



Potential buyers are seen perusing the wares at a stall selling stainless steel crockery at the 27th edition of the Dhaka International Trade Fair in Purbachal. Although the number of visitors has increased compared to last year, sales are still lower than what they were when the event was held in Agargaon. The picture was taken recently. PHOTO: STAR

DITF participants see lower sales for second year running

The monthlong show ends today

MD ASADUZ ZAMAN and SUKANTA HALDER

The 27th edition of the Dhaka International Trade Fair (DITF), which ends today at its new venue in Dhaka's Purbachal, may have seen a higher turnout but overall sales were lower compared to when the monthlong event was held in Agargaon, according to participants.

"A lot of visitors came to the fair but sales were not satisfactory," said Tafazzal Hossain Sarker, senior assistant general manager of Alloy Aluminium Furniture Limited.

Compared to when the fair was held in Agargaon, sales have decreased by around 60 per cent this time around, he added, citing how potential visitors are discouraged by the event's now remote location.

Sarker then said another reason behind the lower sales is that people are spending less amid the ongoing inflationary pressure stemming from global economic crises, such as the Russia-Ukraine war.

Mohammad Forhad, deputy managing director of SKB Stainless Steel Mills Limited, said this year's DITF has gone well for them.

However, he too opined that the number of visitors was higher when the event was held in Agargaon.

"But in the future, the fair will be good," he added.

Saidur Rahman, the owner of Raihan fashion, said they saw higher sales in the last four to five days.

"Due to various reasons, including communication problems, sales at this year's fair have been 20 per cent less than normal," he added.

Mohammad Sahin Alam, manager of Exclusive Home Tex Industries Limited, said companies mainly participate in the fair for promoting their brands.

Another reason behind the lower sales is that people are spending less amid the ongoing inflationary pressure stemming from global crises, such as the Russia-Ukraine war

"So, from that point of view, we are happy," he added.

Md Ittikher Ahmed Chowdhury, secretary of the Export Promotion Bureau, said around 30 lakh people visited the fair this year.

The closing ceremony will be held

today with Jute and Textiles Minister Golam Dastagir Gazi expected to attend as chief guest.

A total of 315 stalls and 57 pavilions were set up at the event this year. Of them, around 17 stalls were operated by foreign companies from 10 countries, including Singapore, Hong Kong, Indonesia, Turkey, Malaysia, India, Pakistan, South Korea.

Asked about the total amount of export orders received through the fair, Chowdhury said the data is being compiled and could be announced today.

Regarding the turnout, Salauddin Bhuiyan, owner of Abdullah and Sons, who got the lease for the fair's entrance gate, said the number of visitors was actually lower as around 11.50 lakh tickets were sold.

"Last year, some 10 lakh tickets were sold," he added.

JBCCI stresses Japan-Bangladesh partnership deal

STAR BUSINESS DESK

A delegation of the Japan Bangladesh Chamber of Commerce and Industry (JBCCI) led by its president, Hikari Kawai, made a courtesy call on Commerce Minister Tipu Munshi at his secretariat office in Dhaka yesterday.

During the meeting, the delegation briefly discussed ways to enhance bilateral trade and investment, said a press release.

Kawai gave a brief outline of the JBCCI and its contribution to promoting bilateral trade and laid emphasis for an economic partnership agreement to be signed between Bangladesh and Japan.

He mentioned that the JBCCI had formed a standing committee to collect relevant information on signing an EPA.

The commerce minister thanked the delegation for discussing matters pertaining to a possible EPA and expressed interest on working together for positive results for both countries.

M Jalalul Hai, vice-president, Md Anwar Shahid, secretary general, Tadaoki Watanabe, treasurer, Matiur Rahman and Md Shariful Alam, advisers, Mohammed Sohel, Saori Fujimoto and Nayeemur Rahman, directors, and Md Emran, executive director, were in the delegation.

Emirates offers free night stay in Dubai

STAR BUSINESS DESK

Travellers who purchase an Emirates return ticket in first or business class or stopping over in Dubai will be able to enjoy a complimentary night stay at the Fairmont The Palm hotel, one of the iconic hospitality properties in Dubai.

