

After the recent bouts of rain, Billal Bashar, a 48-year-old farmer in the Bachhula Matubborer Dangi village under Charbhadrason upazila of Faridpur, has got down to loosen soils using a farming tool so that Aus paddy seeds can grow properly. He has sown the seeds in 21 decimals at a cost of Tk 2,000 and expects to take home seven to eight maunds of paddy if there are no natural calamities.

PHOTO: SUZIT KUMAR DAS

## E-payment made mandatory for taxes

### STAR BUSINESS REPORT

The National Board of Revenue (NBR) has made electronic payment mandatory for all types of taxes in order to ensure real-time receipt and improve government's overall cash flow.

Officials at the tax administration said until now taxpayers have to pay up to Tk 500,000 through automated challan (A-Challan) or e-payment.

Following a notification of the NBR issued on March 23, any amount of tax has to be deposited to the state treasury through electronic means, said an official of the NBR.

The electronic payment will ensure real time deposit of the taxes whereas earlier the tax collector had to wait for sometimes because of payment through pay orders or treasury challan, he said.

With the new rule, the pay order and manual treasury challan has been scrapped, the official added.

Officials said the tax administration took the decision in line with a condition by multilateral lenders that all tax payments have to be done electronically.

### REJAUL KARIM BYRON

The central bank has said the government will have to borrow more from non-banking sources to finance its expenditures in a bid to rein in higher inflationary pressures as the latter's bank borrowing surged.

The government's domestic borrowing climbed 72.3 per cent year-on-year to Tk 42,717 crore in the July-January period of the current fiscal year of 2022-23, with a major portion coming from the banking system.

On the other hand, net non-bank borrowing witnessed a slower growth during the seven months compared to the same period a year earlier, owing to reduced net sales of national savings certificates (NSCs).

"Considering the ongoing inflationary pressure in the economy, the government will have to attach a big emphasis on borrowing from the non-banking sources in the coming days," said the central bank in its monthly report on government domestic borrowing.

The government has set a Tk 1,46,335 crore domestic borrowing target for FY23. Of the sum, Tk 1,06,334 crore will come from the banking sector.

The target of borrowing from domestic non-banking sources has been fixed at Tk 40,001 crore. This includes Tk 35,000 crore to be generated through the net sales of NSCs.

In July-January of FY23, government net borrowing from the banking system stood at

principal amount of Tk 51,826 crore during the same period. As a result, the net borrowing turned a negative Tk 3,069 crore.

The request from the central bank comes as inflation has stayed at an elevated level in Bangladesh for nearly a year, owing largely to the escalated

inflationary pressures.

"This is because the money is being borrowed from the central bank."

He, however, said most of the non-bank borrowing comes from the sales of NSCs where the interest cost is higher compared to the rates in the banking sector.

The government paid Tk 27,432 crore in July-January of FY23 in the form of interest against NSCs, BB data showed.

The government had earmarked Tk 80,375 crore to service both foreign and domestic loans in FY23. The revised budget has raised it to Tk 90,000 crore.

For the next fiscal year, more than Tk 100,000 crore would be needed to this end.

The government's expenses on interest payments rose about 22 per cent to Tk 40,792 crore in the first half of the fiscal year, owing to the sharp depreciation of the taka against the US dollar and higher expenditure on treasury bills.

According to Hussain, amid the rising bank borrowing and the costlier non-bank borrowing, Bangladesh is left with two options to reduce the budget deficit: raising more revenues or cutting expenditures.

# Borrow more from non-bank sources

BB urges government



Tk 39,000 crore, representing 36.7 per cent of the target. The borrowing stood at Tk 10,280 crore in the same period of 2021-22.

The net borrowing from non-banking domestic sources was Tk 3,716 crore in July-January, accounting for 9.3 per cent of the goal. It was Tk 14,517 crore in the identical seven-month period of FY22.

NSC sales amounted to Tk 48,756 crore in July-January but the government paid back a

prices of commodities in the global markets and the sharp fall in the foreign currency reserves.

