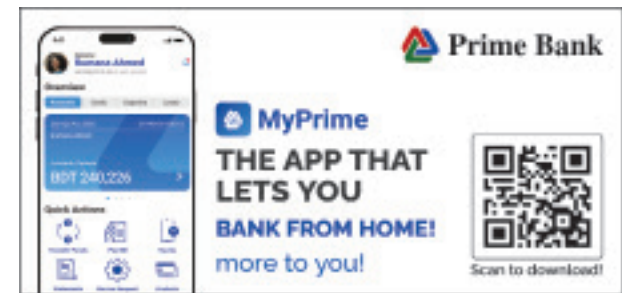


star BUSINESS



Raise SME loan ratio to 25% by 2024

BB asks lenders

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks and non-bank financial institutions to raise their loan disbursement ratio for cottage, micro, small and medium enterprises to 25 per cent of their outstanding loans by next year.

From 2024, of all the loans provided to this sector, 50 per cent must be distributed among cottage, micro and small enterprises, according to a central bank notice.

Moreover, at least another 15 per cent will have to be given out to women entrepreneurs, 40 per cent to manufacturing, 25 per cent to service and 35 per cent to trading sectors.

The central bank had issued almost the same instructions to lenders in 2019, said a Bangladesh Bank official.

But this time, it has slightly revised the

Many banks usually show reluctance to disburse loans for the sector as the majority of small and medium enterprises are unable to show required collateral

directives to give more clarity to lenders to this end, added the official.

Banks disbursed Tk 282,896 crore in loans for the cottage, micro, small and medium enterprise sector, which is 19.14 per cent of the outstanding loans disbursed by banks as of December last year.

This means banks will have to speed up their loan disbursements for the sector to attain the target, he said.

Many banks usually show a reluctance to disburse loans for the sector as the majority of small and medium enterprises are unable to show the required collateral, said a commercial bank official.

In addition, they deal with small amounts of capital, which is why they cannot absorb unexpected shocks emanating from the economy or other zones, said the official.

So, banks are cautious in disbursing loans for the sector, said the official.

What is DCTS?

Developing Countries Trading Scheme (DCTS) of the UK, a new trade facility replacing the Generalised System of Preferences (GSP) of the EU, will extend tariff cuts to developing countries as part of its post-Brexit efforts

BENEFITS UNDER THE SCHEME:

Bangladesh enjoys free market access as an LDC
After LDC graduation, the benefits will continue until November 23, 2029

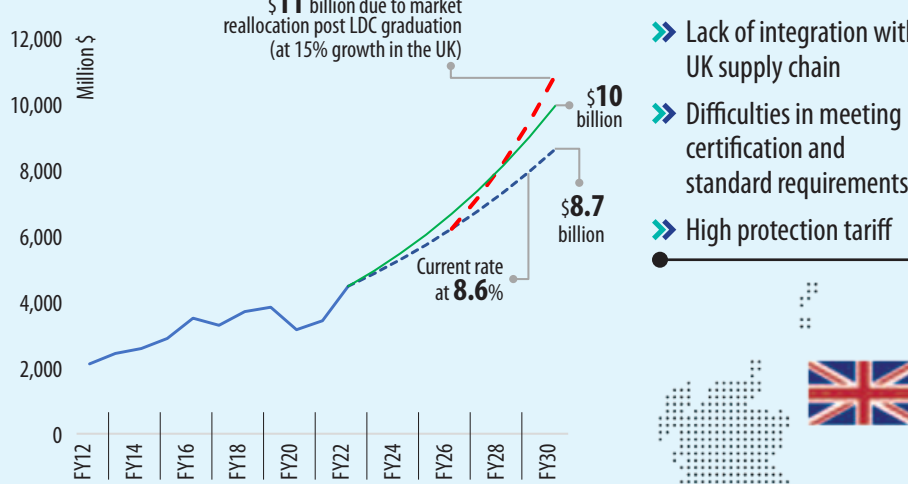
EXPORT TO UK

\$4.8b in fiscal 2021-22
UK third largest export destination

POTENTIAL NON-RMG PRODUCTS

Leather and footwear, agro-food and processed food, fish and shrimp, light engineering

PROJECTIONS: APPAREL EXPORTS TO THE UK



WAY FORWARD

- Dissemination of market specific information
- Establishing business relationships with brands and retailers
- Showcasing high-quality non-RMG products in the UK
- Removing anti-export bias and rationalisation of tariffs
- Deepening incentives for the identified export sectors
- Tackling infrastructural bottlenecks and improving port efficiency
- Ensuring access to low-cost finances

Export to UK may jump to \$12b by 2030

Think-tank RAPID projects as duty benefit to continue even in post-LDC era

STAR BUSINESS REPORT

Bangladesh's annual exports to the United Kingdom would reach \$12.3 billion by 2030 as apparel shipments will continue to enjoy duty-free market access in the country even after becoming a developing nation, according to a new projection.

"There are tremendous opportunities to raise exports to the UK," said Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development (RAPID), a think-tank.

The UK has recently announced the Developing Countries Trading Scheme (DCTS), which replaced the country's generalised system of preferences. This ensures that Bangladesh's apparel exports continue to get the duty-free access in the country.

Of the projected annual receipts of \$12.3 billion, \$11 billion would come from apparel shipments and the rest from the sales of non-RMG items.

