

# star BUSINESS

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## B2B startup ShopUp secures \$30m debt financing

MAHMUDUL HASAN

Business-to-business (B2B) startup ShopUp yesterday announced that it had secured \$30 million in debt financing from both local and global lenders.

The funds will be used to drive expansion efforts and strengthen the company's supply chain operations, benefiting small businesses and consumers across the country, the company said in a statement.

The financing comprised \$20 million from Lendable, a global debt financing provider for fintech companies in emerging markets, marking their first investment in South Asia.

The remaining was secured from City Bank, albeit in taka, the local currency.

The development  
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## BB sells dollar at Tk 101 for first time

STAR BUSINESS REPORT

Bangladesh Bank has sold US dollar at Tk 101 each to banks for the first time, giving indication that it is likely to devalue the local currency to reflect the market reality.

The central bank sold \$89 million to banks on February 1 to enable the financial institutions to clear import bills on behalf their clients, said a BB official, seeking anonymity.

The latest depreciation comes nearly a month after the Bangladesh Bank sold the greenback to banks at Tk 100 to help settle import payments.

In the interbank market, the greenback traded at Tk 107 yesterday, reflecting 24.4 per cent loss of value of the taka against the US dollar from Tk 86 a year ago.

Like many other currencies, Bangladesh's taka has been under pressure against the dollar over the last one year owing to higher import payments than overall receipts from export and remittance.

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## Loan provision rules eased for stock intermediaries

STAR BUSINESS REPORT

The central bank yesterday relaxed the rules on the provisioning of bank loans to brokerage houses, merchant banks and stock dealers, a move that may make it easier for intermediaries to get credits.

A loan loss provision is an income statement expense set aside as an allowance for uncollected loans and loan payments. The provision is used to cover various kinds of loan losses such as non-performing loans and customer bankruptcy.

In 2012, the Bangladesh Bank advised banks to maintain a 2 per cent general provision on the unclassified amount for loans to brokerage houses, merchant banks and stock dealers.

Now it has been decided that banks will have to maintain a general provision of 1 per cent on the unclassified amounts for such loans, said the BB in a notice yesterday.

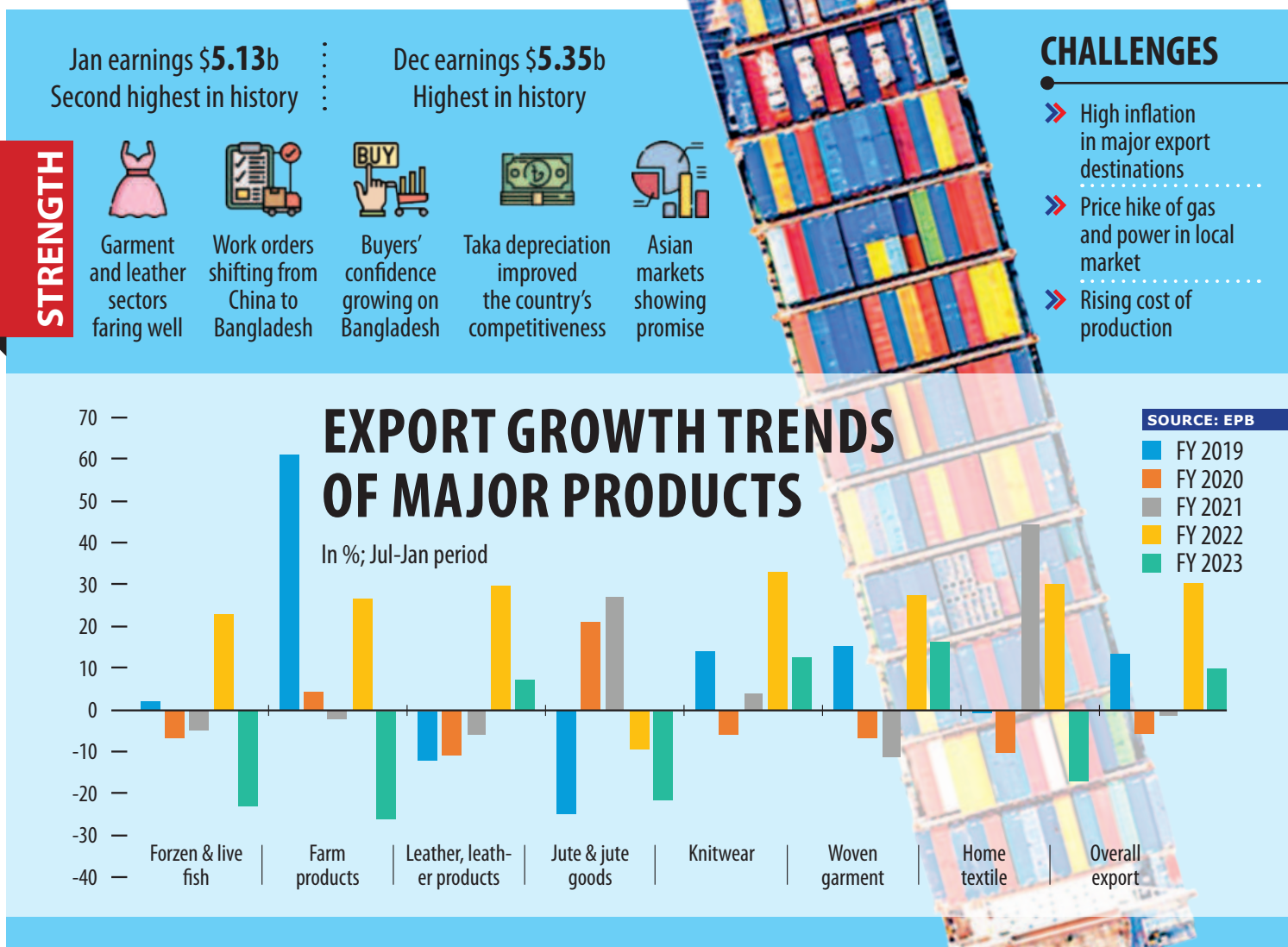
The new rate will come into force from March 30, it said.