The offer came into effect yesterday and will be available till February 13 this year, said a press release.

Bookings should be made at least 72 hours in advance of passengers' arrival.

Fairmont The Palm is the ideal luxury resort for couples and families. The resort offers 381 lavish rooms and suites overlooking the stunning Arabian Gulf and the incredible Dubai skyline.

Guests can experience some of the world's finest flavours at a choice of 10 restaurants and bars.

Guests traveling with young ones can enjoy "Fairmont Falcons Kids' Club" which offers extensive activities for children from 3 years up to 15 years old in friendly and cozy surroundings while guests looking for some relaxation can indulge in a treatment in the renowned Fairmont Willow Stream Spa.

The luxurious resort also includes four outdoor temperature-controlled swimming pools, private white sand beach and a state-of-the-art health club.

Saudi Arabia may lower crude prices for Asia

REUTERS, Singapore

Saudi Arabia, the world's largest oil exporter, may trim prices for crude grades sold to Asia for a fourth straight month in March, amid low physical oil premiums, as oversupply worries linger despite expectations of demand recovery in China.

State oil company Saudi Aramco may lower the official selling price of its flagship Arab Light crude by about 30 cents to Asian clients for March-loading cargoes, a Reuters survey of four refining sources showed.

That would reduce the overall differential to around \$1.50 a barrel above the average of Platts Dubai and Dubai Mercantile Exchange's Oman quotes, the lowest since November 2021.

"The overall demand for medium-grade oil in Asia remains tepid,

and China's consumption may not come back in the near term," said a Singapore-based respondent.

The top oil importer China is projected to see a fuel demand revival as Beijing rolled back the stringent zero-Covid strategy, although the path of recovery could be bumpy given the country's surging infection cases.

China's oil trading giant Unipet has snapped up low-priced supplies of crude from Abu Dhabi, Brazil and North America in January.

However, the supply overhang remains clouding the Asian market as China and India continue to scoop up discounted Russian barrels.

The European Union is set to ban Russian oil products imports from February 5, which is expected to curb Russia's oil processing and lead to more crude oil exports.

SIBL's chairman, AMD resign

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Before joining SIBL, he served First Security Islami Bank as an adviser and IBBL as its managing director.

The resignations came at a time when SIBL continues to make headlines for irregularities and anomalies.

A BB official said that the bank recently disbursed a large amount of loans breaching banking norms, which worsened its financial health.

In December, the BB instructed five Shariah-based banks, including SIBL, to inform it if a loan of Tk 10 crore and above is approved. Furthermore, they were asked not to disburse any loan beyond Tk 50 crore. The move is aimed at restoring discipline at the lenders.

The four other banks are IBBL, First Security Islami Bank, Union Bank and Global Islami Bank.

The banks also took emergency funds to the tune of Tk 14,790 crore from the central bank in December to tackle the acute liquidity crisis. Such funds are usually taken during extraordinary circumstances.

The central bank has recently investigated allegations of gross irregularities at IBBL over the disbursement of loans amounting to Tk 7,246 crore last year.

Reports about the investigation's initiation led to a confidence crisis of depositors in the five banks, which are either fully or partially controlled by S Alam Group.

This compelled the five to take liquidity support of Tk 5,250 crore from the central bank last month.

Dollar crisis

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"We are facing two problems. On the one hand, we are facing difficulties in opening LCs. On the other hand, local garment manufacturers are delaying making payments against back-to-back LCs," said a spinner, asking not to be named.

Two distinct LCs are used in back-to-back LCs: one is given to the intermediary and issued by the buyer's bank while the other is issued by the intermediary's bank to the seller where the seller is a beneficiary. The first LC serves as the collateral for

the second one.

Khorsheed Alam, chairman of Little Star Spinning Mills Ltd, says he has been trying for nearly a month to open an LC worth \$1.1 million to import raw materials and spare parts. The mill produces yarn to make saris and lungis to be sold during Ramadan.

"The multiplier effects of the delay in opening LCs on the local primary textile sector will be felt after three to four months if the situation does not improve soon."

Faruque Hassan, president of the

Bangladesh Garment Manufacturers and Exporters Association, the apparel exporters' platform, says orders fell by nearly 25 per cent for the October-April season.