"In a realistic measurement and considering the present economic situation, the export

earnings would be achievable," said Razzaque, while speaking at a stakeholder consultation titled "Expanding and Diversifying Exports to the UK Market" at the Brac Centre Inn in Dhaka.

The export to the UK was \$4.8 billion in the fiscal year of 2021-22 and the country is the third-largest export destination for Bangladesh, according to the Export Promotion Bureau (EPB).

Bangladesh's share in the UK's apparel market doubled to 14 per cent from 2010 to 2021, while China's share dropped to 21 per cent from 37 per cent, according to the RAPID.

"If more investments come in a planned way and the government supports the private sector,

Bangladesh's export to the UK would surge," said Razzaque.

He said it is still unsettled if Bangladesh's garment exports will continue to enjoy the duty-free market access in the EU after the LDC graduation.

"But the UK market is predictable now and entrepreneurs can invest in targeting the market," Razzaque said.

The potential of non-RMG exports is also high in the UK.

The sectors such as leather goods and footwear, agro-food, fish and shrimp, and light engineering can accelerate their export growth rate, Razzaque said while presenting a paper in the event.

Exporters also face some challenges and have a lack of knowledge and information about the developed market. So, they often find it difficult to meet the UK's standard and certification requirements, which are more stringent for small exporters.

There are supply-side challenges as well. They include technological constraints, limited access to finance, lack of skilled workforce, infrastructural bottlenecks such as improper transportation and logistics system and electricity shortage, excessive lead-time, and a lack of governance, according to the presentation.

On the other hand, the nominal protection rate, the percentage of the tariff imposed on a product as it enters a country, is so high that the sales in the domestic market are more profitable than export destinations.

"So, many producers are not targeting to export their products," Razzaque said, adding that domestic standards are much weaker than those in the export markets.

READ MORE ON B3

Inflation, economic volatility top threats to businesses

PwC CEO survey says on Bangladesh

STAR BUSINESS REPORT

Higher inflation, macroeconomic volatility and geopolitical conflict are the top three threats for the business sector in Bangladesh for the next one year, according to the PwC's global CEO survey.

Chief executive officers in Bangladesh feel that they will be most exposed to the three threats in the next 12 months, said the global professional service provider in its survey titled "26th Annual Global CEO Survey 2023".

The CEOs think all three issues are potent enough to compound and reinforce each other.

For instance, the recent geopolitical uncertainties have increased fuel costs in Bangladesh, which in turn increased the cost of electricity while rising inflation pushed up the prices of raw materials.

"Collectively, these issues are impacting the production of export-focused manufacturing factories, thereby increasing the risk of depleting foreign reserves and increasing macroeconomic volatility," said the survey report.

In fact, the picture does not change much for the CEOs' mid-term outlook towards exposure to threats, suggesting a prolonged impact of the three issues, according to the survey.

In October and November, PwC surveyed 4,410 CEOs across 105 countries and territories, including a considerable number of CEOs from Bangladesh.

The CEOs expressed concern as higher inflation, driven by the impacts of the Russia-Ukraine war on the global supply chain, continues to hurt households, while the macro-economy instability persists.

When it comes to the question of medium to long-term threats, Bangladeshi CEOs have highlighted the increasing exposure of their businesses to climate change in the next five years.

Most of the CEOs feel that it's crucial for them to reinvent their businesses to become future-ready.

READ MORE ON B3



STOCKS	
DSEX ▲	CASPI ▲
0.11% 6,220.24	0.01% 18,352.71

COMMODITIES	
Gold ▼	Oil ▲
\$1,916.70 (per ounce)	\$74.41 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.14% 57,634.84	▼ 0.80% 27,010.61	▼ 0.55% 3,155.54	▼ 1.12% 3,226.86

Refrain from overpricing for profit

Agriculture minister urges poultry farmers

STAR BUSINESS REPORT

Poultry farmers and feed makers should refrain from over-profiteering by hiking prices indiscriminately, according to Agriculture Minister Muhammad Abdur Razzaque.

"The poultry industry should be profitable for all stakeholders, including consumers," he said.

Razzaque went on to say that although demand and supply mainly determine market stability, there are other factors that could influence it.

He yesterday made these remarks while addressing the opening session of the 12th International Poultry Show 2023 at the International Convention City Bashundhara in Dhaka.

The three-day event was jointly organised by the World Poultry Science Association-Bangladesh Branch (WPSA-BB) and Bangladesh Poultry Industries Central Council.

Speaking as chief guest, the agriculture minister slammed poultry breeders and feed makers for overpricing.

Citing how farmers spend about Tk 40 to rear a single chick, Razzaque questioned

why they end up selling it for Tk 70.

"They must sell each chick at a reasonable price of around Tk 45," he said.

Razzaque then said feed producers never incur losses as prices for their products are always adequate.

On the other hand, poultry farms, including layer and hatchery farms, and consumers usually incur loss.

So, the government should have a strong regulatory board or forum to monitor the market, he added.

Regarding the recent price hike of poultry meat, Razzaque said the cost might not come down for the next six to seven months. Prices are still high due to inadequate supply in the market, which was not expected.

However, Razzaque said poultry prices would not increase during the upcoming Ramadan.

"The prices have already increased though and this is not a good thing," he added.