"Thanks to the relaxed rules, banks will be more interested to lend to stock market intermediaries to invest in the market. So, the money supply to the market may rise," said Md Sayedur Rahman, president of the Bangladesh Merchant Bankers Association.

He said most of the banks were reluctant to lend to the intermediaries since they had to set aside a 2 per cent provision.

According to Rahman, keeping the 2 per cent provision was quite tough for banks since the interest rate spread – the difference between the lending rate and the deposit

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# Export earnings defy hard times

January brings in \$5.13b -- second single-month highest in history

REFAYET ULLAH MIRDHA

Despite the persisting volatility in the global economy and higher consumer prices in the western markets, Bangladesh's merchandise shipment grew 5.89 per cent year-on-year to \$5.13 billion in January, official data showed yesterday.

This was the second-highest single-month shipment in the history of the country. The previous highest was recorded in December when exporters brought home \$5.35 billion.

The higher export earnings, along with rising remittance flow, would give some breathing space to the economy reeling under foreign exchange instability owing to US dollar shortages. Remittance flow to Bangladesh rose to a five-month high in January as expatriates sent home \$1.95 billion.

M A Razzaque, research director of the Policy Research Institute of Bangladesh, describes the January earnings as commendable given the volatile economic situation.

The recent depreciation of the local currency against the US dollar contributed to the

overall export receipts since the country's competitiveness has improved globally, he said.

The taka has weakened by about 25 per cent against the US dollar in the past one year owing to the crunch of the American greenback.

In July-January, the first seven months of the current financial

The garment shipment, which accounted for about 85 per cent of national exports, rose 14.31 per cent year-on-year to \$27.41 billion in July-January. Of the sum, \$14.96 billion came from the knitwear segment and \$12.45 billion from the woven segment, registering 12.70 per cent and 16.30 per cent year-on-year

from China, and the improvement of the safety measures that brightened the image of the country and the sector.

He said local garment manufacturers have installed a lot of machinery after Covid-19 outbreaks receded as the demand was expected to receive a boost in the post-pandemic world, contributing to a spike in productivity.

"Many garment-producing countries have been forced to cut production because of the fall in orders owing to the volatility in the global economy. So, Bangladesh is getting more orders."

According to Hassan, Bangladesh is doing well in the manufacturing of value-added garment items.

"Many local garment exporters now sell a shirt worth \$20 to \$25 apiece. This was unthinkable even two to three years ago."

Moreover, Bangladesh's apparel shipment is faring well in new markets such as Japan, India, South Korea and Malaysia as well as some Middle Eastern countries along with its traditional markets, namely the United States, the European Union and Canada.

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year, exports grew 9.81 per cent year-on-year to \$32.44 billion, according to data from the Export Promotion Bureau (EPB).

Although the overall monthly earnings were strong, only the apparel and leather sectors performed well in January. Other potential sectors performed poorly because of higher inflation in the major export destinations

fueled by the Russia-Ukraine war. growth, respectively.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, credited four factors for the strong showing by the apparel sector amid challenges at home and abroad.

The factors are the rising production of value-added garment items, the expansion in capacity, the shifting of orders

## LC opening for Ramadan items rises: BB

STAR BUSINESS REPORT

Opening of letters of credit (LCs) for importing essential commodities meant for Ramadan increased in January, a development that is expected to increase supply of the items during the fasting month, said Bangladesh Bank yesterday.

LC opening for four out of five essential commodities – sugar, edible oil, peas, onion and dates – rose last month in terms of quantity of products, states data revealed by the central bank at a press conference at its headquarters in the capital.

The rise in the commodity LC opening will clear confusions over whether the products will be available during upcoming Ramadan starting in March, said Md Mezbaul Haque, the central bank's spokesperson, at the briefing.

January's LCs are to import 5.65 lakh tonnes of sugar whereas it was 5.11 lakh tonnes a year ago.

Similarly, in case of edible oil, the amount has gone up to 3.90 lakh tonnes from 3.52 lakh tonnes, onion 42,562 tonnes from 36,225 tonnes and dates 29,481 tonnes from 16,498 tonnes.

However, LC opening for peas decreased to 2.24 lakh tonnes from 2.65 lakh tonnes a year earlier.

The products will come to Bangladesh within a month or two, Haque said.

The central bank has already taken several policy measures in recent times to ensure that the items are available in the market during Ramadan, he said.

"If we can supply the commodities to the market appropriately, there will be no shortage of the commodities during Ramadan," he said.

The central bank is also monitoring the commodity market with the help of the commerce ministry, he said.

If required, the BB will provide all types of support to banks to clear the import bills of the commodities, he said.

Different quarters have recently said banks were now facing a dollar shortage which was why they were unable to open LCs.

"But the latest trend of LC opening is different. So, the central bank has arranged this press conference to clarify the issue," he said.



STOCKS	
DSEX ▲	CASPI ▲
0.27% 6,294.73	0.23% 18,583.23

COMMODITIES	
Gold ▲	Oil ▼
\$1,955.14 (per ounce)	\$76.57 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.35% 59,932.24	▲ 0.20% 27,402.05	▼ 0.41% 3,363.68	▲ 0.02% 3,285.67



Travelling during the dry season is still limited to either on foot or horse-drawn carts for these people living in char areas along the Brahmaputra river in Gaibandha. Boat services are halted for a drop in the river's water level from November to June while a lack of paved roads makes it difficult for heavy vehicles to navigate the region. The photo was taken at Char Deluabari in Phulchari upazila at the end of last month.

PHOTO: MOSTAFA SHABUI

## Mobile makers seek more time to preinstall Bijoy

MAHMUDUL HASAN

The Mobile Phone Industry Owners' Association of Bangladesh has recently sent a letter to the telecom regulator seeking more time to preinstall Bijoy software, saying that it requires a different set of tests as well as additional investments.

