



Goldsmiths are seen making ornaments at a shop on Katpotti road in Barishal city yesterday. A 22-carat gold ornament now costs about Tk 91,262 per bhoori, excluding the cost of added decorations such as gemstones. The price of gold touched a historic-high of Tk 93,429 per bhoori on January 14 before being cut twice the following month.

PHOTO: TITU DAS

# Gold price fall fails to improve sales

SUKANTA HALDER

Sales of gold ornaments have remained low in Bangladesh despite the reduction of the prices of the precious metal twice in February after hitting an all-time high the month before, according to jewellery traders.

On February 26, the Bangladesh Jeweller's Association (Bajus) cut the price of 22-carat gold by Tk 1,166 per bhoori (about 12 grammes) in line with a declining trend in the global market.

As such, 22-carat gold ornaments now cost about Tk 91,096 per bhoori, excluding the cost of added decorations such as gemstones.

The price was cut by Tk 1,167 to Tk 92,262 per bhoori on February 4 after touching a historic high of Tk 93,429 on January 14.

"But sales have not increased even though the price has come down," said Vobotosh Kumar Karmokar, owner of Dhakeswari Jewellers in the Dhaka Cantonment area of the capital.

His shop now sees just two to three customers each day compared to an average of about 10 in the not too recent past.

Sales have been declining since June-July last year due to the growing cost of living and deteriorating economic situation caused by global crises, such as the ongoing Russia-Ukraine war, the US dollar shortage and subsequent higher inflation.

"The domestic gold market has been very unstable for the past year due to these reasons and so, the business situation is getting worse day by day," Karmokar added.



People usually rush to buy gold ornaments when prices enter a rising trend considering their growing value. On the other hand, sales decrease when prices fluctuate as people fear uncertainty.

Gold prices were on the uptick globally and locally from February-March 2022 due to the fluctuating price of the US dollar, leading to instability in the domestic market.

Similarly, the cost of essential commodities has risen at an unusual rate for the ongoing inflation, leading to lower demand for luxury items such as jewellery. As a result, sales of gold ornaments have come down by as much as 50 per cent.

Abdur Rahim Mollah, owner of Siddikin Jewellers at Dhaka's New Market, said most customers are waiting

for further reductions in the price after hearing about the recent decline.

"People are waiting to buy gold at cheaper prices in the hope of making a profit. So, the price reductions over the past month have not affected business."

He said the business is even worse now following the recent fluctuations.

Kartik Karmakar, owner of Satarupa Jewellers, says gold prices have gone beyond the purchasing power of ordinary customers owing to the higher cost of living.

Inflation stood at 8.57 per cent in January, which is much higher compared to historic trends. It even surged to a 10-year high of 9.52 per cent.

Kartik pointed out that sales of high-end jewellery sets, such as those worn by

brides, have decreased compared to the demand for simpler rings, pendants and bracelets.

Even, many people are coming to sell their old or used gold ornaments in hopes of getting good profits considering the current high price.

A salesperson at Siraj Jewellers in Dhaka's New Market said more people are coming to the shop to find the value of their old jewellery and seek out any potential offers.

MA Hannan Azad, vice-president of the Bajus, said sales have decreased due to the higher gold price.

"There are days when many stores do not get even one buyer. The sale of new gold jewellery is declining due to the rise in prices and the increased cost of living."

The price of gold fluctuated in 2022: it increased 16 times and decreased 11 times throughout the year, according to the Bajus.

May saw the highest fluctuation with the prices rising twice and falling thrice.

The price of 22-carat gold ornaments stood at an average of about Tk 75,000 per bhoori at the start of 2022. It was Tk 88,413 by the end of the year, Bajus data showed.

Devan Aminul Islam, vice-president of the Bajus, said the price of gold, like other commodities, is fixed based on demand and supply.

"When inflation rises, the price of gold goes up. Again, when there is any kind of uncertainty in the country, the sale of gold increases as people consider it as an asset."

Islam went on to say that if the price of any product is too volatile, the sales of that product automatically decrease.

## On a journey towards a cashless Bangladesh

SABBIR AHMED

The disappearance of cash – and the world's eventual adoption of digital payments – is a concept that has been around ever since electronic fund transfers were conceived in the 1960s. The creation of internet and other advances in subsequent decades only cemented the idea that this transition was inevitable.

In Bangladesh, the idea of a cashless society has recently taken root. Recent headwinds have transformed the way we handle money, spurred rapid innovation and resulted in habits oriented around convenience, safety and sustainability.