As per data from the Trading Corporation of Bangladesh, chicken is currently selling for around Tk 240 to Tk 250 per kilogramme.

READ MORE ON B3



The 12th International Poultry Show-2023 kicked off at the International Convention City Bashundhara in Dhaka yesterday. Speaking at the inauguration of the three-day event, Agriculture Minister Muhammad Abdur Razzaque slammed poultry farmers and feed makers for over-profiteering through indiscriminate pricing.

PHOTO: RASHED SHUMON



The 16th Dhaka Motor Show, 7th Dhaka Bike Show, 6th Dhaka Auto Parts Show and 5th Dhaka Commercial Automotive Show are being held concurrently at the Bangladesh-China Friendship Exhibition Centre in Dhaka's Purbachal. Global automotive brands are showcasing their latest designs and products at the three-day event, which began yesterday.

PHOTO: RASHED SHUMON

Guideline soon on collaborations of insurance, tech firms: IDRA

STAR BUSINESS REPORT

The government will soon formulate a guideline for “insurtech” so that fintech firms and insurers can jointly boost insurance penetration, said Mohammad Jainul Bari, chairman of the Insurance Development and Regulatory Authority (IDRA), yesterday.

“Insurtech”, a combination of the words insurance and technology, refers to the use of technology innovations designed to squeeze out savings and efficiency from the current insurance industry model.

“We will soon sit with stakeholders including the insurance industry and primarily, we will work for introducing a guideline for it,” said Bari.

He was addressing a roundtable, “Importance of InsurTech for Building a SMART Bangladesh”, organised by the Bangladesh Association of Software and Information Services (BASIS) on its own premises in Dhaka.

During the meeting, firms enabling use of insurtech handed him a draft policy

on insurtech.

“It’s a technological innovation, innovation means you work outside the box. Its success will dictate the regulation itself,” said Bari.

All but one or two insurance-related challenges can be solved through technology, he said.

“There is no reason for a regulator to put any barrier in using technology as it increases transparency, facilitates real-time monitoring and ensures compliance,” he added.

The global requirement will also be addressed in the guideline and the insurtech companies will get a no-objection certificate as per the guideline, said Bari.

The process of giving permission for a new product has also been formulated to be carried out faster. However, the insurance companies are very slow in marketing their products, he added.

There is a lot of potential for Bangladesh to boost its insurance penetration, which is currently very little, by forming a collaboration between fintech and insurance companies, said

AKM Fahim Mashroor, chief executive officer of bdjobs.com.

At the roundtable, speakers said the role of insurance companies has to be such that it brings about a positive shift in the insurance sector of Bangladesh.

The speakers said since there was no government policy or regulation on insurtech, there was no viable long-term investment in this sector.

At present, only licensed insurance companies can offer only insurance services.

A lot of venture capital investment has been made in the insurtech sector in many other developing countries including India, China and Indonesia.

But in Bangladesh, there is no inflow of foreign investment in insurtech companies due to a lack of legal recognition.

Hasina Sheykh, chairman of the banking and insurance department at the University of Dhaka, presented a keynote at the event.

This technology is designed to enhance the operations of insurance companies

and the insurance industry as a whole, she said.

Insurtech saves cost and is efficient for the current insurance industry model, she added.

She said the insurance sector in other countries, including those in the subcontinent, has considerably higher market penetration with a much wider range of products than that in Bangladesh.

The global insurtech market of \$5.45 billion is growing at a stellar rate and the market value is expected to expand at 52.7 per cent annually between 2023 and 2030. There are 30 insurtech unicorns so far.

There are more than 110 insurtech startups in India and 335 such companies in the Asia-Pacific region.

In Bangladesh, there are around 15 companies working with insurance companies to provide insurance solutions digitally or enable insurance through information technology.

Fida Haq, co-founder and CEO of adorsho praniSheba Limited, an insurtech firm, moderated the event.

Banks feel impact as Asian markets are hit by contagion fears

AFP, Hong Kong

Asian markets slid Thursday, led again by banks, with contagion talk sweeping across trading floors owing to fears about European giant Credit Suisse.

Already jittery investors have been in panic mode since the collapse of two regional US banks over the weekend sparked a sell-off across equities and ramped up concerns of a global recession.

While commentators have said the crisis should be contained and most major lenders had little exposure to the firms – Silicon Valley Bank and Signature Bank – news of trouble at Credit Suisse once again sent traders running for the hills.

Switzerland’s second-biggest bank tanked nearly 25 percent after Saudi National Bank – its main shareholder – said it would “absolutely not” up its stake in the firm.

That came a day after its annual report cited “material weaknesses” in internal controls at the firm, which has been hit by a series of scandals in recent years.

The Swiss central bank insisted that capital and liquidity levels at the lender were adequate, but stressed it was ready to make liquidity available to Credit Suisse.

Credit Suisse later announced it would borrow nearly \$54 billion to “support” the group.

The developments sent shivers through markets as memories of the global financial crisis came flooding back.

Bank shares were hammered, with Britain’s Barclays, Germany’s Commerzbank and Wall Street titan JP Morgan diving around five percent.

Embattled mid-sized lender First Republic Bank collapsed more than 20 percent in New York and it has now lost more than 70 percent over the past week.

Markets in London, Paris and Frankfurt lost more than three percent.