Bangladesh Telecommunication Regulatory Commission (BTRC) on January 13 sent an instruction to all local handset manufacturers and importers to preinstall Bijoy APK (Android Package Kit) in all android mobile handsets before seeking marketing approval from the BTRC.

In the letter to the BTRC chairman, the association said they had some observations and were

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A craftsperson uses a hammer and chisel to make a traditional grinding stone. The use of such grinding stones is on the wane for the advent of readymade masalas and mixes alongside modern and time saving gadgets. A set of grinding stones made from igneous rock sells for Tk 1,200 to Tk 2,500 while ones made from stone meant for construction for Tk 800 to Tk 1,500. The photo was taken in front of Sarada Hall in Sylhet city last week.

PHOTO: SHEIKH NASIR

# Stocks continue upward march

## Investors buoyed by relaxed loan provisioning rules

### STAR BUSINESS REPORT

Stocks in Bangladesh yesterday rose for the second day in a row as the International Monetary Fund's recent decision to provide a \$4.7 billion loan has allayed concerns about the country's potential economic condition in the coming days.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose by 17 points, or 0.27 per cent, to close the day at 6,294 points.

The DS30, an index comprised of blue-chip stocks, rose 0.30 per cent to 2,230 points at the same time while the DSES, which represents shariah-compliant companies, edged up 0.29 per cent to 1,373 points.

Of the securities traded, 79 advanced, 91 declined and 165 did not show any price movement.

Daily turnover, which indicates how much trading activity took place during the session, advanced 18 per cent to hit Tk

687 crore.

The International Monetary Fund signed off on a \$4.7 billion support package for Bangladesh on January 31 to help the country cope with soaring energy and food costs.

Besides, investors placed fresh bets on sector-specific stocks that saw corrections based on their quarterly declarations, International Leasing Securities said in its market review.

In addition, Bangladesh Bank yesterday relaxed the provisioning rules against bank loans for brokerage houses, merchant banks and stock dealers, which increased the buying pressure from investors.

This is because the central bank's move grants these intermediaries greater access to finance, thereby increasing the amount of funds available for investment.

As such, the prime index of the Dhaka bourse started climbing early in the day and continued until the session ended, it added.

In 2012, the central bank had advised banks to maintain a 2 per cent general provision on the unclassified amount for loans to brokerage houses, merchant banks and stock dealers.

Among the sectors, travel rose 1.8 per cent, tannery advanced 1.4 per cent and general insurance increased 1.1 per cent.

**Investors placed fresh bets on sector-specific stocks that saw corrections based on their quarterly declarations**

while IT dropped 1.4 per cent, jute fell 0.5 per cent, and life insurance declined 0.2 per cent.

Investor activity was mainly focused on the IT sector, capturing 17.8 per cent of the day's total turnover, followed by pharmaceuticals with 13.7 per cent and miscellaneous with 8.8 per cent.

Orion Infusion topped the gainers' list with an increase of 8.7 per cent. Meanwhile, Beach Hatchery was up 7.9

per cent, Renwick Jaineswar advanced 7.1 per cent, BD Thai Food and Beverage rose 5.87 per cent and Emerald Oil gained 5.5 per cent.

Pragati Life Insurance shed the most, losing more than 5.3 per cent, while eGeneration Ltd, ADN Telecom, Aamra Networks, and Aamra Technologies suffered substantial losses as well.

Genex Infosys was the most traded stock with shares worth Tk 61 crore being transacted. Orion Pharma, Bangladesh Shipping Corporation, Shinepukur Ceramics and Olympic Industries also saw significant turnover.

Similarly, stocks listed with the Chittagong Stock Exchange rose too.

The Caspi, the all share price index of the port city bourse, gained 43 points, or 0.23 per cent, to close at 18,583 points.

Of the issues traded, 43 rose, 48 retreated and 77 did not see any price movement.

On the other hand, turnover edged down 25 per cent to Tk 10.55 crore.

## UCB, Asset Developments trade services

### STAR BUSINESS DESK

United Commercial Bank (UCB) and the Asset Developments & Holdings have signed two memoranda of understanding (MoUs) recently over payroll services for the developer's employees and preferential benefits on flat purchases by the lender's employees.

Arif Quadri, managing director of the UCB, and Salim Akhter Khan, chairman of the developer, inked the deals at the former's corporate head office in Dhaka, said a press release.

ATM Tahmiduzzaman and N Mustafa Tarek, deputy managing directors of the bank, Mohammad Shafiqur Rahman, senior executive vice president, Abul Kalam Azad, executive vice-president, Ghulam Rasool, managing director of the developer, and Mohammed Qumruzzaman and Bahauddin Mia, directors, were present.

## RFL launches handmade kitchen sinks

### STAR BUSINESS DESK

Rangpur Metal Industries, a concern of Pran-RFL Group, recently launched handmade stainless steel kitchen sinks which have a bit more bowl depth compared to machine-made ones.

RN Paul, managing director of RFL Group, unveiled the product at a hotel in Dhaka, said a press release.

The sinks are of two types – one with a double bowl which costs Tk 11,000 and the other with a single bowl which costs Tk 6,125.

“...the ‘Delight’ model...has a high-quality rubber guard that makes no noise during use,” said Md Moniruzzaman, director of Rangpur Metal Industries.

