, as production of black tea recovered from the 2020 shortfall in some of the major producing countries, such as India and Sri Lanka, the organisation also said.

Padma Oil's profit jumps 50%

STAR BUSINESS REPORT

The Padma Oil Company saw a big jump in profits in the October-December period of 2022 thanks to an increase in its non-operating income and higher sales volume.

The state-run company's earnings per share surged 50 per cent year-on-year to Tk 8.92 in the second quarter of the current financial year from Tk 5.92 previously, the company said in a posting at the Dhaka Stock Exchange.

Padma's overall earnings per share grew 38 per cent year-on-year to Tk 16.13 in the July-December period of FY2022-23.

However, the company's net operating cash flow per share became negative in the first half of the year.

Padma said cash flow has decreased due to an increase in payments to suppliers of petroleum, oil and other lubricant products.

Besides, an increase in inventories and dues from affiliated companies have played a vital role in this regard, the company added.

Expressions celebrates 30yrs of operations

STAR BUSINESS DESK

Advertising agency Expressions recently celebrated 30 years of operations.

Ramendu Majumder, chairman, inaugurated a celebration programme at Brac CDM in Gazipur's Rajendrapur, said a press release.

Over 50 employees attended the two-day event, which started with an annual general meeting and ended with a prizegiving ceremony following a cultural programme.

Established in 1993, Expressions has been working with domestic and multinational corporate organisations and various government, private, and international development organisations.

Suzuki to invest \$35b in EVs

REUTERS, Tokyo

Suzuki Motor Corp will invest 4.5 trillion yen (\$34.8 billion) through fiscal 2030 in research, development and capital spending to make battery electric vehicles (EVs), it said recently.

The Japanese automaker known for making compact "kei" cars said it would invest 2 trillion yen in electrification and autonomous driving technologies, while allocating 2.5 trillion yen to build a battery EV plant and for renewable energy facilities.

Of the money earmarked for electrification, 500 billion yen would be invested in batteries, it said. Suzuki's announcement comes after other Japanese automakers have rolled out similar goals to catch up with European and US rivals in the fast-growing battery EV market.

Banking sector needs

FROM PAGE B1

economic outlook in the evolving global phenomenon", Ginting said for sustainable growth, Bangladesh needs to focus on climate vulnerable communities, identify specific adaptation needs and develop and implement strategies.

Challenges remain in infrastructure development, so a national logistics policy and a master plan are urgent needs to realise the full potential of the sector, he said.

Human capital index also needs to focus on raising human capital as advantages of low-cost labour and preferential market access may fade with the graduation from the least developed country (LDC) status, he said.

Bangladesh scored 0.46 on the human capital index, below the average of 0.78 for both South Asia and lower middle-income countries. "So, Bangladesh needs to improve education quality and deepen skills development," he said.

The financial sector includes an underdeveloped banking sector with low operational efficiency, weak internal risk management and high NPL levels. Long-term financing and a strong bond market is missing, said Ginting.

With continued external adversities and a spillover effect from the war, only a moderate rebound is expected in FY2024 as high commodity prices and continued monetary tightening persist, he said.

About inflation, he said most commodity prices peaked in mid-2022 due to the post-pandemic demand surge and the war before easing since June 2022 due to slowing global growth. To restore macroeconomic stability, Bangladesh Bank attempted to tackle strong pressure of depreciation by gradually allowing it to increase and imposing barriers on the import of luxury and non-essential items, he said.

Addressing the event, Syed Ershad Ahmed, president of the AmCham, said Bangladesh's economy was facing some stress like other countries so it needs proper steps at the right times.

Syed Mohammad Kamal, vice president of the AmCham, also spoke at the event while Mahburur Rahman, president of the International Chamber of Commerce Bangladesh, Aftab ul Islam, a former president of the AmCham, and Md Sameer Sattar, president of the Dhaka Chamber of Commerce & Industry, were present.

Three risks ahead

FROM PAGE B1

of urban services and a spike in informal economic activities.

