# Malaysia confident of avoiding recession

ANN/ THE STAR

Malaysia is confident of achieving positive growth and avoid a recession this year despite having to navigate through global headwinds.

Even though the country's economic growth this year was projected to be moderate compared with 2022, International Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said he was optimistic that Malaysia would not face a recession.

"On the issue of recession, I am optimistic there will not be (one)...the definition of a recession is two successive quarters of negative GDP (gross domestic product) growth.

"Bank Negara Malaysia, the International Monetary Fund, and the World Bank have projected for Malaysia to continue achieving positive economic growth in the 3 per cent-5 per cent range.

"I do not think we are going to face a recession. However, compared with the growth we achieved in 2022, there will be some moderation.

"Therefore, we need to take this opportunity to ensure all of our engines of growth keep firing especially in terms of trade and investment," he told Bernama during his recent visit to Penang.

In 2022, Malaysia's total trade surpassed the RM2 trillion mark for the second consecutive year when it registered RM2.8 trillion, with exports reaching RM1.6 trillion, exceeding 12th Malaysia Plan projections, and imports reaching nearly RM1.3 trillion.

During his two-day (Feb 3-4) visit to Penang, Tengku Zafrul said he held meetings with top state officials and industry players to discuss efforts to strengthen the industrial ecosystem here as it is one of the leading investment destinations for the electrical and electronics (E&E) and medical technology sectors.

"We need to attract high quality investment that can provide jobs to our people and increase the national income. We also want this FDI (foreign direct investment) to be translated into DDI (domestic direct investment).

Garment workers are eating meals at a green garment factory in Narayanganj. Being the global champion in LEED certified factories, Bangladesh has 63 platinum rated garment units while another 110 are gold rated, 10 are silver rated and four are just certified. PHOTO: STAR/FILE

# Bangladesh now home to half of top green factories worldwide

STAR BUSINESS REPORT

Bangladesh became home to half of the top 100 green industrial units worldwide after KDS IDR Limited, a garment factory in Kalurghat, received platinum certification from the Leadership in Energy and Environmental Design (LEED) programme on February 1.

Platinum certification is the highest category in the ranking system while gold is the second highest and silver is the third. There is also a fourth category for industrial units that just meet the minimum requirements.

Being the global champion in LEED certified factories, Bangladesh has 63 platinum rated garment units while another 110 are gold rated, 10 are silver rated and four are just certified.

Besides, more than 500 other garment factories are awaiting LEED certification by the United States Green Building Council (USGBC) for their green initiatives, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

China has the second highest number of platinum rated factories with only 10 while Pakistan places third with nine.

Other global leaders in LEED certification include India and Sri Lanka with six each while Taiwan and Vietnam have four.

Meanwhile, Myanmar and the US each have two platinum rated factories while Ireland, Italy, Indonesia, Mexico, Poland, Paraguay, Romania, Turkey and the UAE have one apiece, according to data from the USGBC.

Local businesspeople started building LEED certified structures following two industrial disasters -- the fire at Tazreen Fashions in 2012 and collapse of Rana Plaza in 2013 -- in a bid to brighten their image and thereby attract more international retailers and brands.

The LEED initiatives indicate that the domestic garment sector does business in line with global environmental and safety standards, said Mohiuddin Rubel, a director of the BGMEA.

It is not mandatory for international clothing retailers and brands to pay extra for goods sourced from LEED certified industries even though these manufacturers spend millions to make their factories green.

Still, buyers prefer to place work orders at green units as they know the goods are produced in compliance with environmental and safety standards.

"So, even if buyers are not eager to pay additional prices in the short term, the suppliers are ultimately benefitted by doing business with global retailers and brands for an extended period," Rubel added.

Fazlee Shamim Ehsan, proprietor of Fatullah Apparels, the highest rated platinum certified knitwear factory in the world, said buyers may change their minds about paying additional prices for items sourced from green units in the future.

"We have invested money to make the factories green, not for only better prices, but to protect the environment while doing business," added Ehsan, who runs factory at Narayanganj.

Kutubuddin Ahmed, founder of the Envoy and Sheltech Groups, which has a platinum rated denim textile factory, said buyers do not pay additional prices for green initiatives as they have many suppliers.

"Buyers can get the same products at lower prices from uncertified suppliers and so, they do not care about green initiatives," he added.

# Imports thru Ctg port fall as expenditures rise

## Traders blame higher US dollar price

MOHAMMAD SUMAN, *Chattogram*

Imports through Chattogram port fell 2.5 per cent year-on-year in the first six months of the current fiscal as rising US dollar prices pushed up the overall costs involved, according to traders.