Shariful Islam, the product's head of marketing, Sheikh Rashed Mahmud, assistant general manager (operation), and Raquibul Ahsan, senior brand manager, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 2, 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 46-Tk 50	-2.04 ↓	1.05 ↑
Loose flour (kg)	Tk 58-Tk 60	-1.67 ↓	66.2 ↑
Lentil (kg)	Tk 95-Tk 100	-4.88 ↓	0
Soybean (litre)	Tk 168-Tk 170	-2.59 ↓	14.58 ↑
Potato (kg)	Tk 25-Tk 30	44.74 ↑	83.33 ↑
Onion (kg)	Tk 30-Tk 40	-12.5 ↓	40 ↑
Egg (4 pcs)	Tk 43-Tk 47	23.29 ↑	23.29 ↑

SOURCE: TCB



Adil Chowdhury, president and managing director of Bank Asia, handed over to Abdur Rouf Talukder, governor of Bangladesh Bank, signed documents of an agreement on facilitating investments for export-oriented industries using a Tk 10,000 crore central bank fund at the latter's headquarters in Dhaka on Monday.

PHOTO: BANK ASIA



Goutam Prosad Das, deputy managing director of Mutual Trust Bank, handed over to Abdur Rouf Talukder, governor of Bangladesh Bank, signed documents of an agreement on facilitating investments for export-oriented industries a Tk 100 billion central bank fund at the latter's headquarters in Dhaka on Monday.

PHOTO: MUTUAL TRUST BANK



Syed Mahbubur Rahman, managing director of Mutual Trust Bank, speaks at the “Business Conference 2023” at MTB Tower in Dhaka recently. Chowdhury Akhtar Asif, additional managing director, Md Khalid Mahmood Khan and Rais Uddin Ahmad, deputy managing directors, and Abdul Mannan, head of branch banking division, were present.

PHOTO: MUTUAL TRUST BANK

## Bank Asia to provide loans to exporters using BB fund

### STAR BUSINESS DESK

Bank Asia signed an agreement with Bangladesh Bank recently to disburse loans among exporters from a newly formed Tk 10,000 crore Export Facilitation Pre-finance Fund of the central bank.

Exporters will be able to avail the loans in local currency against the purchase or import of raw materials at an interest rate of 4 per cent. The tenure will be of a maximum of 180 days. Bangladesh Bank formed the fund on January 1 to help exporters continue developing and expanding their industries.

Adil Chowdhury, president and managing director of Bank Asia, and Maksuda Begum, director of the Banking Regulation and Policy Department of Bangladesh Bank, signed the agreement at the latter's headquarters in Dhaka on January 30.

Abdur Rouf Talukder, governor of Bangladesh Bank, Abu Farah Md Nasser, deputy governor, and Nurun Nahar, executive director, were present, said a press release.

## Adani's adversity

FROM PAGE B4

Yet, India's stock market is down 4 per cent in 6 days, and foreign funds have sold \$2 billion worth shares since January 24, on top of the \$2 bln sold prior to that in January.

“It's an issue of panic, but we don't think it's going to turn into a credit issue,” said a credit fund manager in Hong Kong, who could not be named as he was not authorised to speak to media.

“Only Adani Group is trading with these ridiculously high multiples, and that is the core of the problem.” At its peak in December, the flagship Adani Enterprises stock had surged 1,700 per cent in two years.

As regulators step in, banks too are distancing themselves, with Citigroup's wealth unit saying it has stopped extending margin loans to its clients against Adani securities, and Bloomberg News reporting that Credit Suisse had done likewise.

Investors were selling and yet looking for a chance to return.

Investment research firm TS Lombard said the Adani allegations had “hastened the decline we expected in Indian equities as foreign investors rebalance their portfolios on China's reopening” but that the declines would be limited for several reasons, including Adani being “too unique to fail”.



Commerce Minister Tipu Munshi presented the “best furniture manufacturer” award to Yamin Rikhu, chief operating officer of Navana Furniture, at the closing ceremony of Dhaka International Trade Fair in Purbachal recently.

PHOTO: NAVANA FURNITURE



Mohammad Masoom, managing director of Citizens Bank, handed over documents to Abdur Rouf Talukder, governor of Bangladesh Bank, after signing an agreement on facilitating investment for export-oriented industries using a Tk 10,000 crore central bank fund at the latter's headquarters in Dhaka on Monday.

PHOTO: CITIZENS BANK



Mohammad Feroz Hossain, managing director of Exim Bank, handed over documents to Abdur Rouf Talukder, governor of Bangladesh Bank, after signing an agreement on facilitating investments for export-oriented industries using a Tk 10,000 crore central bank fund at the latter's headquarters in Dhaka on Monday.

PHOTO: EXIM BANK



## Euro hits 10 month-high on dollar

REUTERS, Singapore

The euro sat at a 10-month high against the dollar on Thursday, ahead of a European Central Bank meeting at which markets expect a half-percentage point rate increase, a day after the US Federal Reserve slowed the pace of its rises to 25 basis points.

The Fed also said it had turned a corner in the fight against inflation, its first explicit acknowledgment that price increases are slowing, underpinning market expectations that the end of the central bank's rate-rise campaign is near, and cuts could follow.

The dollar's most dramatic overnight dive came after Fed Chair Jerome Powell told a post-meeting news conference that "the disinflationary process has started", although he also signalled that interest rates would continue rising and that cuts were not in the offing.



Ensuring three meals a day seems like a tall order for most poor households but the ENRICH programme of the PKSf has helped increase the income and food intake of some 56 lakh people across 197 unions in the country since its inception in 2010.

PHOTO: COLLECTED

# PKSF scheme helps raise income of households: study

## STAR BUSINESS REPORT

An initiative of the Palli Karma-Sahayak Foundation (PKSF), styled "Enhancing Resources and Increasing Capacities of Poor Households towards Elimination of Poverty (ENRICH)", has helped increase the income and food intake of about 13 lakh households across Bangladesh, according to a study.

The integrated development programme was launched in 2010 with a total of 21 unions under its coverage. Since then, the ENRICH programme has expanded to cover some 56 lakh people across 197 unions in the country.

The average monthly income per capita of those living in these unions has increased to Tk 1,871 as of 2018 compared to the baseline of Tk 1,435 registered eight years prior, the study shows.

