



A display showcasing products of leather goods and footwear companies as a part of a three-day Bangladesh Business Summit 2023 opening at Bangabandhu International Conference Center yesterday. The event has been organised by the Federation of Bangladesh Chambers of Commerce and Industry in partnership with the government. PHOTO: PALASH KHAN

Local firms show manufacturing capabilities

MAHMUDUL HASAN

From locally manufactured televisions and printed circuit boards to jeans made out of jute, a diverse range of products are being displayed by Bangladeshi companies at Bangladesh Business Summit 2023 to attract foreign clients.

Setting up dozens of stalls at Bangabandhu International Conference Center, the entrepreneurs want to show the growing manufacturing capabilities of local firms and win the hearts of global clients with top-quality products at the three-day event.

At a stall of Bangladesh Tanners Association, several companies are displaying leather-made footwear, bags and accessories.

"These are very high-quality products and 90 per cent of raw materials of the products are supplied by the local tanners," said Abdullah Al Kowser, an official of the association.

"Many people, including foreigners, are impressed with the quality of the products," he added.

The Federation of Bangladesh

Chambers of Commerce and Industry (FBCCI) is organising the three-day event, which started yesterday, in partnership with the foreign and commerce ministries and Bangladesh Investment Development Authority.

A dozen of chief executive officers of multinational companies, 200 foreign investors and business leaders from 17 countries are participating in the summit.

With the "Made in Bangladesh" tag, local tech giant Walton is displaying its prowess in locally manufacturing the next generation of innovative technology products such as laptops, mobiles, personal computers and interactive screens.

Walton's products include air conditioners (ACs) with new cooling technologies and Google certified smart televisions with Android operating systems and all major streaming apps including Netflix.

"We have already exported our television to 40 countries, including 19 European Union countries," said Wahed Khan, a senior executive of the company.

He said their ACs can be operated with voice commands in Bangla. They are

also introducing industrial solutions for manufacturers of plastic products and home and industrial cables, he said.

At a Bangladesh Textile Mills Association stall, the local textile companies are showing their manufacturing might with the latest products.

For example, Envoy Textile, which received Leadership in Energy and Environmental Design's platinum certification of US-based Green Building Council in a denim category, is displaying jeans made with banana and jute leaves.

Abul Nurujjaman, director general of the British Bangladesh Chamber of Commerce and Industry, was strolling around the stalls. "It has impressed me the way the Bangladeshi companies have brought innovation and technology to manufacture high-end products. I think they can compete with any global entity," he said.

"I found the stalls very attractive and informative. If the event draws an adequate number of people, I am sure local entities will find more places and interested parties to export their products," he said.

Nurujjaman, also managing director

of London-based Taj Accountants, said the authorities need to focus more on promoting the products and services all over the world.

Biplab Saha, manager of Diamond World which is showing their products at the event, said they can now design their own products. "So, we don't need to go abroad, to Dubai or India, to get design for the products," he said. He said Diamond World was now planning to export locally designed products.

Pran-RFL Group, a local consumer goods behemoth, is displaying around 400 export-quality products ranging from chocolates to furniture at the event.

Kaasar Ahmed, founder and CEO of WHITELION & Associates, a consulting firm focusing data science, cybersecurity and automation technology, said it was a big platform for him to explore collaborations with local and global clients.

"Since I work in the technology sector, I feel that there are many ways I can explore so many great collaboration opportunities from this session. In my point of view, today was totally worth it with respect to business networking," he said.

Silicon Valley Bank: largest failure since 2008 crisis

REUTERS

Startup-focused lender SVB Financial Group became the largest bank to fail since the 2008 financial crisis on Friday, in a sudden collapse that roiled global markets, left billions of dollars belonging to companies and investors stranded.

California banking regulators closed the bank, which did business as Silicon Valley Bank, on Friday and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver for later disposition of its assets.

