

## Alamgir joins MGI



### STAR BUSINESS DESK

Syed Alamgir has recently joined the Meghna Group of Industries (MGI) as the chief executive officer (CEO) of its fast-moving consumer goods (FMCG) department.

Alamgir had been working for Akij Ventures Limited as managing director and CEO before joining MGI, said a press release.

He embarked on his career in May and Baker Limited, a UK-based pharmaceuticals company.

Alamgir obtained his MBA from the Institute of Business Administration at the University of Dhaka.



Thousands of jobseekers through the "Freshers Career Fair" organised by online job portal bdjobs.com at International Convention City Bashundhara in Dhaka yesterday.

PHOTO: COLLECTED

## 130 firms join Bdjobs career fair

### STAR BUSINESS REPORT

Thousands of graduates yesterday rushed to the International Convention City Bashundhara in Dhaka, seeking employment by participating companies at the "Freshers Career Fair".

The fair was organised by Bdjobs.com, a leading job portal in Bangladesh.

A total of 130 companies, including Pran, Aarong and Walton, took part in the fair to hire fresh graduates for their organisations.

"So far, this is the largest fair organised by Bdjobs.com as 15,000 graduates participated in it. What is interesting is that 95 per cent of the job-seekers were fresh graduates," said AKM Fahim Mashroor, chief executive officer of bdjobs.com.

"We are expecting over 2,500 freshers to be hired from the mega event," he added.

Besides, some 50 companies among 130 participating companies took online examinations of the candidates.

A seminar on CV writing and interview tips along with other essentials for jobs was also held on the sidelines of the fair.

## Need proper policies for electric vehicle industry

### Experts say at Bangladesh Business Summit

### STAR BUSINESS REPORT

As the electric vehicle market is expanding in Bangladesh, there should be proper policies in place to attract foreign investment for the sector, according to industry people.

The automobile industry in Bangladesh is growing and as a result, so too is the potential for manufacturing electric cars in the country.

So, the sector requires huge amounts of foreign investment to make use of this opportunity, they said.

These comments came during discussion on "Investing in the Future of Manufacturing: Opportunities in Automobile & Hi-tech Manufacturing in Bangladesh", at the Bangladesh Business Summit yesterday.

The three-day event that began on Saturday earlier this week was organised by the Federation of Bangladesh Chambers of Commerce and Industry in association with the government at the Bangabandhu International Convention Centre Dhaka.

The summit, which featured around 200 foreign investors, business leaders and ministers, aimed to promote trade and investment in Bangladesh by showcasing the potential and capacities of local businesses.

Abdul Matlub Ahmad, chairman of Nitol-Niloy Group, said the popularity of electric vehicles will soon boom in the country.

"So, apart from developing the domestic market for electric cars, there is a possibility to do well in the export market as well," he added.

Ahmed then said electric tractors and two-wheelers have already entered the domestic market.

"But we are a bit late in this regard as the government is still trying to make policies to popularise the electric vehicle sector among investors," he added.

Hafizur Rahman Khan, chairman of Runner Group, said the automobile policy is now under formulation.

"As the situation has started to change, investors have to come forward now," he added.

Rahman went on to say that in terms of battery technology used in the country's automobile industry, the transition from lead acid batteries to lithium-ion batteries is still ongoing.

"But this is not the end. If any advanced technology comes after this, we have to work with that too," he said.

# Circular economy to help ensure sustainable business

## Experts say on concluding day of Business Summit

### STAR BUSINESS REPORT

Bangladesh requires a circular economy to not only safeguard the environment, but also ensure sustainable business in the country, according to various experts and lawmakers.

Circular economies are markets that incentivise the reuse of products through repairing, refurbishing or recycling rather than scrapping them for resources.

Along its journey to become a trillion-dollar economy, Bangladesh should focus on reducing costs related to environmental degradation by designing products for circularity.

Also, the country needs to ensure transparent and sustainable production practices to boost exports.

"A circular economy is not only good for the environment, but also business," said Saber Hossain Chowdhury, a lawmaker.

"If the transition is not profitable, then no company would invest in it," he added.

Chowdhury made these remarks while speaking at a panel discussion on the circular economy on the concluding day of the Bangladesh Business Summit at the Bangabandhu International Conference Center in Dhaka yesterday.

The event was held by the Federation of Bangladesh Chambers of Commerce and

Industry (FBCCI) in association with the government as a part of the trade body's 50th anniversary celebrations.

Chowdhury went on to say there is strong government support available in the country for promoting the circular economy.