The fear spread to Asia, where Japan’s Sumitomo Mitsui Financial and Mitsubishi UFJ Financial shed more than four percent apiece, while South Korea’s Hana Financial Group gave up nearly three percent and HSBC dropped more than two percent.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 16, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	3.85 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	3.23 ↑
Loose flour (kg)	Tk 58-Tk 60	0	57.33 ↑
Lentil (kg)	Tk 95-Tk 100	0	-4.88 ↓
Soybean (litre)	Tk 168-Tk 172	0	0 ↑
Potato (kg)	Tk 16-Tk 20	-20 ↓	-5.26 ↓
Onion (kg)	Tk 25-Tk 35	-7.69 ↓	-33.33 ↓
Egg (4 pcs)	Tk 40-Tk 45	-11.46 ↓	14.86 ↑

SOURCE: TCB



Mohammad Ali, managing director and CEO of Pubali Bank Limited, Mohammad Esha, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Md Shahnewaz Khan and Mohammad Anisuzzaman, deputy managing directors, and Md Faizul Hoque Sharif, general manager of general banking and operation division, were present at a “Branch Operation Managers’ Conference-2023” of Dhaka North, Dhaka Central, Dhaka South, Gazipur and Narayanganj regions and corporate branches of Dhaka at the bank’s head office yesterday.

PHOTO: PUBALI BANK LIMITED



Ali Ahmmed, chief commercial officer of bKash, at its head office in Dhaka recently handed over diamond pendants to family members of 28 expatriates who had won them on sending the highest amounts of remittance through the mobile financial service provider during a campaign run last month to encourage use of legal channels for money transfers.

PHOTO: BKASH

Zara owner Inditex posts record profit

AFP, Madrid

Zara owner Inditex, the world’s biggest fashion retailer, reported record profits for 2022 despite halting operations in Russia and soaring global inflation.

Net profit reached 4.1 billion euros (\$4.4 billion) last year, a 27 percent jump from 2021, said Inditex, whose eight brands include younger fashion chain Pull&Bear and upmarket label Massimo Dutti.

In-store and online sales for the world’s biggest fast fashion retailer also hit a record, surging 17 percent to 32.6 billion euros.

“The excellent results of 2022 show the strength of our business model,” said Inditex chief executive Oscar Garcia Maceiras.

Inditex, like many other Western companies, closed shop in Russia last year following the invasion of Ukraine and sweeping Western sanctions against Moscow.

The group shut its 514 stores in Russia, its second biggest market after Spain.

The shops were sold to Emirati group Daher, which has business interests in retail and real estate, in October.

“Growth opportunities –/Inditex said strong sales in other markets such as the United States – now its second largest market – as well as online made up for its exit from the Russian market.

The company said it plans to undertake “at least” 30 new projects in the United States between 2023 and 2025 in cities such as Boston, Chicago, Los Angeles and New York.

The projects include enlargements of existing stores, opening new stores and relocations.

“We see significant long-term growth opportunities in the United States,” the company said.

Cepa could be a game-changer

FROM PAGE B4

“But there are scopes to expand the bilateral trade to a minimum of \$20 billion by addressing non-tariff barriers and connectivity-related challenges,” said Md Sameer Sattar, president of the DCCI.

Referring to a World Bank report, he said seamless transport connectivity has the potential to increase national income by 17 per cent in Bangladesh and 8 per cent in India.

“Connectivity improvement between the northeastern region of India and Bangladesh is essential to supporting the regional market and improving our trade with India.”

Mashitir Rahman, economic adviser to the prime minister, said in terms of export and import, Bangladesh may think of using local currencies for its bilateral trade.

He said the investment environment in Bangladesh is very friendly, so more Indian companies should invest in the country.

“In terms of railway connectivity, a few development projects such as the construction of the Bangabandhu railway bridge are underway and these will create an ample opportunity for bilateral trade.”

He also called for reconsidering

the issue of the anti-dumping duty imposed on the raw jute export from Bangladesh.

The adviser underscored the importance of seamless transshipment of Bangladeshi products through India and said an easy visa process was needed for smooth communication of businessmen of both countries.

According to a presentation made by the officials from the high commission, 40 per cent of trade between the two countries takes place through land ports. Of which, 70 per cent is happening via the Benapole-Petrapole land port.

In the last five years, the bilateral trade has doubled and Bangladesh’s export to India has doubled in the last three years, said the officials, underscoring developing inland waterways and coastal shipping, air and railway connectivity, according to the press release.

The northeastern region of India is the potential for Bangladesh to do more business and India’s access to the Mongla and Chattogram ports is beneficial for both countries, the presentation said, adding that after the completion of the India-Bangladesh pipeline, one million tonnes of diesel can be transported to Bangladesh annually.

Price of MS rod

FROM PAGE B4

With this backdrop, manufacturers have decided to increase prices as a part of commercial adjustments.

“Around 90 per cent of the scrap steel used is imported. So, production costs have grown in line with the higher US dollar price and recent hikes in fuel and energy prices,” Sengupta said.

Besides, the price of scrap steel recently increased to \$70 from \$60 per tonne in the international

market.

The US dollar has gained around 22 per cent in value against the local currency over the past seven months. As such, steel makers are having to settle letters of credit (LCs) at Tk 112 per US dollar to import raw materials.