Martin Greeley, a professor of development studies at the University of Sussex, Asif M Shahan and Shubhasish Barua, associate professors of development studies at the University of Dhaka, jointly conducted the study from 2010 to 2018.

The researchers said this programme's value should not be determined only by its nominal value as it has multidimensional social outcomes, including raising "human dignity" in society.

A book based on the study, titled "Sustainable Development, Human Dignity and Choice: Lessons from the ENRICH Program, Bangladesh", was unveiled by the PKSf at its auditorium in Dhaka yesterday.

The study also found that the most significant change in terms of food intake took place in three unions, namely Saghata in Gaibandha, Durgapur in Netrokona and Simanto in Chuadanga, where almost 98 per cent of the locals now enjoy three meals per day.

The intake of animal protein also rose during this period.

In addition, around 53.6 per cent of the households surveyed now have health cards, which allows holders to receive services provided under the health component of ENRICH.

Previously, only 1.6 per cent of the households in unions under coverage had access to this benefit.

Besides, seven of the 10 unions surveyed saw a decline in the number of households without a lavatory.

Also, the dropout rate among primary school children in ENRICH unions has come down to 0.9 per cent whereas the national average is 4 per cent.

Along with economic empowerment, the PKSf programme focuses on enhancing human dignity and bringing down the number of ultra-poor people, according to Shahan.

The associate professor of development studies then said that no matter how much economic progress a person makes, they do not have the ability to change society if they themselves lack dignity.

Ensuring dignity means combining the capabilities of people functioning in a society in a way that helps ultra-poor people get equal respect, said Barua.

Speaking at the event as chief guest, Moshir Rahman, the prime minister's adviser on economic affairs, welcomed the concept of improving peoples' dignity.

"The idea of dignity is not usually seen

in discussions related to the economy or its growth. But in this study, dignity has been considered as an indicator of development, which is unprecedented," he said.

Rahman hoped that the ENRICH programme would further expand in the future given its success so far.

Kazi Kholiquzzaman Ahmad, chairman of the PKSf, said under this programme, necessary services and support are provided at every stage of a person's lifecycle so that they can make the best use of existing opportunities.

However, Ahmad informed that the finance ministry has suspended funding for the programme for the last three years.

And although the programme is ongoing, it is uncertain how long it will last without budgetary support, he added.

Among others, MA Baqui Khalily, a former professor at the University of Dhaka, and Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development, also spoke at the event.

## B2B startup ShopUp

FROM PAGE B1

comes at a time when global investment in local startups is on the decline due to global economic uncertainties.

"Normally startups in Bangladesh get investment from global venture capital firms but debt financing for a local startup is a first. So, I think it is a positive thing for Bangladesh," said Fahim Mashroor, CEO of bdjobs.com.

"Besides, this is the first time any bank is giving a big amount of loan to a startup. So, it is also a milestone," he said. However, the only matter of concern is that if the taka depreciates further in the future, the startup will face problems repaying the loans, he added.

Debt financing is a kind of funding given to startups by any type of lender, including banks, for a certain period of time. It is similar to a traditional loan as a startup borrows the money and pays it back with interest.

Meanwhile, startup investments come from venture capital firms which in turn seek an equity stake in the business in the form of shares.

Although ShopUp already raised over \$200 million in investments from global investors, for a startup to avail a loan implies that it is finding

it difficult to attract big amounts in recent times, said an industry insider wishing anonymity.

"The new debt facilities will help us reach our goal of creating a seamless distribution network for food and essentials that serves 80 million people in Bangladesh," says Ateef Zaman, CEO and founder of ShopUp.

"Our recent success in securing financing is a reflection of our financial stability and our efforts towards having a positive impact in Bangladesh," he said.

ShopUp's commerce platform Mokam partners with manufacturers, brands, and mills to streamline the distribution of food and household necessities among small shops.

Currently, 20 million people in Bangladesh access food and essentials through Mokam's network of shops.

The company operates REDX, a last-mile logistics network in Bangladesh and is committed to addressing gaps in the country's food supply chain infrastructure.

"We have been impressed by the scale of business and quality of team that ShopUp has built to date," said Hani Ibrahim, chief investment officer of Lendable.

## Loan provision rules eased

FROM PAGE B1

the difference between the lending rate and the deposit rate – is 3 per cent in the banking system in Bangladesh.

"Now, the stock market intermediaries will get more loans," he added.

The central bank maintained a 9 per cent lending rate and a 6 per cent deposit rate since April 2020 before bringing in some changes last month.

In January, the deposit rate floor was scrapped while banks were allowed to raise the interest rate on consumer loans to as high as 12 per cent. The lending rate ceiling on all other loans is still 9 per cent, however.

A stock market analyst says the central bank has relaxed the provisioning rules in a bid to boost investors' confidence.

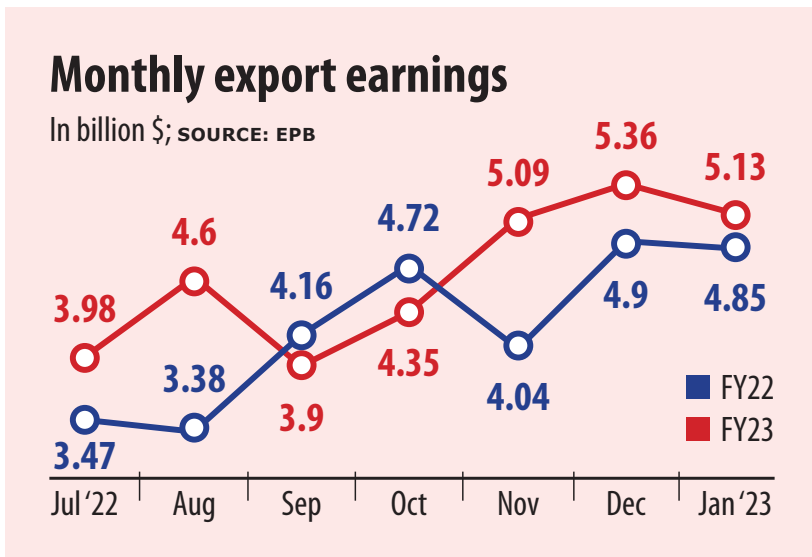
The DSEX, the benchmark index of the Dhaka Stock Exchange, has

been hovering around 6,200 points for months and turnover dropped below Tk 500 crore due to the lack of confidence among the investors amid persisting economic uncertainty caused by the fallout of the Russian war in Ukraine and the global energy shortage as well as the energy crunch and higher inflation in Bangladesh.