Yousuf Abdullah Harun, another lawmaker and former president of the FBCCI, stressed on reducing environmental issues and the

**Along its journey to become a trillion-dollar economy, Bangladesh should focus on reducing costs related to environmental degradation by designing products for circularity**

consumption of available resources to ensure a circular economy.

Regarding the difficulties faced by small-and-medium enterprises (SMEs) in the circular economy, he said the main problem is a lack of proper financing for the transition.

"Banks are very shy about financing non-traditional businesses as they want to be secure, which is a problem for SMEs," he added.

The use of recycled materials and decarbonisation will be key for the garment sector as such measures may become mandatory for products to get market access in the European Union (EU).

Besides, the garment sector needs access to renewable energy and conducive policies for textile waste recycling, including incentives, to sustain its competitiveness, said Faisal Rabbi, manager of stakeholder engagement and public affairs at H&M Bangladesh.

While delivering the keynote speech, Mosharrar Hossain, a professor at Chittagong University, said most recycling is done by informal sectors.

"As such, there are some middlemen who control the recycling process, leading to illegal and unregulated circular management," he added.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Association, said they recommend forming a circular economy cell or division to handle government interventions and policymaking in this regard.

He also suggested prioritising recycling with a focus on reusing water and building materials, reducing major waste streams, ensuring safer packaging and sustainable alternatives.

The major waste streams include

biomass, plastics, papers, e-waste, metals and so on.

Shamima Akhter, director of corporate affairs at Unilever Bangladesh Limited, insisted on building holistic management for circular business.

"We have to focus on single-use plastic recycling facilities using modern technologies," she said.

The country now recycles around 37 per cent of its plastic waste, of which only 50 per cent is rigid plastic.

With this backdrop, Akhter urged for technology intervention, saying the country has to bring improved machinery to sort and recycle waste.

Industries like Unilever are committed to using recycled plastic for product packaging but they will need enhancements in the quality of recycled plastic and better testing facilities to ensure world-class standards, she said.

Syed Naved Hussain, CEO and group director of Beximco Textile, said they will go for zero carbon emissions by next year.

Among others, Charles Whiteley, ambassador and head of the EU delegation in Bangladesh, and Eun Joo Allison Yi, senior environmental specialist of the World Bank, also spoke at the event.

Zaki Uz Zaman, country representative of the UN Industrial Development Organization, moderated the discussion.

## Digitalise land records to boost PPP projects

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Naser pointed out that government employees overseeing execution usually have short-term appointments while PPP projects are long term in nature.

He recommended targeted capacity building in the line ministries and implementation authorities, in partnership with multilateral agencies.

He said project review and milestone tracking are done by an inter-ministerial committee. But the PPP Authority needs a strong board of advisers comprising representatives from the private sector and multilateral agencies in the areas of finance, legal issues and engineering, procurement and construction.

Speaking about the bankability challenge, Naser said a lack of

sufficient protections for lenders as well as confidence in future cashflows limit bankability, creating challenges for long-term financing.

So, he called for engaging financial advisers and legal teams at the onset to incorporate contractual terms that will make projects bankable.

"This will provide necessary comforts for lenders to offer optimised debt strategy through short and long-term solutions."

The banker suggested using take-out financing, in which a second lender promises to take over a loan at some point in the future, thereby encouraging the original lender to provide longer-term debt during the construction phase.

Existing debts can be refinanced through project bonds for pension or sovereign wealth funds with an

appetite for long-term investments. "New solutions such as sustainable bonds or sukuk, can be pursued for a wider range of investors," he added.

Mushfiqur Rahman, CEO of the Public Private Partnership Authority, said the agency seeks to stimulate economic growth, innovation, expertise in physical and social infrastructure development, and efficiency in project delivery and operations while providing the private sector with a chance to expand their businesses.

He said Bangladesh is making efforts to strengthen the PPP prospects by extending legal and policy support and expanding the public sector's capacity and funding assistance, the market capacity and the private sector's participation and access to finance.

## Trillion-dollar economy

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opening will accelerate the growth by 1.3 per cent," he said.

"We did not have economic zones. These have been developed and factories are yet to start production," he said, adding that a number of firms from South Korea were establishing factories in the economic zones.

Business is profitable here than in the UK, he said at a press conference at Bangabandhu International Conference Centre in Dhaka to share the outcome of Bangladesh Business Summit 2023 organised by the FBCCI with government support.

The three-day summit, which concluded yesterday, sought to showcase the capabilities of Bangladesh and its potential to investors at home and abroad.