Inflation climbed to 8.78 per cent in February, breaking a five-month declining trend. It had surged to a 10-year high of 9.52 per cent in August.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, described the central bank recommendation appropriate since a higher government borrowing stokes

## Private credit growth slows further

### STAR BUSINESS REPORT

Private sector credit growth in Bangladesh slowed further in February owing largely to a tight liquidity situation in the banking sector amid falling deposits growth, the decline in demand for imports, and the rise in the cost of funds.

Bangladesh Bank data showed that banks' finance to the private sector grew 12.14 per cent year-on-year to Tk 14,34,069 crore in February, the third consecutive month that saw a slowdown.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the credit growth declined as the flow of deposits from savers slowed.

"This has ultimately affected the credit flow," he said, adding that many banks could not attract deposits.

The deposit growth slowed in the third and fourth quarters of 2022 compared to the second quarter.

Overall, the growth of deposits slowed to 5 per cent at the end of December 2022, much lower than the 9.6 per cent recorded a year ago, BB data showed.

As of December, deposits totalled Tk 15,88,010 crore in the banking system.

Mansur, a former economist at the International Monetary Fund, said demand is not a problem. "The problem lies in the lack of availability of loanable funds."

He said the actual credit growth to the private sector might be lower if the increase in foreign credit owing to the sharp depreciation of the taka was taken into consideration.

According to the economist, when local firms secured foreign loans, banks calculated the exchange rate at Tk 84 per US dollar.

"Following the depreciation of the taka to Tk 105-Tk 106, the amount of foreign loans in the local currency terms has increased."

Mansur warned that the slowdown in private credit growth would cause a slowdown in economic activities.

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CRYSTAL CLEAR PICTURE QUALITY

STOCKS	
DSEX ▲	CASPI ▲
0.16% 6,206.7	0.05% 18,288.34

COMMODITIES	
Gold ▲	Oil ▲
\$1,969.18 (per ounce)	\$73.64 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.60% 57,960.09	▼ 0.36% 27,782.93	▼ 0.16% 3,257.18	▲ 0.65% 3,261.25

## Don't change price tags at outlets

### Fashion brands warned

### STAR BUSINESS REPORT

The Directorate of National Consumers Right Protection (DNCRP) would close the outlets of fashion brands for a temporary period if it finds any price gun machines during drives, officials of the watchdog said yesterday.

The DNCRP gave the warning while exchanging views with the representatives of fashion outlets at the directorate's office in the capital's Karwan Bazar.

Monjur Mohammad Shahriar, director of the DNCRP, said price tags should be attached to products at the factory level, not at showrooms or retail outlets.

The changing of price tags was noticed during market drives in the past one year, he said, adding that in most cases, the prices went up after the change was made.

"If the rule is violated, actions will be taken."

"The greater the offence, the greater the punishment will be. Businesses should understand that if shops have to be closed for a day ahead of Eid, how much profit will be lost."

A pricing gun is a hand-held device used to attach a price label to a product.

Shahriar also said businesspeople should pay attention so that foreign buyers don't raise questions about the quality of clothing products.

AHM Shafiquzzaman, director-general of the DNCRP, said it is seen many a time that some sellers from neighbouring countries come to Bangladesh and rent a house to sell foreign clothes to customers.

"Such activities are harming the local fashion houses."

"We want everyone to do business per laws so that consumers can buy products at fair prices. Actions will be taken against the market committee if irregularities are found in at shopping malls."



PHOTO: STAR/FILE

Commercial vannamei shrimp farming has been given the go-ahead in Bangladesh following years of experimental cultivation since 2018. However, farmers will be required to meet certain conditions before marketing the shrimp, as per the new guidelines issued in this regard.

## Govt prepares guideline on non-native shrimp farming

### SUKANTA HALDER

The government has formulated a guideline for the commercial cultivation of non-native vannamei shrimp in a bid to increase export earnings from the sector, strengthen its presence in international markets and improve domestic supply.

The Ministry of Fisheries and Livestock yesterday approved the guidelines, which were prepared and scrutinised by a dedicated committee featuring aquaculture experts.

Considering the growth in domestic shrimp production alongside the sector's export potential, an initiative for the experimental cultivation of vannamei shrimp, also known as white-leg shrimp, was taken up back in 2018.