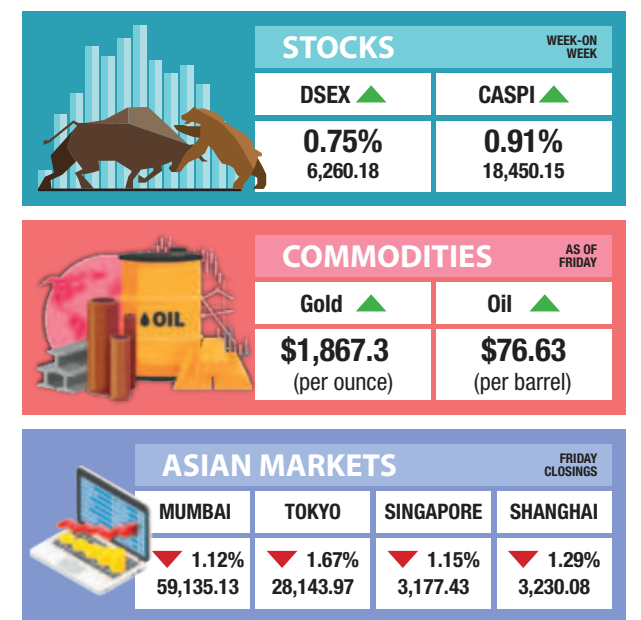
Based in Santa Clara, the lender was ranked as the 16th biggest in the US at the end of last year, with about \$209 billion in assets. Specifics of the tech-focused bank's abrupt collapse were a jumble, but the Fed's aggressive interest rate hikes in the last year, which had crimped financial conditions in the start-up space in which it was a notable player, seemed front and center.

As it tried to raise capital to offset fleeing deposits, the bank lost \$1.8 billion on Treasury bonds whose values were torpedoed by the Fed rate hikes.

Silicon Valley Bank's failure is the largest since Washington Mutual went bust in 2008, a hallmark event that triggered a financial crisis that hobbled the economy for years. The 2008 crash prompted tougher rules in the United States and beyond.

Since then, regulators have imposed more stringent capital requirements for US banks aimed at ensuring individual bank collapses won't harm the wider financial system and economy.

The main office and all branches of Silicon Valley Bank will reopen on March 13 and all insured depositors will have full access to their insured deposits no later than Monday morning, the FDIC said. But 89 per cent of the bank's \$175 billion in deposits were uninsured as the end of 2022, according to the FDIC, and their fate remains to be determined. The FDIC is racing to find another bank over the weekend that is willing to merge with Silicon Valley Bank, according to people familiar with the matter who requested anonymity because the details are confidential.



Mohammed Jahangir Alam, chairman of Crown Cement, handed over a cheque worth Tk 1 crore to Salman F Rahman, chairman of Abahani Limited, at a programme in Dhaka recently for the construction of Sheikh Kamal Krira Complex and its associated sports facilities for nurturing budding talents. Mollah Mohammad Majnu, managing director of the cement company, Md Mizanur Rahman Mollah, additional managing director, and Mohammad Ahasan Ullah, chief financial officer, were present. PHOTO: CROWN CEMENT

Govt's borrowing

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This means the reserves have fallen by about 30 per cent from \$44.14 billion recorded in March last year.

The current level of the reserves is the lowest since the financial year of 2016-17 when it stood at \$33.49 billion.

The ACU, headquartered in Tehran, is an arrangement to settle payments for intra-regional transactions among member countries.

Hussain said the central bank now should give more focus to contain inflation. And containing government borrowing is important to tackle the existing high inflation, he said.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said government borrowing may increase further due to its dismal performance in mobilising revenue.

The government's total revenue collection stood at Tk 26,877 crore in January against a target of Tk 31,500

crore.

Between July and January of this fiscal year, revenue collection fell short of the target by Tk 17,266 crore. The target for mobilising revenue was Tk 190,000 crore for the period.

Disbursement of foreign aid will also decrease this fiscal year, which may create additional pressure on the government, said Mansur, also a former official of the International Monetary Fund (IMF).

"But the government will have to contain its borrowing from the banking sources as per the IMF's suggestion," he said.

The government has set a bank borrowing target of Tk 106,334 crore for 2022-23.

Of the money that the government has taken from the BB in the last eight months, Tk 4,036 crore was used to repay commercial banks.

So, the government's net borrowing from the banking system stood at Tk 46,007 crore as of March 2.

Biz summit

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Uddin said they feel it is the appropriate time for global leaders to consider the vast opportunities presented by Bangladesh.

"This is why we organised this mega event on such a global scale for the first time," he added.

With rising labour costs in China, Bangladesh's current demographic dividend will prove vital for drawing in investors.

"So, Bangladesh can aim to be the next big manufacturing and digital economy hub."

He said Bangladesh is a big market that is perfect for expanding business or relocating industries.

The FBCCI chief asked various government organisations to provide investors with all kinds of support.

He said there are many local companies that have gained the ability to invest abroad.

"So, the summit will act as a platform to help them find potential investment opportunities through networking."

Bangladesh not heading

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and overall debt distress despite higher external borrowing in recent terms, said the International Monetary Fund in February.