Despite various initiatives, foreign direct investment inflow remains at a low level, cited the report.

"A lack of proper infrastructure, the limited functionality of one-stop service facilities and weak financial reporting of local companies are considered as drawbacks for attracting FDI."

There was further deterioration in the competitiveness of the business environment in 2022 and entrepreneurs still considered that the corporate businesses are dominated by a few groups of companies like in the previous years.

The competitive environment in businesses has further deteriorated due to a lack of proper practices

of corporate governance, weak regulatory oversight and a lack of corporate ethics.

This led the respondents to urge the Bangladesh Competition Commission to be proactive in monitoring the activities of dominant market players.

A new set of factors have emerged, according to the report. They include inflation, foreign currency instability and policy instability.

"Given the uncertain business environment, businesses need comprehensive policy support targeting the short-, medium- and long-term challenges."

Small and micro-enterprises are facing the pressure of inflation, instability of foreign currency, and inefficient government bureaucracy, according to the report.

Graft directly

FROM PAGE B1

Stressing on accountability, Ali Imam Majumder, former cabinet secretary, said it was not possible to drive out corruption from a country or society where a person has the scope to enjoy money earned illegally.

"Unfortunately, it is true that we have already almost reached near that position," he said.

Awami League lawmaker Hafiz Ahmed Mazumder acknowledged the fact that corruption has harassed people of Bangladesh for a very long time and any strategy to solve the situation would be welcome.

Dr Md Mofizur Rahman, managing director of SME Foundation, said the foundation was facing difficulties in providing services to SMEs due to a lack of manpower and resources.

Stressing on the need for proper support for SMEs, Anwar-ul Alam Chowdhury, president of the Bangladesh Chamber of Industries, said currently none was providing policy support to SMEs in Bangladesh.

That is why the SME sector in Bangladesh is underperforming compared to many other prosperous nations, he said. Dr Muhammad Abdul Majid, a former chairman of the National Board of Revenue, talked about the endemic nature of corruption in Bangladesh at every level.

As corruption has spread all the way to the top, the only way to stop it is a top-down approach, he said.

He talked about the need for a new SME ministry and a new SME bank to give specialised and accountable services to SMEs.

Advocate Nitai Roy Chowdhury, a former minister and vice chairman of Bangladesh Nationalist Party, said the legal framework of the country has been destroyed for which corruption was increasing even more.

Stressing the need for action, Ruhin Hossain Prince, general secretary of the Communist Party of Bangladesh, said just discussing on corruption was not enough and there needs to be collective action.

Nayeemul Islam Khan, editor of Daily Amader Notun Shomoy, talked about corruption in media as well as the extreme prevalence of fake news enabling corruption.

Forex volatility costs large firms

FROM PAGE B1

"What is even worse, 90 per cent to 95 per cent of profits of corporates declined because of the volatility in the exchange rate."

Bangladesh has been going through an exchange rate volatility after foreign currency reserves came under pressure to pay for the import bills escalated by the war.

Bangladesh has lost \$14 billion from the financial account over the last one year because of a lack of proper management of the economy, said the former economist of the International Monetary Fund.

The financial account covers claims on or liabilities to foreigners concerning financial assets and includes direct investment, portfolio investment, and reserve assets.

Mansur explained that historically the financial account of the balance of payments of Bangladesh has experienced a surplus almost every year.

For example, the financial account was \$14.06 billion in surplus in 2020-21 and \$13.77 billion in 2021-22. It turned a deficit of \$157 million in the July-November period of the current fiscal year, BB data showed.

The economist suggested resolving the dollar crisis immediately so that the economy does not suffer any longer.

Owing to the dollar crunch, the opening of the letters of credit (LCs) also dropped as the central bank tightened rules to discourage the imports of non-essential and luxury items.

Mansur suggested a floating exchange rate instead of the existing managed ones to ride out the current crisis.