In line with government aspirations, banks and financial institutions have committed themselves to promoting easy, safe, and secure cashless transactions for all. Card offerings, easy-to-use online services, and best-in-class mobile applications have been introduced and revamped to suit newly minted purchasing habits. This diverse range of options gives customers the flexibility to choose what truly fits best.

The convenience of going cashless is multi-layered. For example, e-commerce has opened eyes to entirely new conveniences. With the click of a button, ordering and payment becomes a streamlined activity – one that negates the need to carry cash. This saves time, minimises cash management efforts and eliminates the risk of misplacing cash.

Going cashless empowers individuals to do things at their own pace. Recent innovations have made it possible for customers to view account balances, transfer money, and even apply for loans with convenience and speed.

With these tools, individuals can conduct a large swathe of financial transactions without leaving home.

The safety associated with going cashless is two-fold.

First, cashless payment solutions boost hygiene by limiting the handling of cash. The second dimension of safety comes in the form of greater security. Most forms of cashless payment leave a digital record of when, where and what is purchased, making it easier to prevent theft.

Carrying little to no cash can also save customers from becoming victims of financial crimes. Encrypted payment systems and portals that have been secured with multi-factor authentication protect customer accounts from fraudsters. Newly introduced biometric technologies, like facial recognition and fingerprint scanning, ensure that only authorised users have access to accounts.

The environmental impact of traditional cash-based transactions is often overlooked. The use of digital payments reduces the need for paper-based transactions, which, in turn, limit paper waste generation.

According to a report by the World Wildlife Fund, the production of paper currency has a significant impact on the environment. The report estimates that the production of one note requires 1.2 litres of water and generates 0.02 grammes of carbon dioxide.

The transportation of cash also involves fuel-powered vehicles, which contribute to air pollution. So, the use of cashless systems actually enables customers to reduce their individual carbon footprint while contributing to the collective need to accelerate sustainability.

The future of our economy – of a cashless society – is already starting to take shape. Cash transactions at our branches have gone down by almost half between 2019 and 2022.

Initiatives spearheaded by the central bank, such as Bangla QR, facilitate cashless payments for small traders, while Binimoy, an interoperable digital transaction platform, will bring synergy to financial systems.

In a fast-developing ecosystem, the aspiration of a digital economy is inching closer and closer. As new and creative ways to exchange money are being innovated, the need to pull out our wallets might soon become a thing of the past.

*The author is the head of consumer, private and business banking at Standard Chartered Bangladesh*



## Apparel exporters demand cut in source tax

STAR BUSINESS REPORT

Apparel exporters have sought a host of tax benefits, including bringing down the tax deducted at source and withdrawing income tax levied on cash incentives in the upcoming fiscal year, in a bid to help the garment industry deal with the current economic stress.

The proposals are aimed at retaining the growth in apparel exports and the country's competitiveness in the global market, said the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

BGMEA President Faruque Hassan placed the proposals during a meeting with the National Board of Revenue (NBR) at the latter's headquarters in the capital's Agargaon on Tuesday.

The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and the Bangladesh Textile Mills Association (BTMA) also placed their budget proposals separately at the meeting chaired by NBR Chairman Abu Hena Md Rahmatul Muneem.

The BGMEA said the garment sector is facing a new challenge owing to the deep uncertainty globally stemming from the Russia-Ukraine war.

The apparel industry is losing competitiveness because of higher global inflation, a hike of the prices of yarn, chemicals, fuels, gas, and electricity, and a spike in container freight costs, it said.

According to one of the proposals, the tax deducted at source should be slashed to 0.5 per cent from 1 per cent in 2023-24. The reduced rate should be continued for five years.

READ MORE ON B2



Visitors inspect a fabric at the 5th Dhaka International Denim Show 2023, organised by CEMS-Global USA at International Convention City Bashundhara in Dhaka. The four-day event ended on Saturday.

PHOTO: RASHED SHUMON

## Fire damages goods at TCB warehouse

STAR BUSINESS REPORT

About 20 tonnes of soybean oil and 10 tonnes of chickpeas were damaged when a fire broke out at a warehouse of the Trading Corporation of Bangladesh (TCB) in Dhaka's Tejgaon on Tuesday.

However, the state-run corporation is yet to determine the cause of the fire. A three-member committee has been formed to investigate the incident and will submit a report within the next seven days.

TCB Chairman Ariful Hassan said approximately 20 tonnes of soybean oil and 10 to 12 tonnes of chickpeas were damaged in the fire.

"The exact extent of the damage will be known after receiving the investigation report," he said.

According to a message from the Department of Fire Service and Civil Defence, they received information about the fire at 11:54pm on Tuesday.

The first unit of the fire service had reached the spot at 12:03am.