Responding to a question related to the foreign policy towards the Russia-Ukraine war, Momen said: Bangladesh always follows the foreign policy that is "friendship to all and malice to none".

"It is helping us. Of course, we condemn the war. We are a peace-loving country. Bangladesh wants a peaceful solution to the war as it affects individuals, families, women and children."

Commerce Minister Tipu Munshi said it was true that the war has inflicted sufferings onto the country.

"Yes, I can understand that people are suffering for the high price, but the government is trying to sort it out."

However, Bangladesh is doing well despite some challenging situations, he said. "For instance, export incomes have increased amid the global economic turmoil."

The commerce minister admitted that the worry remains due to the lingering war.

He is optimistic about continuing the development journey as the country is benefiting from demographic dividend and the business climate is conducive.

The commerce minister spoke about the government's investments in the education sector.

"We have to go for various types of investments in the sector, particularly for the work-related education such as vocational training and technical education. This will help our economy."

Quest questioned whether the upcoming election would be free and fair.

Responding, the foreign minister said the government has organised thousands of elections over the last 14 years.

"All institutions have been developed for a free, fair, transparent and credible election."

"We have put in place transparent ballot boxes and we have an independent election commission with full authority. Therefore, we believe the upcoming election would be free, fair

and credible."

The government established a level-playing field, he said, urging all parties to participate in the elections.

When Quest pointed to people's perception whether the government has turned into authoritarian and anti-democratic, the foreign minister said there are both right and wrong perceptions.

"Unfortunately, in our society, people falsify many things. But in the long-run, people behave very smartly and when they vote, they vote for us. Every class of the population is very happy with the performance of the present government," he claimed.

In a separate session, Prime Minister's Private Industry and Investment Adviser Salman F Rahman, said "We want a real export-based Bangladesh from where software, as well as hardware, will be exported. Already a number of companies are producing hardware."

In order to support the fast-growing economy, the government is building a deep sea port in Matarbari. It will go into operation in 2026.

Everybody is surprised that Bangladesh has made tremendous progress despite not having a deep seaport, Rahman said. "We are increasing the capacity of Chattogram port, Mongla port and Payra port."

"It will be a real game-changer for us when the deep seaport becomes operational."

Speaking about the sources of finances, the adviser said Japan is bankrolling the Matarbari port project.

"We are talking to companies in Singapore, Saudi Arabia, and the UAE for the management of the port."

The government is going to hand over the Chattogram port to private operators for its management.

"In fact, today we are going to sign an MoU with Saudi Arabia," Rahman said. He ruled out the chance of Bangladesh facing a Sri Lanka-like situation.

The Island nation plunged into a serious crisis last year after its foreign currency reserves dried up.

Owing to escalated commodity prices, Bangladesh's reserves have slipped to a six-year low of \$31.5 billion, meaning it has fallen by about

30 per cent from the \$44.14 billion recorded in March last year.

"We are not going to hand over the ownership of the ports. So, there is no worry that our economy will face a situation that the Sri Lankan economy had faced," said Rahman.

The British journalist wondered how Bangladesh would transform itself into a digital nation when he had to spend two hours to travel a distance of two kilometres.

"We are in a growing stage. Our infrastructure development is taking place. The metro rail is already operational and the elevated express way is going to be operational. If you come back after five years, you will just need 20 minutes instead of two hours," Rahman answered.

During her presentation, Tini Sevak, vice-president for audiences and data at CNN International, said a green supply chain would have a greater effect on companies in the coming days.

Bangladesh has already begun its journey to modernise its workplaces following a number of disasters a decade ago. Today, the country has the highest number of green garment factories in the world.

"Technology will be a key factor too for the future growth of companies," Sevak said.

The summit also aims to draw foreign direct investment (FDI).

FDI to Bangladesh rose 13 per cent year-on-year to \$2.89 billion last year. But the inflow has been far lower than the expected level given the country's business volume and potential of the economy.

In recent times, globally FDI was impacted across many industries due to the supply chain disruptions stemming from the pandemic, the war and major layoffs by technology companies, Sevak added.

Rob Bradley, senior vice-president for ad sales and digital commercial strategy at Warner Bros. Discovery for Asia Pacific and Latin America, Md Jashim Uddin, president of the FBCCI, Xiangchen Zhang, deputy director-general of the World Trade Organisation, and Laurent Olmeta, CEO of CMA CGM Asia Pacific Limited, a logistics company, also spoke.