If the floating exchange rate reaches Tk 112 per dollar, then it would still be good for the economy in the future compared to Tk 130 under a managed exchange rate regime, he said.

"The market should determine the dollar rate and artificially fixing the

rate is not the right decision."

Mahbub Ahmed, a former senior finance secretary, backed the semiannual publication of monetary policy statement (MPS).

Ferdous Ara Begum, chief executive officer of the Business Initiative Leading Development, said the MPS needed to emphasise more on employment generation and investment.

She criticised the BB decision to raise the interest rate to 12 per cent from 9 per cent for consumer loans whereas the lending rate has remained unchanged at 9 per cent for large industrial credits.

She suggested the government recover non-performing loans and be serious about preventing trade-based money laundering as a section of traders is siphoning money through trade over- and under-invoicing.

Economists are suggesting the withdrawal of the lending rate cap to check inflation, restore stability in the foreign exchange market, support desired economic growth, and ensure the necessary flow of funds to productive and employment-generating activities, said Md Moniruzzaman, president of the ICAB.

"The increase in the policy rate will create liquidity pressure in the banking sector. But it will take time to slow down the money supply."

The BB has set a lower private sector credit growth target of 14.1 per cent for the current fiscal year compared to 14.80 per cent in FY22.

"If the lending rate cap is withdrawn, the interest rate on import financing will rise substantially and this will bring stability to the foreign exchange market," Moniruzzaman said.

"Further increases in LC margins will push up prices and reduce demand for foreign exchanges."

However, the monetary policy includes some expansionary measures, such as a new refinance

scheme to boost the production of import-substitute goods, he said.

Humayun Kabir, a former president of the ICAB, moderated the discussion.

Shubhashish Bose, CEO of the ICAB, Muhammad Abdul Mazid, a former chairman of the National Board of Revenue, Jamaluddin Ahmed, a former president of the ICAB, and Zakir Hossain, business editor of the Samakal, also spoke.

Disbursement of foreign aid slows

FROM PAGE B1

The ERD is continuously monitoring the implementation progress in coordination with different government divisions and ministries.

"We are hopeful that disbursements will increase in the latter half of the current fiscal," he added.

Of the \$3.78 billion disbursed so far, \$922 million was used in projects funded by Japan.

The ERD official then said Japan-funded projects, such as the Dhaka Metro-rail, Matarbari coal-fired power plant, Bangabandhu Sheikh Mujib railway bridge, and third terminal of the Hazrat Shahjalal International Airport, are seeing rapid implementation.

The Asian Development Bank disbursed the second highest amount with \$567 million followed by the World Bank with \$540 million, China with \$535 million, Russia with \$440 million, Asian Infrastructure Investment Bank with \$250 million, and India with \$164 million.

On the other hand, foreign aid commitments in the July-December period declined by around 59 per cent year-on-year to \$1.76 billion.

In past six months, the government repaid \$1.05 billion of foreign debts whereas it was \$1.04 billion during the corresponding period the previous fiscal year.



Workers at a farm in Darjeepara village under Tentulia upazila of Panchagarh are seen tending to the tulip bulbs being grown. With demand for the foreign flower being high in Bangladesh, farmers have increased its acreage in the current winter season.

PHOTO: QUAMRUL ISLAM RUBAIYAT

Tulip cultivation expanding as demand rises

QUAMRUL ISLAM RUBAIYAT, *Thakurgaon*

Encouraged by their success in tulip cultivation last year, farmers across Bangladesh have sown the decorative plant in more areas of the country this winter season, especially in Tentulia upazila of Panchagarh.

After observing the high demand of foreign flower in local markets, Delwar Hossain, an agro-entrepreneur, imported about two lakh tulip bulbs from the Netherlands this season while the number was 80,000 in 2022.

Tentulia accounts for a majority of the acreage with at least one lakh bulbs having been sown in Darjeepara village alone, according to Hossain.

About two years ago, Hossain became the first to bloom tulips in Bangladesh when he sprouted the cold weather crop in Gazipur's Sreepur upazila.