READ MORE ON B3



## Brac Bank adopts digital processes to promote sustainability

STAR BUSINESS DESK

Brac Bank's SME business is taking steps towards reducing paper usage and promoting environmental sustainability by adopting various digital processes.

The bank now digitally conducts the performance management of 2,800 field-based business development managers (BDMs) and relationship officers (ROs) instead of traditional paper-based methods, said a press release.

"The bank strives to contribute to reducing the carbon footprint of Bangladesh through sustainable initiatives and aims to achieve paperless

**The bank digitally conducts the performance management of 2,800 field-based business development managers and relationship officers instead of paper-based methods**

banking, instilling a culture of sustainability within the bank to inspire a positive impact on the environment," said Syed Abdul Momen, deputy managing director of the bank.

Moreover, the bank has replaced hardcopy letters with digital modes of communication, such as SMS, for deferral, loan call-off reminders, counseling, and annual target communication.

These digital initiatives have resulted in significant paper and person-hour savings while reducing turnaround time and providing greater convenience for the bank's field-level teams.

As a member of the Global Alliance for Banking on Values, Brac Bank is committed to the principles of people, planet, and prosperity and working towards making the environment cleaner and more habitable for all.



Women of Kashipur village in Sylhet's Balaganj upazila weave a unique mat, known as "shital pati" in Bangla, characterised but its ability to naturally stay cool. Artisans here need five to seven days to make a big mat using stalks of a reed-like plant called murta spending Tk 800 to Tk 1,000. Demand for the mat peaks during summer when it sells anywhere from Tk 1,500 to Tk 10,000. Around 200 murta can enable creating a regular mat and a prayer mat and artisans demand preservation of fresh water swamp forests and homestead forests for easy availability of the raw material. The photo was taken recently.

PHOTO: SHEIKH NASIR

## WEEKLY STOCKS

# Market maintains flat trajectory

STAR BUSINESS REPORT

Major indices of the stock market in Bangladesh have maintained a flat trajectory for about eight months now, providing little scope for investors to register gains or even losses.

This is because the floor price mechanism has made the market static as share values are maintained at certain levels rather than being decided by demand and supply, according to a merchant banker preferring anonymity.

And as the market has lost its natural course, investors are staying away for being unable make money by anticipating potential ups and downs, he said.

The merchant banker went on to say that only a few individual investors are currently participating in the market while most institutional investors remain on the sidelines.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), yesterday shed 8.51 points, or 0.14 per cent, to close the week

at 6,207 points.

Average daily turnover of the DSE, which indicates trade volume, spiked 16 per cent to Tk 409 crore over the past five sessions compared to the week before.

The Bangladesh Securities and Exchange Commission set floor prices for every stock at the end of July last year in a bid to halt the freefall of market indices amid global economic uncertainties.

And although the market regulator had lifted the floor prices of 169 companies in December, it later reintroduced the mechanism in March this year.

The stock market ended the week with a negative stance amid quarter-ending sell-offs among investors, International Leasing Securities said in its weekly market review.

The prime index went downward during the first two sessions of the week but it mostly recovered during the later sessions.

Investors preferred to take position on the last day of the week based on the news that

government would approve the draft bill of Banking Companies Act.

As per the proposed amendment, non-listed corporate bonds and debentures will be excluded from banks' investment portfolio.

This will act as a catalyst for the development of the bond market as well as create more room for banks to invest in the secondary market, it added.

Sectoral performance showed a mixed pattern. Among the sectors, IT rose 3.6 per cent, service and real estate advanced 2.1 per cent, and tannery edged up 1.8 per cent.

However, paper and printing declined 4.5 per cent, pharmaceuticals and chemical fell 0.6 per cent and bank slid down 0.5 per cent.

Market movement this week was driven by negative changes in the market cap of pharmaceuticals, bank, and paper and printing scrips amid positive changes in the market cap of IT, services and real estate, and miscellaneous scrips, Shanta Securities said in its weekly market review.

## Wahida joins Agrani Bank as DMD

STAR BUSINESS DESK



Wahida Begum has joined Agrani Bank Limited from Ansar VDP Unnayan Bank as a deputy managing director (DMD) on Tuesday.