Abdullah Al Mamun, vice-president of the Bangladesh Textile Mills Association, the platform for the primary textile millers, says orders in the textile and spinning mills fell more than 25 per cent between July and December compared to a year ago.

"If the LC opening situation persists, the sector will face the crisis of raw materials," he warned.

Businesses suffer

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Haque then said that as he could not assess his consignment amid yesterday's strike, he is having to count higher demurrage charges for keeping goods at the port.

Kazi Imam Hossain Bilu, general secretary of the C&F Agents Association in Chattogram, said the strike was only called off as the NBR and customs officials assured that they would consider the demands.

"If they do not amend those rules, we will go tougher movements," he added.

Mohammad Fyzur Rahman, commissioner of the Custom House Chattogram, said the NBR had already fixed February 7 to hold a meeting with C&F agents a few days ago.

"So, we don't know why they are going on strike before the meeting," he added.

Customs sources said C&F licence

holders are allowed to operate for a specified period after passing a written test to qualify. The Customs Agents Licensing Rules-2020 included a requirement for successors of the licence to pass the examination as well to become a certified C&F agent.

However, C&F agents are demanding that transfers of licence ownership be allowed for successors without any examination.

German economy shrinks in Q4

REUTERS, Berlin

The German economy unexpectedly shrank in the fourth quarter, data showed on Monday, a sign that Europe's largest economy may be entering a much predicted recession, though likely a shallower one than originally feared.

Gross domestic product decreased 0.2 per cent quarter on quarter in adjusted terms, the federal statistics office said. A Reuters poll of analysts had forecast the economy would stagnate.

In the previous quarter, the German economy grew by an upwardly revised 0.5 per cent versus the previous three months. A recession - commonly defined as two successive quarters of

contraction - has become more likely, as many experts predict the economy will shrink in the first quarter of 2023 as well.

"The winter months are turning out to be difficult - although not quite as difficult as originally expected," said VP Bank chief economist Thomas Gitzel. "The severe crash of the German economy remains absent, but a slight recession is still on the cards."

German Economy Minister Robert Habeck said last week in the government's annual economic report that the economic crisis triggered by the Russian invasion of Ukraine was now manageable, though high energy prices and interest rate rises mean the government remains cautious.

Adani firms lose

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losses before settling 4.8 per cent higher. It stayed well below the offer price of the issue, which if successful will be largest such share offering ever in India.

Adani Enterprises' \$2.5 billion secondary share sale closed its second day amid weak investor sentiment. The stock closed at 2,892.85 rupees, 7 per cent below the 3,112 rupees lower end of the offer price band. The upper band is 3,276 rupees.

Data from stock exchanges on Monday showed Adani has now received bids for 1.4 million shares, or just over 3 per cent, of the 45.5 million shares on offer. The deal closes on Tuesday.

Foreign and domestic institutional investors, as well as mutual funds, have made no bids so far, according

to the data.

"Retail participation is likely to have a shortfall with current market prices still trailing the offer price and sentiment taking a hit due to the Hindenburg controversy," said Hemang Jani, equity strategist at Motilal Oswal Financial Services.

"While there is a risk that the share sale does not go through, it will be crucial today to wait and see how institutional investors participate."

Abu Dhabi conglomerate International Holding Company said on Monday it would invest 1.4 billion dirhams (\$381.17 million) in the offering.

Adani Group told Reuters in a statement on Saturday that the sale remained on schedule at the planned issue price, even as sources said bankers of the country's

largest secondary share sale were considering extending the timeline beyond Jan. 31, or tweaking the price due to the fall in its share price.

Indian regulations say the share offering must receive minimum subscription of 90 per cent, and if it does not the issuer must refund the entire amount. Maybank Securities and Abu Dhabi Investment Authority are among investors who bid for the anchor portion of the issue.

Maybank said in a statement "there is no financial impact" on it as the subscription to Adani's offer was fully funded by client funds.

State-run insurance behemoth Life Insurance Corporation (LIC) told Reuters on Monday it was reviewing the Adani Group's response to Hindenburg's report and would hold talks with the management within days.