Seeing his success, the Eco Social Development Organisation (ESDO) recruited eight marginal farmers in 2022 to grow the flower on 40 decimals of land across Tentulia considering the region's conducive soil and weather conditions.

The project was financially supported by the state-run Palli Karma-Sahayak Foundation and the International Fund for Agricultural Development.

This year, a total of 20 marginal farmers are cultivating tulips on two acres of land, where they collectively sowed 86,000 bulbs on January 11 in hopes of blooming the plant within a couple of days, said Aynul Haque, project coordinator of the ESDO.

Around 16,000 bulbs were also sown in tubs so that buyers can easily keep them as decorative pieces at home or work.

Tulips of ten colours were planted this season, including the Antarctica (white), Denmark (orange), Lalibela (red), Dutch Sunrise (yellow), Strong Gold (yellow), Zantupink (pink), White Marvel (white), Mystic van Eijk (pink), Happy Generation (white-red) and Golden Ticket (yellow) varieties.

Tulip cultivation is being encouraged in Tentulia mainly to add to the region's scenic beauty and develop its economy by attracting more tourism.

With the peak of Kanchenjunga, the world's third highest mountain peak, being visible on clear days, Tentulia also boasts vast plains of greenery and archaeological sites, including Bhitargar, Imambara Mosque and Bodeswari Temple.

Three farmers of Darjeepara village – Hosne Ara Begum, Morsheda Begum and Monowara Begum – said they collectively cultivated 20,000 tulips on 20 decimals of land last year to get a profit of Tk 70,000 per person.

Md Jahangir Alam, upazila agriculture officer of Tentulia, said the country's weather is generally not suitable for cultivating tulips.

However, the temperature in Tentulia stays at around 20 degrees Celsius in daytime, showing promise of successful cultivation, he added.

Alam then said that acidic, sandy-

loamy soil with a pH of six-seven is ideal for growing tulips, which require a daytime temperature of within 20 degrees Celsius and night-temperature of five to 12 degree Celsius during the growth period.

Direct sunlight in the mornings and evenings is also beneficial for improving the flower's quality while partial shade, such as nets, are required during mid-day.

Limited use of chemical fertilisers along with enough organic manure is needed for preparing the soil as well, he added.

Hossain sells the tulip bulbs he brings from the Netherlands at a cost Tk 62 per piece in different districts in the country.

"The growers who became successful by cultivating tulips last year bought more bulbs this season," he added.

For example, an entrepreneur of Rajshahi's De Marche Garden who cultivated 1,000 plants last year, bought 5,000 bulbs this season.

Hossain cultivated about 70,000 bulbs in Sreepur upazila this year while it was 30,000 in 2021.

He also supplied around 5,000 bulbs to farmers in Jashore's Gadkhali, 6,000 bulbs to those in Rangamati, 500 in Bagherhat, 500 in Natore and 300 in Cumilla, among other districts.

Hossain then said the domestic

demand for tulips is growing fast.

"Higher quality flowers are currently imported but if we can continue cultivation, local currency would be saved," he added.

Hossain emphasised on government cooperation for the expansion of high-value flower cultivation, adding that if the government comes forward in this regard, it will create employment opportunities for youths all over the country.

He went on to say that as cut tulips can survive for around 30 days, the current harvest will be available in local markets from December 15 to February 15.

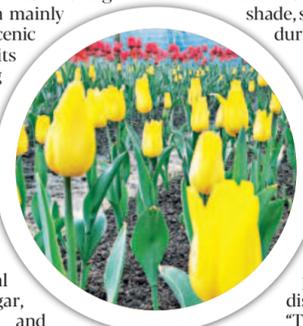
Md Shahid Uz Zaman, executive director of the ESDO, said a good number of visitors from different parts of the country have come to Tentulia to catch a glimpse of Kanchenjunga in recent years.

"So, if tulip cultivation goes as planned, it would be an additional attraction and promote the northern region's tourism sector, which will play a vital role in improving the lives of locals," he added.