Wahida was working for Ansar VDP Unnayan Bank in the same post of deputy managing director, said a press release.

She started her career at Rupali Bank Limited as a senior officer (probationary) in 1998 and worked in different capacities.

She was the chief executive officer of Rupali Securities Limited at a stage of her career.

Wahida obtained her graduation and postgraduate degrees in economics from Jahangirnagar University.

## Brac Bank, Nucleus Software win fintech award

STAR BUSINESS DESK

Brac Bank and Nucleus Software Exports Ltd have jointly won a "Best Implementation in Transaction Banking" award at IBS Intelligence Global FinTech Innovation Awards 2022 for FinnAxia, a transaction banking and supply chain finance solution for small and medium enterprises.

The award recognised the rapid implementation of FinnAxia to support the bank's strategy of venturing into the supply chain financing market to provide seamless solutions for all its end customer offerings, said a press release.

The completely automated and paperless solution is now enabling the bank to onboard customers faster and provide services in 4 minutes and 52 seconds.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 30, 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 55-Tk 58	-4.2 ↓	59.15 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 170-Tk 175	1.47 ↑	15.38 ↑
Potato (kg)	Tk 22-Tk 25	17.5 ↑	11.9 ↑
Onion (kg)	Tk 30-Tk 45	25 ↑	0
Egg (4 pcs)	Tk 45-Tk 47	5.75 ↑	31.43 ↑
SOURCE: TCB			



Emranul Huq, managing director of Dhaka Bank, and Mollah Mohammad Majnu, managing director of Crown Cement, exchanged signed documents of an agreement on distributor finance programme at the bank's head office in Dhaka yesterday. Mohammad Abu Jafar, additional managing director of the bank, Md Mostaque Ahmed and Sheikh Abdul Bakir, deputy managing directors, and Mohammad Ahasan Ullah, chief financial officer of the cement company, along with other senior officials of both the organisations were present.

PHOTO: DHAKA BANK



Md Ahsan-uz Zaman, managing director of Midland Bank, and Md Nurul Amin, executive director of Bangladesh Bank, signed a participation agreement on low-cost long-term financing for shipbuilding industry under a refinance scheme of the central bank at the BB headquarters in Dhaka on Wednesday. AKM Sajedur Rahman Khan, deputy governor of the BB, Mohammad Javed Tareq Khan, senior executive vice-president of the bank, and other senior officials from both the sides were present.

PHOTO: MIDLAND BANK

## Fashion retailer H&M surprises with profit

REUTERS, Stockholm

Fashion retailer H&M reported a surprise operating profit for the December to February period as cost-cutting measures started to bear fruit despite consumers curbing spending, but said a cold spell was holding back sales in March.

While H&M showed signs of bringing its costs under control, it still struggled to compete with major rival Inditex, owner of Zara and other brands, as well as rapidly expanding fast fashion online retailers such as SHEIN and Temu. "It is more important than ever to offer customers good value for money," CEO Helena Helmersson told analysts on a call.

Unusually cold weather in many of H&M's key markets held shoppers back from buying spring clothing, the company said, denting its March sales figures. Still, shares in the company jumped by 8 per cent in early trading after the results - a move traders said was amplified by short positions on the stock.

Operating profit in the Swedish group's fiscal first quarter was 725 million Swedish crowns (\$69.73 million) against a profit of 458 million crowns a year earlier. A Refinitiv poll of analysts expected a 1.10 billion crown loss.

H&M's operating profit margin was 1.3 per cent, up from 0.9 per cent a year earlier. Helmersson said the company expects a gross margin recovery over the year and is making

progress towards its goal of a 10 per cent operating margin next year.

Analysts at Credit Suisse said it would be "very challenging" for H&M to return to a 10 per cent margin in 2024.

China remained a difficult market for the company, which was hit by boycotts there after saying it would not source cotton from the Xinjiang region over concerns about human rights abuses. Long pandemic lockdowns in China also dragged on retail performance.

"In China we are still not where we want to be," Helmersson told analysts on a call. "We are definitely going in the right direction, but rather slowly."