Under these circumstances, they are facing difficulties in opening LCs, which is hampering business by preventing factories from running at full capacity, he added.



In 2002, Bangladesh's garment export to the EU was 3 billion euros and it reached 24 billion euros in 2022. The photo was taken from an exposition held in Dhaka recently.

PHOTO: STAR

Protection of environment, labour rights key to future growth of RMG

EU, US envoys say at Sustainable Apparel Forum

STAR BUSINESS REPORT

Both the European Union and the United States yesterday reiterated their calls to protect labour rights and the environment for the sustainability of the apparel business in Bangladesh.

Sustainability has different aspects like environmental, supply chain, recycling and energy uses, said Peter D Haas, the US ambassador to Bangladesh.

"But I want to focus my remarks on one specific aspect: the role of workers."

He spoke at the inauguration of the 4th edition of the Sustainable Apparel Forum (SAF) organised by the Bangladesh Apparel Exchange at the Radisson Hotel in Dhaka.

Haas described the role of workers as one of the main driving forces in the sustainability of the garment sector.

In this regard, he called for labour law reforms since many workers don't get the chance to exercise labour rights, freedom of association and collective bargaining.

He also expressed concerns as the workers in the export processing zones

don't get the opportunity to exercise the freedom of association as well.

"An empowered workforce is directly related to sustainability. Sustainability and economic growth go hand in hand."

He said protection of the workers does not just mean the protection of them in terms of wage, safety and child care. "It is also giving a voice, making them partners in the supply chain."

Charles Whiteley, the EU ambassador to Bangladesh, suggested improving labour rights in order to obtain the trade benefit under the new EU Generalised System of Preferences (GSP).

The bloc is finalising the new GSP rules to be effective from January for the next decade.

Whiteley said it is needed to intensify the rules of the EU, the government and civil society in a bid to ensure a smooth transition of the country as Bangladesh is yet to become a centre of excellence in terms of compliance.

The EU wants the implementation of the National Action Plan to improve the labour standard and the country's

garment sector to raise the use of renewable energy to 40 per cent by 2041, Whiteley also said.

In 2002, Bangladesh's garment export to the EU was 3 billion euros and it reached 24 billion euros in 2022.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said Bangladesh is the champion in green garment factories as the country hosts 53 out of 100 top green apparel factories in the world.

Another 550 garment factories are waiting to be certified as green factories by the United States Green Building Council.

"Local entrepreneurs have invested a lot of money for green manufacturing," Hassan said.

"As a large buyer in Bangladesh, we recognise our responsibility to be at the forefront in driving the sustainability agenda," said Ziaur Rahman, regional country manager for production at H&M for Bangladesh, Pakistan and Africa, while speaking at the plenary session.

According to Rahman, the most pressing issue right now is climate change.

"H&M, like other brands, has set ambitious targets in line with the Paris Agreement. We need to come together to find solutions to make our industry more sustainable."

He said the fashion industry needs to reduce its carbon footprint and most of the emissions are coming from the production of garments. There is a pressing need for the use of more renewable energy in the manufacturing hubs like Bangladesh.

"Textile waste recycling is also becoming increasingly important, and we see the need for policy support to scale up the recycling capability and capacity locally."

Some 60 speakers and 20 exhibitors from across the world gathered at the forum.

"Bangladesh has already achieved a lot in sustainability in the garment supply chain. This type of events will help international retailers and brands know about the progress," said Mostafiz Uddin, organiser of the SAF.

Commerce Minister Tipu Munshi also spoke.

Food packaging needs to embrace new tech: experts

STAR BUSINESS REPORT

In Bangladesh there is an urgent need to upgrade from obsolete and unsafe food packaging practices to advanced and safe techniques, said speakers at a discussion yesterday.

Ensuring compliance to packaging guidelines is a complex challenge as it necessitates collaboration of stakeholders in the supply chain, they told the event, "Safe Food Packaging for a Better Tomorrow", at The Westin Dhaka.

It was organised by the Foreign Investors' Chamber of Commerce and Industry in association with Bangladesh Food Safety Authority, the Bangladesh Standards and Testing Institution (BSTI) and SIEGWERK, a provider of printing inks and coatings for packaging applications and labels.

"Bangladesh is fast-evolving in consumption of packaged food and we need new and higher standards for food packaging," said Ashish Pradhan, president of SIEGWERK's Asia region.

In order to develop safe food packaging with appropriate and safe solvents, pigments and other components, the need for a regulatory approach and its adherence across the entire supply chain is imperative, he said.

Because cooperation along the value chain is crucial to ensure maximum product safety, Pradhan added.

Packaging safety still remains a highly



important topic and no food is safe without proper packaging, said Joerg Peter Langhammer, head of global product safety and responsibility of the SIEGWERK.

However, ensuring packaging safety requires the entire supply chain to be transparent and follow an integrated approach, he said.

The packaging value chain is complex and the responsibilities must be shared, he said.

Considering the safety of packaged food, the BSTI has taken an initiative to formulate a standard for printing ink for food packaging, informed Nilufa Hoque, director of the standards wing of the BSTI.

The BSTI has taken steps to protect customers from fake products as well as to develop conventional systems, she said.

It has enabled use of "Real Time Quick Response" codes for various issues such as online BSTI licencing, renewal, cancellation, suspension and verification, customs clearance certificates and test reports of the BSTI laboratories, she said.