As the stock market investment is quite risky, the central bank has advised banks to keep higher provisioning to safeguard the interest of depositors, said the analyst.

He, however, thinks that funds from banks should not come to the stock market in the first place since the market is driven by speculation.

"The stock market in Bangladesh relies heavily on banks. But for a strong and vibrant stock market, the market should get rid of this reliance," he said.



## Export earnings defy

FROM PAGE B1

Leather and leather goods shipment rose 7.37 per cent to \$733.09 million in July-January compared to the same period a year earlier, EPB data showed.

Md Saiful Islam, a former president of the Leathergoods and Footwear Manufacturers and Exporters Association Bangladesh, however, thinks that the earnings from the sector would have grown by 25 per cent had the central effluent treatment plant in Savar been fully operational.

"The capacity of the local industry has improved a lot."

Besides, the entrepreneur said, orders are shifting from China as international retailers and brands are reducing their reliance on the world's second-largest economy, known as the "world's factory".

"Global retailers' confidence in Bangladesh has grown a lot as local manufacturers continued uninterrupted supply of goods even during the peak of Covid-19 whereas almost all supplying countries halted production," he said.

PRF's Razaque also said the shifting of orders from China because of the geopolitical tension has played

a vital role in gaining more orders from international customers.

The export earnings from the sectors such as frozen and live fish, agricultural products, pharmaceuticals, jute and jute goods, carpet, home textiles and furniture declined year-on-year in the first seven months of 2022-23.

Bangladesh's export has kept posting positive growth despite the worsening global economic situation. The exports of goods and services from Bangladesh would contract by 7.2 per cent in the current financial year, according to an estimate by the International Monetary Fund.

The Bangladesh Bank, however, has forecast a 10 per cent export growth for the financial year that ends in June.

The import and export growth rates are expected to be moderate significantly due to the base effect and cooling down of internal and external demand in the backdrop of possible economic recession in the advanced economies, said the central bank in its latest monetary statement.

Exports from Bangladesh hit an all-time high of \$52.08 billion in the last financial year, an increase of 34.38 per cent year-on-year.

## Mobile makers seek

FROM PAGE B1

facing some difficulties regarding installing the Bijoy APK.

The letter said to include a new APK in handset software, which was not a globally used APK, various types of development and tests were needed as well as additional time and investment.

An APK has to be updated continuously to make it compatible with all available android versions which is a huge task, it said.

The APK company has to update it in a timely manner, handset companies cannot make it compatible. So, there is a chance of the local APK becoming incompatible with some models of handsets/android, it said.

"Reportedly, the supplied APK already crashed in several handsets," it said.

A Google compatibility test is required to get relevant approvals for each version of the software. Even global companies like Facebook, IMO and WhatsApp face trouble making their APK compatible with all devices. The Bijoy APK may also fail the compatibility tests sometimes, it said.

Global brands have to get their headquarters' approval for

preinstalling any additional software in their handsets. This requires further testing and time. So, in consideration of these, implementing the BTRC's instruction will require a considerable amount of time, at the least, it said.

"It leads us to a very complicated situation," Rizwanul Haque, vice president of the association, told The Daily Star.

"Now, there will have to be two software for a global handset brand: one for Bangladesh and the other for other countries," he added.

Preinstalling the Bijoy app is creating many hurdles and the companies want the BTRC to withdraw the decision immediately, said a top executive of a mobile manufacturing company wishing anonymity.

Mustafa Jabbar, posts and telecommunications minister, holds the patent of the Bijoy Bangla Keyboard. The BTRC reports to the ministry.

Shyam Sunder Sikder, chairman of the BTRC, said no decision has been taken with regard to the association's letter as it has not yet been placed at a meeting of the commission.

## Sanem economists' conference

FROM PAGE B4

macroeconomics, monetary economics, energy, digital economics and emerging global economic challenges.

About 300 economists, researchers, development activists, policymakers, teachers and students from South Asia will attend in person while another 400 from around the world will join virtually.

Scholars and economists from home and abroad will present their research, said Raihan, also a professor of the Department of Economics at the University of Dhaka.

There will be discussions of senior teachers and economists while many young students will present papers, said Sayema Haque Bidisha, research director of Sanem and a professor at the department.

Those who have recently

graduated from different universities have learned a lot of new things and they will share those, which, in effect, will encourage them to conduct more research, she added.

The conference is scheduled to have three panel discussions and presentation of 80 research papers.

## BB sells dollar

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This forced the central bank to devalue its selling rate of the greenback several times in the last year, which caused the country's foreign exchange reserves to sink from \$44.99 billion a year ago to \$32.69 billion after the addition of the first instalment of IMF's loan of \$427.26 million yesterday.

## Asia's factory activity contracts

REUTERS, Tokyo

Asia's factory activity contracted in January as the boost from China's Covid reopening had yet to offset headwinds from slowing US and European growth, surveys showed on Wednesday, underscoring the fragility of the region's economic recovery.

China's factory activity shrank more slowly in January after Beijing lifted tough Covid curbs late last year, a private sector survey showed.

Softening input-price pressures also offered initial positive signs for Asia, with the pace of contraction in output slowing in Japan and South Korea, the surveys showed.

But there is uncertainty about whether Asia can weather the hit from slowing global demand and stubbornly high inflation, some analysts say.