Sources at Chattogram Customs House said about 43.87 million tonnes of goods were imported through the country's premier seaport during the July-December period of fiscal 2022-23 compared to 44.99 million tonnes the previous year.

Import expenditure stood at Tk 240,854 crore by the end of first six months, down by about 23 per cent from Tk 195,650 crore for the same period in fiscal 2021-22.

As a result, the import of 2,544 types of products has decreased while that of 2,410 others has increased, customs data shows.

Mahbubul Alam, president of the Chattogram Chamber of Commerce and Industry, said the increase in expenditure is mainly due to higher US dollar prices.

"The cost of several imported products has increased and so, expenditure went up even though imports declined," he added.

The types of goods that registered lower imports include scrap vessels, reconditioned vehicles of below 2,000cc, and certain raw materials such as steel, cement clinker, sodium sulphate and sodium carbonate.


Besides, shipments of goods such as soybean, apple and mustard seeds, unrefined sugar, petroleum oil, furnace oil, chickpeas, and urea fertiliser also fell.

As per customs data, raw material imports amounted to 30.89 lakh tonnes worth Tk 889 crore in the July-December period of the current fiscal compared to 42.6 lakh tonnes worth Tk 1,099 crore the year prior.

Scrap vessel imports amounted to 4 lakh tonnes worth Tk 2,174 crore at the same time, down from 12 lakh tonnes worth Tk 5,802 crore in the July-December period of fiscal 2021-22.

Similarly, raw sugar imports totalled 80,000 tonnes worth Tk 414 crore in the first half of the ongoing fiscal, down 68 per cent year-on-year from 2.5 lakh tonnes worth Tk 1,034 crore.

Meanwhile, Tk 114 crore was spent on importing reconditioned cars of between 1,000cc and 2,000cc while it was Tk 266 crore at the same time last year.

On the other hand, imports of goods such as diesel, coal, stone, granulated slag, palm oil, wheat, octane, crude oil, cotton, bitumen and iron tubes increased by an average of 37 per cent each.

Among the top 20 imported products that amounted to 20.86 million tonnes in the July-December period of fiscal 2022-23 compared to 15.15 million tonnes the year prior, diesel saw the highest shipments.

Some 25.31 lakh tonnes of the fuel worth Tk 11,742 crore was imported during the period, up by some 48 per cent year-on-year from 17.15 lakh tonnes worth Tk 7,146 crore.

However, the expenditure for importing diesel has increased by 65 per cent, or Tk 4,597 crore, at the same time.

Likewise, coal imports amounted to 22.36 lakh tonnes worth Tk 3,739 crore, up by about 52 per

READ MORE ON B2

# Adani sell-off losses top $110b

## Crisis sparks protests and arrests in India

REUTERS, *New Delhi*

The crisis engulfing the Adani group intensified on Monday as dozens of members India's main opposition party were detained by police during protests, and parliament was suspended again due to disruptions over the saga.

Adani shares continued their freefall, with the conglomerate's cumulative market value loss topping $110 billion.

The crisis was triggered by US-based short-seller Hindenburg Research's January 24 report that accused the Adani group of stock manipulation, unsustainable debt and use of tax havens.

The Adani group, one of India's top conglomerates, has rejected the criticism and denied wrongdoing in detailed rebuttals, but that has failed to arrest the unabated fall in its shares.

In New Delhi's Jantar Mantar, a Mughal-era observatory that doubles up as a protest site for all causes, protesters held up banners and shouted slogans against Adani group's billionaire founder Gautam Adani. Some broke through barricades, forcing the police to detain them.

Hundreds of members of the Congress party gathered to protest across the country, including outside several offices of state-owned insurer Life Insurance Corporation (LIC) and State Bank of India (SBI), both of which have exposure to Adani group companies.

READ MORE ON B2


India's Congress party activists take part in a nationwide protest outside the Life Insurance Corporation office in Prayagraj yesterday, calling for an inquiry into allegations of major accounting fraud at Adani, the country's biggest conglomerate. PHOTO: AFP

# United Power registers earnings drop in Q2

STAR BUSINESS REPORT

United Power said its earnings fell 29 per cent year-on-year to Tk 280.57 crore in the October-December period of 2022-23 as it did not receive dividends from its subsidiaries.

The private power generation and distribution company logged Tk 397.09 crore profit in the identical quarter of the previous financial year.

Thus, it reported earnings per share of Tk 4.84 in the second quarter of the current financial year, down from Tk 6.85 in the same three-month period a year ago, according to a posting by United Power Generation & Distribution Company Ltd on the Dhaka Stock Exchange yesterday.

"The EPS was lower mainly for not

READ MORE ON B2