China to create powerful financial watchdog run by Communist Party

REUTERS, Beijing

China will set up a financial watchdog run by the Communist Party, state media reported on Thursday, as part of a broad reorganisation of governing bodies set to give the ruling party direct control and supervision over financial affairs.

The creation of the Central Financial Commission will see the dissolution of the state-run Financial Stability and Development Committee (FSDC), a powerful body set up in 2017 and headed by former Vice Premier Liu He to curb risks in China's complex and often opaque financial system.

The new watchdog will be responsible for the top-level design, development and supervision of the financial sector, strengthening "unified leadership on financial work", according to a plan published by state media.

To strengthen the ideological and political role of the party in China's overall financial system, a separate Central Financial Work Commission will also be established.

The reorganisation of party and state-run financial bodies comes after Xi Jinping secured a precedent-breaking third term as party leader in October and also a new term as president earlier this month, making him China's most powerful leader since Mao Zedong.

"The line between the party and the government has become decisively blurred, so there is no way that the new financial watchdogs will contradict with what the party wants," said Yan Wang, chief China strategist at Alpine Macro, a global investment firm based in Montreal. Reuters previously reported that

Beijing was planning to resurrect an elite party financial watchdog that operated between 1998 and 2003 to increase political control over the financial sector. It would be headed by a member of the seven-member Politburo Standing Committee, the party's top decision-making body helmed by Xi, sources previously said.

The revival of the high-level oversight body comes as Chinese leaders race to inject new momentum in the world's second-largest economy battered by three years of heavy COVID-19 curbs, a protracted property slump and weak external demand for the country's exports.

"From investors' point of view, the near-term impact of the regulatory overhaul is unlikely to be significant. Promoting growth is clearly Beijing's top priority, so it is unlikely to upset the market and hurt the economy with drastic policy changes," Wang said.

A detailed reform plan for state institutions was released during China's annual parliamentary meeting that concluded on Monday.

Under the State Council, helmed by the new Premier Li Qiang, China will establish the National Financial Regulatory Administration tasked with regulating the country's \$57 trillion financial industry, excluding the securities sector.

The banking and insurance regulator will be abolished, and certain functions of the central bank and securities regulator will be transferred to the new financial administration.

Separately, China will establish a new Central Technology Commission to strengthen the party's centralised leadership over science and technology.



A company displaying products at the International Poultry Show-2023 at the International Convention City Bashundhara in Dhaka. The show comes to an end tomorrow.

PHOTO: RASHED SHUMON

Refrain from overpricing for profit

FROM PAGE B1

Moshir Rahman, president of the WPSA-BB, said poultry prices have become costlier due to price corrections by farmers.

"Many farmers have left the business or are under producing for incurring loss," he added, citing

how the ongoing Russia-Ukraine war mainly drove up input costs.

Rahman also said poultry farmers should not sell premature chicken alluring to higher prices as it could lead to a supply shortage in the market.

Among others, Nahid Rashid,

secretary to the Ministry of Fisheries and Livestock, Md Emdadul Haque Talukder, director general of the Department of Livestock Services, and Md Rafiqul Islam, a professor at Bangladesh Agricultural University, also spoke at the event.

Export to UK may jump to \$12b by 2030

FROM PAGE B1

Standards related to product safety and ESG (Environmental, Social, and Governance) factors are not complied properly in the case of producing products for the domestic market, he added.

"After the country's graduation from the LDC group, the government would not be able to provide much protection. So, entrepreneurs should try to stand on their feet and become competitive from now onwards," said Tapan Kanti Ghosh, senior secretary of the commerce ministry.

"The government is talking to the private sector and asking them to

prepare accordingly. We will also help entrepreneurs solve their problems."

The UK always focuses on environmental and sanitary and phyto-sanitary issues, so producers should be aware of it, said AHM Ahsan, vice-chairman of the EPB.

He requested producers not to resort to any malpractices when it comes to maintaining the quality of goods so that the UK remains a good export destination for Bangladesh.

Duncan Overfield, deputy development director at the Foreign, Commonwealth and Development Office, said Bangladesh must explore

the necessary policy options and support to ensure the best utilisation of the DCTS.

He said the perception of goods originating from Bangladesh would become more positive over time, much like how the perception of goods from Hong Kong and China changed over the years.

Md Faizul Islam, chairman of the Bangladesh Trade and Tariff Commission, said both public and private sectors need to work together to ensure export diversification.

Prof M Abu Eusuf, executive director of the RAPID, presided over the event.

Inflation, economic volatility top threats

FROM PAGE B1

They also face disconcerting near-term challenges, starting with the local economy, which, nearly 69 per cent think, will see a declining growth during the year ahead.

The CEOs cited multiple challenges to the profitability of their industry over the next 10 years. The most prominent challenge, analogous to that of the global findings of the survey, is the changing customer preferences (69 per cent).

In contrast with their global peers, CEOs in Bangladesh are more concerned about the ongoing global supply chain disruption than regulatory changes due to the country's significant reliance on the import of raw materials as well as strong dependence on exports and remittances.

Technological disruption, regulatory changes, labour or skill shortages, the threat of new entrants and the transition to new energy sources are also believed to have a significant impact on business profitability, said the survey report.