Zaman then said that as winter lasts for about four months in Tentulia, the temperature is almost perfect for tulip cultivation.

Not only is the ESDO helping growers supply their produce to various flower markets, it also plans to help them cultivate other flowers during the rest of the year, he added.

Md Jahurul Islam, deputy commissioner of Panchagarh, said they have taken different initiatives to extend all-out support to small entrepreneurs for the sake of developing the district's economy and tourism.



2 subsidiaries of Pran post lower profits

STAR BUSINESS REPORT

Two subsidiaries of Pran Group – AMCL Pran and Rangpur Foundry Ltd (RFL) – saw a fall in profits during the July-December period of fiscal 2022-23 due to various pressures resulting from ongoing global economic crises.

Profits of RFL dropped 2 per cent year-on-year to Tk 2.14 crore in the first half of the current fiscal, the company said in a disclosure posted on the Dhaka Stock Exchange.

At the same time, RFL's earnings per share edged down to Tk 2.14 from Tk 2.19 during the same period the previous year.

The company owns and operates an industrial undertaking that manufactures and sells cast iron products that include tube well and irrigation pumps as well as their required spare parts.

RFL's sales in the July-December period remained almost the same at Tk 78.36 crore compared to Tk 78.81 crore during the same period of fiscal 2021-22, as per the company's financial report.



Similarly, profits of AMCL Pran fell 11 per cent year-on-year to Tk 3.09 crore in the first six months of 2022-23. As such, its earnings per share now stand at Tk 3.87 compared to Tk 4.35 previously.

However, the company's sales rose 3 per cent to Tk 154 crore in the period.

The principal activities of the Company throughout the year continued to be trading and processing of fruits, vegetables and other agro products.

Stocks of AMCL Pran dropped 1 per cent to Tk 240 while stocks of RFL fell 0.58 per cent to Tk 154 yesterday.

Crown Cement's profit surges in Q2

STAR BUSINESS REPORT

Crown Cement PLC reported a 371 per cent surge in profit in the second quarter of the ongoing financial year on the back of higher sales.

The cement manufacturer raked in Tk 14.70 crore in profit in the October-December quarter of 2022-23, up from Tk 3.12 crore reported in the identical quarter of 2021-22, according to the unaudited financial statements.

Thus, Crown Cement posted earnings per share of Tk 0.99 for October-December against Tk 0.21 in the same quarter of FY22.

The EPS climbed in the second quarter thanks to an increase in revenue, said the cement maker in a filing on the Dhaka Stock Exchange.

The profit, however, fell to Tk 9.36 crore in the first half of the ongoing financial year from Tk 11.14 crore in the same half a year earlier.

The EPS was Tk 0.63 in July-December of FY23, down from Tk 0.75 in the first half of FY22.

The profit declined in July-December owing to an unprecedented foreign exchange loss, the filing said.

The taka has lost its value by about 25 per cent against the American greenback in the past one year and nearly 14 per cent in July-December, data from the central bank showed.

With the second-quarter profit, Crown Cement returned to profit.

The company incurred a loss of Tk 5.35 crore in the July-September quarter of FY23.

Shares of Crown Cement closed at Tk 74.40 on the DSE on Thursday.

Smartphone sales of China lowest in 10yrs

REUTERS, Shanghai

China's smartphone sales fell 13 per cent year-on-year in 2022, the largest plunge for the sector in a decade as consumers spent cautiously, market research firm IDC said on Sunday.

The total number of devices shipped was 286 million, down from 329 million in 2022.

That meant total 2022 sales volume was the lowest since 2013 and the first time since then that annual sales have dropped below 300 million, IDC said in a report.

Android handset maker Vivo was the top-selling brand over the year, with a market share of 18.6 per cent. Its total shipments fell 25.1 per cent year-on-year, however.