"The worst of Asia's downturn is behind, but the outlook is clouded by weaknesses in major export destinations like the United States and Europe," said Toru Nishihama, chief economist at Dai-ichi Life Research Institute in Tokyo.

"With the recovery from Covid-19 under way, Asian economies need a new growth engine. There isn't one so far."

China's Caixin/S&P Global manufacturing purchasing managers' index (PMI) nudged up to 49.2 in January from 49.0 in the previous month, staying below the 50 mark that separates growth from contraction for a sixth straight month.

The data was contrasted with a better-than-expected official PMI survey issued on Tuesday. But whereas the official PMI largely focuses on big and state-owned Chinese businesses, the Caixin survey centres on small firms and coastal regions.

Japan's au Jibun Bank PMI stood at 48.9 in January, unchanged from the previous month, as manufacturers felt the pain from weak global demand.

But supplier delays were less prevalent than at any time since February 2021, while input and output price inflation were the slowest in 16 months, the Japan PMI survey showed.

South Korea's factory activity contracted for a seventh straight month in January. The reading was 48.5, up from 48.2 in December but below the 50-point threshold.

While new orders in South Korea shrank for a seventh straight month in January, the rate of decline was slightly slower than a month earlier, the survey showed.

"The immediate outlook for the South Korean manufacturing sector appears challenging," said Usamah Bhatti, economist at S&P Global Market Intelligence.

"That said, firms remained confident that global economic conditions would improve and stimulate demand."

Factory activity expanded in January in Indonesia and the Philippines but shrank in Malaysia and Taiwan, PMI surveys showed.

India's manufacturing industry started the year on a weaker note, expanding at the slowest pace in three months in January as output and sales growth slackened.

The International Monetary Fund on Tuesday slightly raised its 2023 global growth outlook on "surprisingly resilient" demand in the United States and Europe and the reopening of China's economy after Beijing abandoned its strict pandemic controls.

But the IMF said global growth would still slow to 2.9 per cent in 2023 from 3.4 per cent in 2022, and it warned that the world could easily tip into recession.



## Adani's adversity raises the stakes for India and investors

REUTERS, Singapore

As Indian tycoon Gautam Adani's woes deepen and force him to drop a share sale, foreign investors and Indian regulators are abandoning any pretence that the conglomerate's troubles are contained, and domestic markets will be spared contagion.

Foreign investors, many of them already underweight what they consider an overpriced stock market, are reducing exposure.

India's central bank and stock market regulator have sprung into action more than week after US shortseller Hindenburg Research's report on the Adani Group spurred a rout in its shares, saying they were looking into irregularities and local bank exposures.

Adani's wipeout has the potential to broaden if it drives a bigger mood shift, said Sat Duhra, who manages a \$1 billion Asian dividend income fund at Janus Henderson Investors.

"The Indian stock market indices are driven in large part by a small group of companies and any change in sentiment and flows will have a disproportionate impact on indices as more liquid names are sold first," he said.



Gautam Adani

"We own less than 2 per cent in Indian equities and would need to see a serious correction before we considered adding, especially in light of the recent issues."

Since the January 24 Hindenburg report which alleged improper use by the Adani Group of offshore tax havens and stock manipulation and also raised concerns about high debt, the market capitalisation of seven listed Adani Group companies has fallen by half or nearly \$100 billion. Its dollar bonds have tumbled.

To be sure, analysts say, the shock to the system comes because of Adani's heft and influence, rather than exposure. His conglomerate spans ports, coal mines, food businesses, airports and lately media, and before the rout its seven companies had accounted for more than 6 per cent of the National Stock Exchange market value.

While the Adani Group has total gross debt of 2.2 trillion rupees (\$26.86 billion), top banks have said their credit exposures to the group are small. Shares of the firm are closely held; mutual funds have low exposure too.

"Everybody's keeping a very close eye on those debts," said Pankaj Pathak, a fund manager at Quantum Asset Management in Mumbai. "But on the domestic debt side, we hardly see any impact on the broader corporate bond market because of what is happening in Adani," he said, pointing to the limited ownership of those bonds.

READ MORE ON B2



Different products made by women are seen on display at a 10-day fair that ended on January 31 in Pabna town. Having started their businesses to make ends meet, many of these women entrepreneurs have achieved great success. PHOTO: AHMED HUMAYUN KABIR TOPU

## Women entrepreneurs pushing forward economic growth in Pabna

AHMED HUMAYUN KABIR TOPU, Pabna

Keya Islam, who lives in Radhanagar village under Pabna sadar upazila, had started her hand embroidery business about a decade ago in order to help provide for her family.

Now, hundreds of people in the area are engaged in making clothes for her brand, called "Sara Butik and Fashion", either from their own homes or Islam's household factory.

Islam currently sells her products, which include Karchupi apparels, bed cushions and covers, through the two retail outlets she owns in Pabna town, earning her up to Tk 60,000 each month.

"I was trained in hand embroidery, so I started working in between chores at home to assist my family," Islam said.

"Within a few years, I had to expand operations by engaging more women due to the increasing demand for such clothes," she added.

Like her, numerous entrepreneurs have set up small-scale commercial operations in Pabna, playing a vital role in the district's gradual economic growth.

Nazira Parvin, founder of Nazirpur Mohila Unnayan Shangshtha, runs separate outlets for handicraft products made of bamboo, cane and wood that are produced at the



household level in Nazirpur village.

Local women trained in making various household products from these items, such clothes and a traditional device used for breaking paddy called dheki, supply the business with its wares.

"We supply the necessary elements to manufacture these products at home, earning them between Tk 300 to Tk 400 per day," she said.

Around 200 women in the village are now helping to bring solvency to their families by engaging in this work, which is also playing a vital role in the region's socioeconomic activities, Parvin added.

Other than manufacturing products like Islam and Parvin, many women in the district are earning well from other professions as well.

"I love cakes and pastries, so I learned how to make them on my own," Kundu said.