In terms of monetary investments, nearly three-fourths of the CEOs consider workforce upskilling and process automation as priority areas.

With technology being one of the major disruptors to business viability, 66 per cent of the companies are making investments in deploying advanced technologies such as cloud and artificial intelligence. Apart from this, nearly 41 per cent of CEOs expect to invest significantly in adjustments to their supply chains in the next 12 months.

Only 9 per cent of CEOs have forecast investments in the relocation of company operations due to climate risks in the year ahead.

Re/DRESS launches recycled textile products in Dhaka

STAR BUSINESS REPORT

Re/DRESS, a fashion brand using nearly 100 per cent recycled cotton or polyester textiles in Bangladesh, has launched its products in Dhaka.

Its products are available at Friendship Colours of the Chars and Yellow since March 15, according to a press release.

The products will also be available soon at the Taaga shop inside Aarong's multi-brand outlet in Tejgaon.

Re/DRESS is a unisex collection made from soft, breathable woven and knit textiles produced in Bangladesh from plastic bottles and cotton waste. The brand has been designed to promote Bangladesh as one of the largest cotton recycling hubs in the world, the press release said.

It works with local recycling and garment factories willing to push the

Re/DRESS is a unisex collection made from soft, breathable woven and knit textiles produced in Bangladesh from plastic bottles and cotton waste

limits of cotton recycling to produce proof-of-concept textiles.

Re/DRESS said textiles must be made from as close to 100 per cent recycled fibre as possible. Some textiles may have 5 per cent or less non-recycled fibre and at least 40 per cent recycled cotton.

"This is blended with recycled polyester, some of which comes from recycled PET bottles."

Simple lines, neutral colours and a comfortable fit ensure these clothes will not go out of style, can be dressed up or worn casually, and are perfect for a Dhaka summer, it added.

"Catastrophic climate change means we must support recycling. I also like Re/DRESS because it's for all ages and genders," said Ridy Sheikh, an artist, choreographer, content creator and supporter of Re/DRESS, in the press release.

"I am concerned about where my clothes come from and want to make responsible choices," said Jahidul Islam, a textile technology student and leader of the Re/DRESS's volunteer team.

The collection has been available in London since 2022.



The price of 60-grade mild steel rod recently passed Tk 1 lakh per tonne as growing input costs are forcing manufacturers to make adjustments. Industry people say this could slow the implementation of development projects, thereby impacting the overall economy as well. The photo was taken from Khulna city yesterday.

PHOTO: HABIBUR RAHMAN

Price of MS rod crosses Tk 1 lakh

Manufacturers blame higher input costs

JAGARAN CHAKMA

Bangladesh's construction sector is facing challenges due to frequent hikes in the price of mild steel (MS) rod and other major construction materials while slow development activities have put many workers out of job, according to industry people.

The price of MS rod crossed Tk 1 lakh per tonne on Tuesday as production costs have risen due to increasing fuel and energy prices amid the ongoing US dollar crisis.

However, the Trading Corporation of Bangladesh has been listing the price of 60 grade MS rod at Tk 92,500 per tonne since Monday, down from Tk 95,500 previously.

"The higher cost will not only impact construction firms, but also the country's overall economic growth by slowing money circulation," said SM Khorshed Alam, former president of the Bangladesh Association of Construction Industry (BACI).

He went on to say that government entities do not adjust the cost of development projects in line with prevailing raw material costs even though the latest Public Procurement Rules (PPR) require them to do so.

Referring to the PPR, he said it provides the option to adjust the cost of government projects that have an implementation period of more than 18 months.

On the other hand, the



implementing agencies do adjust the cost of foreign funded projects.

With this backdrop, Alam demanded that government funded projects also be adjusted as necessary or else construction firms will fall into huge losses.

According to the former BACI chief, there are more than 500 construction firms across the country that either directly or indirectly employ some 50 lakh people.

"So, these people will fall into financial trouble if money circulation in the industry slows," he said.

Mir Nasir Hossain, managing director of Mir Holdings Ltd, said frequent hikes in raw material prices has a huge impact on different sectors of the economy

and construction is no exception.

The construction industry has been suffering for the last couple of years from continuous price hikes of different materials, specifically MS rod, stone chips and bitumen.

"The situation is unbearable as most locally funded projects do have the price adjustment clause in their contracts," he said.

As a result, many companies will lose their capital and likely become bank defaulters. Also, project implementation will slow down, for which the economy will be affected.

Hossain, also a former president of the Federation of Bangladesh Chambers of Commerce and Industry, then suggested the government should include price adjustment clauses

for all ongoing and upcoming projects considering the current situation.

Shahriar Jahan Rahat, deputy managing director of KSRM, said they are now selling MS rod at Tk 97,000 per tonne from the mill gate.

But when sold elsewhere, carrying costs as well as loading and unloading charges push the retail price past Tk 1 lakh.

Rahat then said that despite the price hike, there has been no visible impact on sales as customers are still purchasing MS rod considering how prices will eventually increase again anyway.

Meanwhile, market leader BSRM has been selling MS rod at Tk 100,000 per tonne from the mill gate.

"The price was adjusted due to abnormally high production costs. Producing rods using metal from scrapped ships now cost a minimum of Tk 103,560," Tapan Sengupta, deputy managing director of the BSRM.