A total of 896 participants registered paying fees and a good

number of businesses were attracted, including nearly 300 foreign delegates from countries such as Saudi Arabia, Bhutan, China, Hong Kong, Nigeria and Turkey, said the FBCCI president.

He said the participation of businesses in the event had buoyed his confidence. "We have to believe in that. After the summit, I am more confident today than before," he said.

Replying to a question about the investment the FBCCI expects the summit to draw, Jashim said the aim of the event was to highlight Bangladesh's economic potentials, not attract investment.

At the summit, Chittagong Port Authority and the Bangladesh Sugar and Food Industries Corporation and other public agencies signed four memoranda of understanding with Saudi Arabia, he said.

## SMEs need

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The discussants also focused on ensuring adequate technical skills, budgetary support, creating linkage with supply chains etc.

Focus should be on creating an environment enabling all the supports for the SMEs, be it new or those already running, said Mafizur Rahman, CEO and managing director of SME Foundation.

"Giving subsidy or cash incentive for SMEs is not a sustainable approach," he said.

The SME sector is important for Bangladesh for offering jobs and empowering women, said Rahman, adding that they have a lot of scopes and opportunities to become backward linkage industries of the economic zones.

## Huge export market

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800 to 1,000 generic bulk drugs, Mukhtadir said.

Local companies export products to 157 countries in Asia, Africa, North America, South America and Europe. Export receipts grew almost three times in the past seven years.

Medicines exports rose more than 11 per cent year-on-year to \$188 million in 2021-22, data from the Export Promotion Bureau showed.

"The shipment will increase to \$450 million by 2025," said Mukhtadir, citing the research of Dublin-based Research and Markets.

The global generic market is about \$400 billion and if Bangladesh can raise its share to 1 per cent, the pharma export will reach \$4 billion.

"This is highly achievable as per a majority of experts," Mukhtadir said.

"And if we can elevate it to 10 per cent, it will be \$40 billion."

The sector faces challenges as well.

Since Bangladesh is set to graduate from the grouping of the least-developed countries to a developing country in 2026, the country will lose waivers on making patented drugs as per international rules.

"The prices of patented products will be expensive and some complex biologics may not be available in the country," said Mukhtadir.

He said there should be a waiver from patented medicines that are already in the market.

Mukhtadir urged the government to negotiate with the World Trade Organisation for having the TRIPS waiver extended for pharmaceutical products even if the country graduates from the LDC group.

## Lessons for Bangladesh from US bank collapse

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SVB's bond portfolio started to lose significant value, according to the Guardian.

Had the lender held the bonds until their maturity, which is 30 years, it would have been able to get back the capital with interest.

However, as economic conditions soured over the last year, with tech companies particularly affected, many of the bank's customers started drawing on their deposits. But SVB did not have adequate cash to repay the depositors as it invested those like other banks do, said the Guardian article.

So, it was forced to sell bonds at losses to tackle the situation, spooking the confidence of investors and depositors.

The situation worsened on March

8 when the lender announced to raise \$1.75 billion from the capital market. Clients reckoned that the lender was in deep financial trouble, bringing about an ultimate bank run.

It collapsed two days later.

### WHAT US AUTHORITIES DID

Another US lender, Signature Bank, collapsed on March 12 owing to a risk of systemic bank failure cited by regulators, according to Reuters.

Both the Fed and the Federal Deposit Insurance Corporation (FDIC) issued a joint statement to strengthen the confidence of the US depositors.

The statement said, "Depositors will have access to all of their money starting March 13. No losses associated with the resolution of Silicon Valley Bank will be borne by

the taxpayers."

In the case of Signature Bank, it also took a similar decision.

**WHAT BANGLADESH CAN LEARN** Mansur says that the problems in Bangladesh's banking sector are quite different as many banks have been facing malpractices and scams for a long.

In an ideal scenario, any company facing continuous losses can't survive, he said.

"But the government and the Bangladesh Bank do not allow banks to get liquidated despite their vulnerable health. But this is not good for the economy."

Shareholders of weak banks usually claim that if a bank faces liquidation, it will create severe risk in the entire banking sector, he said.

"But if a weak bank is allowed to continue operation, it creates a systemic risk," said the former official of the International Monetary Fund.

"We should allow weak banks to face liquidation. During liquidation, the interests of the depositors should be protected fully, not the shareholders."

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, also echoed a same sentiment.

"The market will determine which banks will survive and which will not."

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says if a weak bank is permitted to run its business despite a vulnerable financial health, the risk will spread.