She initially made baked goods only for her near and dear ones but as word spread, she started getting orders from different corners.

"Now this is my household business," she added.

There are more than 20,000 small entrepreneurs in the district, a large portion of which are household based, that are playing vital role in economic development, according to Md Rafikul Islam, manager of the Bangladesh Small and Cottage Industries Corporation (BSCIC) office in Pabna.

However, these small entrepreneurs still face multifaceted challenges, such as poor access to finance and marketing.

But with the gradual success of their commercial activities, the BSCIC has come forward to gear up small entrepreneurs.

Besides, the organisation also organises fairs for displaying their products.

"We have already disbursed Tk 400 core as loans among 1,500 entrepreneurs in the last few years," said Rafikul, adding that the BSCIC gives training to those who have an interest to become an entrepreneur.

However, he went on to say that they are often unable to reach many potential entrepreneurs due to the lack of proper surveys.

## How to build a Smart Bangladesh

MAHTAB UDDIN AHMED

Once upon a time, there was a man who always bragged about his smartness. One day he came across an old man from his village and boasted, "I am the smartest man in the world. Nobody can match my intelligence."

The old man said, "Really? Prove it by answering this question. What is the heaviest thing in the world?"

The man readily replied, "Gold."

The old man smiled and said, "Wrong. The heaviest thing in the world is ignorance. It weighs down the mind and holds back progress. Smartness, on the other hand, is as light as a feather and lifts us to heights."

The man was humbled and from that day on, he focused more on becoming wise and humble.

We are all smitten by the idea of building a smart Bangladesh. But in order to do so, we need to understand the deeper meaning of the whole concept. Top of Form

The vision of building a smart country by 2041 involves implementing smart technologies to improve various aspects, such as economic growth, education, healthcare, and governance. The first step is to develop a national strategy, a comprehensive strategy facilitating the use of technologies to improve the country at the micro-level. The strategy should consider the country's strengths, weaknesses, and growth opportunities.

Second, a widescale investment in infrastructure is essential to build a smart nation. Robust and reliable infrastructure includes high-speed internet and mobile networks, delivering optic fibre to each household, among others. Governments should invest in these infrastructure elements.

Encouraging innovation and entrepreneurship can help drive technological advancement. The state can provide funding and support for start-ups and research and development efforts, as it has done by forming Startup Bangladesh Ltd. It is also vital to promote digital literacy so that people are comfortable using technologies.

Digital literacy may be promoted through education programmes and training, in addition to creating infrastructures like hi-tech, software parks and upazila-level fibre connectivity.

Building a smart country requires collaboration between the government, private sector, and other stakeholders. The state should foster partnerships with stakeholders to ensure that their collective effort towards a digital transformation is aligned and effective. Mass-level efforts are required to encourage the entire population to adopt digital technologies in their daily lives.

An important component of a smart country is cybersecurity. As technology becomes more integrated into society, it is key to ensure that the country is protected from cyber threats. Very strong cybersecurity measures are essential to protect every citizen's data and privacy.

Half of the world's population lives in the cities and Bangladesh is catching up fast in this trend with its urban population making up 39.7 per cent of the total population. In its efforts to be smart, Bangladesh is using advanced technologies to address the issue of climate change by using less energy and improving air and noise pollution, traffic congestion, waste management, utility supply and many more.

So far our journey towards being a smart country has been commendable. Smart technology is definitely the means to reaching our Vision 2041. In other words, harnessing ICT, the Internet of Things, Artificial Intelligence and Blockchain to get insights into data and develop smart applications like smart agriculture, smart homes and smart supply-chain is the way to reach our goal. These smart applications will undoubtedly make people's life easy, efficient and comfortable. Despite the challenges, I believe a Smart Bangladesh is imminent.

The author is a telecom and management expert



## Govt won't raise fertiliser prices

Razzaque says

STAR BUSINESS REPORT

The prices of fertiliser, seeds and other agricultural inputs will not be raised further to ensure continuous production and sustainable security of food, Agriculture Minister Muhammad Abdur Razzaque said yesterday.

The government's policy is to increase food production at any cost and make food security sustainable, he said.

Therefore, the government will not increase the prices of agricultural inputs no matter how tough it becomes amid global recession, he said.

The minister was addressing the opening ceremony of the "International conference on food and nutrition security to achieve the sustainable development goals (SDGs) in Saarc countries", held at the Brac CDM Auditorium at Savar in Dhaka.

Agriculture will continue getting subsidies no matter whatever policies are adopted in future, Razzaque said.

Bangladesh Agricultural Extension Network (BAEN) and Participatory Rural Development Initiatives Society (PRDIS) of India organised the conference.

Aman paddy yield was bumper this season, the minister said. "A record amount of food is in stock. I can guarantee that there will be no famine in the country, insha'Allah."

Razzaque said the developed varieties and technologies of various crops are very slowly expanding or reaching the farmers. "Our scientists have recently developed several improved high-yielding varieties of many crops, including rice, and mustard. Among them are salt-tolerant varieties. But these are reaching the farmers very late in the field."

The officials of the Department of Agricultural Extension will have to find out the reasons behind it, he said.



In order to increase food production and make food security sustainable, the prices of fertiliser, seeds and other agricultural inputs will not be raised further, the agriculture minister said.

PHOTO: STAR

## Sanem economists' conference begins tomorrow

STAR BUSINESS REPORT

The South Asian Network on Economic Modeling (Sanem) is going to organise a two-day Annual Economists' Conference 2023 titled "Building Resilience to Shocks: Priorities, Challenges and Prospects" at Brac Centre in Dhaka from tomorrow.

The programme was announced by Selim Raihan, executive director of the Dhaka-based non-profit research organisation, at a virtual press conference yesterday.

There will be 23 sessions where participants will focus a variety of issues, he said.

These include health, education, poverty, inequality, environment, labour market, gender, trade, structural transformation, READ MORE ON B3