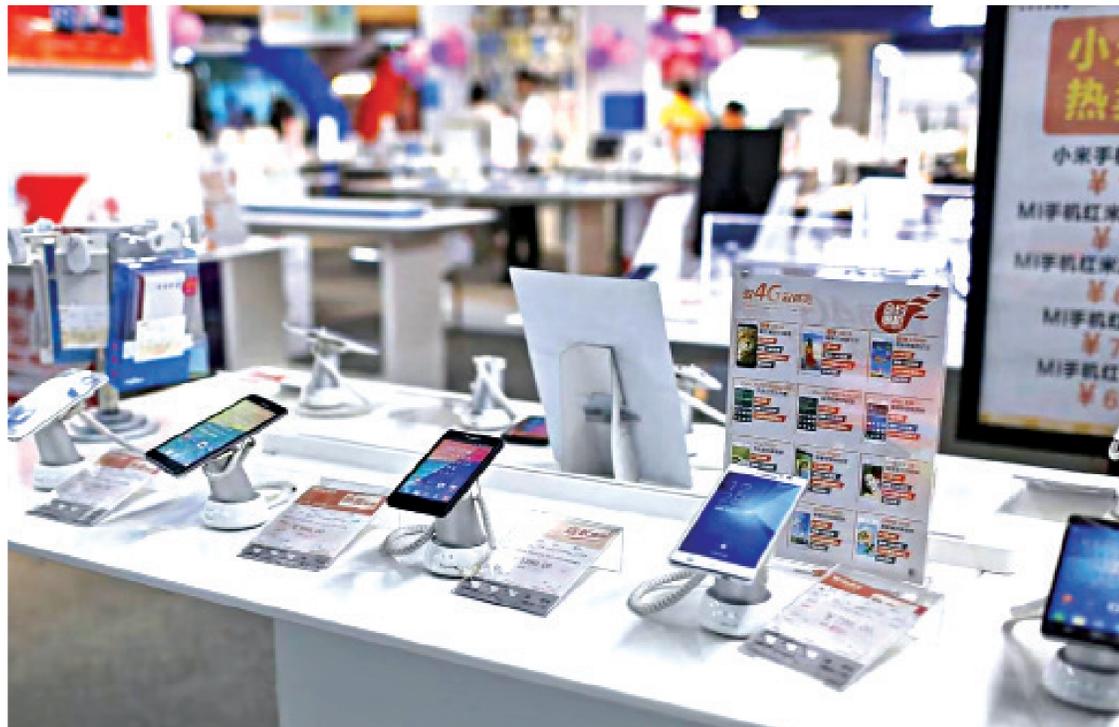
Honor ranked as the second best-selling brand, with shipments growing more than 34 per cent, albeit from a low base.

Apple Inc was the third best-selling phone brand in 2022, tied with Oppo.

Apple's overall sales fell 4.4 per cent year-on-year, broadly outperforming the market downturn.

In Q4, despite being the top-selling brand in the three-month period, year-on-year sales for iPhones were still down, as supply chain issues caused by worker unrest at manufacturer Foxconn's plant in the city of Zhengzhou compounded worse-than expected demand, researchers wrote.

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The plunge in smartphone sales in China reflected the sector's performance globally. In 2022, global smartphone shipments hit 1.2 billion, the lowest since 2013 and a year-on-year fall of more than 11 per cent.

PHOTO: REUTERS/FILE

Pakistan lifts prices of petrol, diesel

REUTERS

Pakistan's ministry of finance announced on Sunday petrol and diesel prices would rise by 35 rupees (\$0.1400) a litre after the country's currency value plummeted this week when price caps were removed.

The decision came days before an International Monetary Fund mission will visit Pakistan later this month to discuss the stalled ninth review of the country's current funding programme.

Last week, the Pakistani rupee lost close to 12 per cent of its value after the removal of price caps that were imposed by the government but which were opposed by the IMF.

Finance Minister Ishaq Dar said at a press conference on Sunday he hoped the announcement would dispel speculation on social media of a higher price hike or that petrol supplies would run dry.

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