Regarding the breakdown of production costs, industry insiders say scrap steel is priced at Tk 72,000 per tonne while waste from billet production costs Tk 9,300 per tonne.

In addition, operational costs stand at about Tk 20,000 per tonne, including 15 per cent for fuel and energy, import duty Tk 1,500, and advance income tax and VAT Tk 700 per tonne.

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Regain trust in electoral system using blockchain

MAHTAB UDDIN AHMED

In recent times, people seem to be smitten with the term, blockchain, popping it into conversations without much knowledge of the concept.

Recently, I attended a client call on digital transformation when the client's chief financial officer was almost frantic in using the term blockchain, irrespective of its relevance in the conversation. I had little choice but to refrain from correcting his misconception of the term.

A few days later, one of my friends announced that he had invested in a new blockchain company and that he is going to be a millionaire! When asked what blockchain is, he simply replied, "Don't ask me as I'm not quite sure I understand fully what it is. But I do know that blockchain is the future, and it's going to revolutionise everything."

I asked him whether he meant Bitcoin by blockchain, and he immediately pounced on it, exclaiming, "Yes, exactly!" Unlike my client's CFO, I could tell my friend this time that blockchain and Bitcoin are not the same things!

In my lifetime, I have never heard of any election in Bangladesh without allegations of corruption. This deep-rooted public mistrust goes way beyond the electoral process. While Bangladesh is making commendable progress on its path to digitalisation, its citizens would also love to see breakthrough changes in its electoral system, at least being piloted in the future local or mayoral election.

Blockchain is one such technology that can revolutionise elections by providing a secure, transparent, and tamper-proof means of voting system.

Blockchain can enable a decentralised voting system where each participant can verify the authenticity of the vote without relying on a central authority or intermediary.

It can provide a transparent and auditable record of all votes, which can help prevent fraud and ensure the results are accurate and trustworthy.

Once recorded on the blockchain, the vote cannot be altered or deleted, providing a tamper-proof record of the vote. It can enable a secure and confidential voting system where each participant can verify the authenticity of their vote without revealing their identity.

Blockchain can enable remote and mobile voting, enabling easier participation in the voting process. Lastly, blockchain technology can enable near-instant vote counting, providing timely and accurate results to the participants with no scope for manipulation.

At present, there are only a few countries that have used blockchain technology in their voting systems. Estonia has been using a blockchain-based voting system since 2014.

In 2018, Sierra Leone became the first country to use blockchain technology in its presidential election. In the US, West Virginia implemented a blockchain-based voting system in 2018 for the midterm elections.

Russia has been testing a blockchain-based voting system since 2019. South Korea also tested it in the city of Seoul.

However, implementing a blockchain-based voting system would require significant technical expertise, careful consideration of legal and ethical implications, and ecosystem readiness, like mobile connectivity.

Globally, the use of blockchain technology in voting systems is still in its early stages, and there are ongoing debates regarding its maturity. Bangladesh should have the vision to have a blockchain-based electoral system to regain voters' trust, which will definitely be a milestone on its path to becoming an intelligent nation, as our prime minister envisaged.

The author is founder and managing director of BuildCon Consultancies Ltd



Cepa could be a game-changer for Indo-Bangla trade

Says Indian envoy

STAR BUSINESS REPORT

The planned comprehensive economic partnership agreement (Cepa) could be a game changer for both India and Bangladesh in terms of trade, said Indian High Commissioner Pranay Verma yesterday.

He said smooth connectivity is crucial to boosting trade and commerce between the two countries. And land routes, railways and even waterways between Bangladesh and India can be expanded more.

In the last decade, bilateral trade has increased remarkably and the envoy opined that a Cepa could be a game-changer for both countries in terms of trade and commerce.

"Stronger connectivity is the driving force for economic prosperity," he said.

Verma spoke at a seminar on "Improved Connectivity: Unlocking Economic Potential between India and Bangladesh" jointly organised by the High Commission of India and the Dhaka Chamber of Commerce and Industry (DCCI) at Le Meridien Hotel in the capital, according to a press release from the chamber.

He said infrastructure development of seven land customs stations is underway that will boost two-way trade. Currently, seven border haats are being operated and the number will be increased in the future, he said.

Bilateral trade between Bangladesh and India was \$16 billion in the last financial year.

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Shopkeepers wait for customers at a stall at a border haat in Mokamia, Feni. Currently, seven haats along the Indian border are being operated and the number will be increased in the future, Indian High Commissioner Pranay Verma said.

PHOTO: STAR/FILE

Mahindra business to stay intact though local unit closes

STAR BUSINESS REPORT

India's multinational automotive manufacturing company Mahindra & Mahindra's (M&M) said its existing business in Bangladesh will continue although it is shutting down its subsidiary Mahindra Bangladesh Pvt Ltd (MBPL) here.

Incorporated in 2019, the MBPL had been non-operational for nearly four years, said the Mumbai-based M&M in a statement yesterday.

"Shutting down the entity would not interrupt Mahindra's prevailing business of import and distribution of a wide range of commercial, passenger, and utility vehicles as well as construction and agricultural equipment that have been under the operations of a branch office for more than two decades," said the M&M.

Mahindra has been offering a full range of products in Bangladesh since 1994. With over 50,000 customers, it markets a range of small commercial vehicles, tractors and trucks here.