H&M said net sales for March were expected to increase by 4 per cent in local currencies compared with the corresponding period last year. That's a slight acceleration after sales for the first quarter were up 3 per cent from last year, but lags the competition.

"Performance was weighed by weather and could, therefore, be recovered as warmer temperatures land, but of course this result is in stark contrast to the current trading reported by Inditex," JPMorgan analyst Georgina Johanan said.

H&M said an upwards re-valuation of its stake in its majority-owned Selpy second-hand clothing platform had boosted earnings by about 1 billion crowns. Selpy, in which H&M still holds a 79.84 per cent stake, is now part of the group.

## China, Brazil strike deal to ditch dollar for trade

AFP, Brasilia

China and Brazil have reached a deal to trade in their own currencies, ditching the US dollar as an intermediary, the Brazilian government said Wednesday, Beijing's latest salvo against the almighty greenback.

The deal will enable China, the top rival to US economic hegemony, and Brazil, the biggest economy in Latin America, to conduct their massive trade and financial transactions directly, exchanging yuan for reals and vice versa instead of going through the dollar.

"The expectation is that this will reduce costs... promote even greater bilateral trade and facilitate investment," the Brazilian Trade and Investment Promotion Agency (ApexBrasil) said in a statement.

China is Brazil's biggest trading partner, with a record \$150.5 billion in bilateral trade last year.

The deal, which follows a preliminary agreement in January, was announced after a high-level China-Brazil business forum in Beijing.

Brazilian President Luiz Inacio Lula da Silva was originally scheduled to attend the forum as part of a high-profile China visit, but had to postpone his trip indefinitely Sunday after he came down with pneumonia.

The Industrial and Commercial Bank of China and Bank of Communications BBM will execute the transactions, officials said.

China has similar currency deals with Russia, Pakistan and several other countries.

## Two firms to provide internet

FROM PAGE B4

Summit Communications will provide internet to 1,297 unions while Fiber@Home will cover 1,307 unions, according to the statement from the finance ministry.

Phase three of the Info-Sarker project aims to ensure internet access

for 60 per cent of the country's population by establishing broadband connections in the 2,600 unions.

It also seeks to enhance the distribution of technical knowledge and provide high-speed internet facilities at the union level for connecting Union Digital Centres.



## UCB's Tk 50cr open-ended mutual fund gets go-ahead

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has approved an open-ended mutual fund named UCB Income Plus Fund worth Tk 50 crore.

Of the fund, UCB Asset Management has provided Tk 5 crore and the rest of the fund is open for sell for the general investors.

Price of each fund unit is Tk 10.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are then paid their share as dividends.

Open-ended mutual funds are not listed with the stock market but one can buy them from a fund manager's office on the basis of its net asset value.

## Huawei, bKash sign MoU on financial inclusion

STAR BUSINESS DESK

Huawei has signed a memorandum of understanding (MoU) with bKash over enabling more people to participate in financial inclusion and benefit from the digital economy in Bangladesh.

Pan Junfeng, president of Huawei South Asia region and CEO of Huawei Bangladesh, and Kamal Quadir, founder and CEO of the mobile financial service provider, signed the deal at Huawei Bangladesh Academy in the capital on Wednesday.

"The joint effort of bKash and Huawei aims at driving financial inclusion and eliminating poverty for Sustainable Development Goals with innovative solutions," said Kamal at the programme titled "Smart Fintech: Inclusive. Innovative. Inspiring Bangladesh".

"Our partnership will drive the growth of the digital economy in Bangladesh, setting a remarkable example to other EM (emerging markets) countries in the region, when it comes to financial inclusion," said Pan in a press release.

Among others, Sarder M Asaduzzaman, assistant resident representative of United Nations Development Programme, and Susan Vize, officer-in-charge of the United Nations Educational, Scientific and Cultural Organization Dhaka office, were present.



Payra port officials say that although capital dredging works are now finished, maintenance work is now ongoing to maintain navigability of the Rabnabad channel.

PHOTO: SOHRAB HOSSAIN

# Govt to revise contract for capital dredging of Rabnabad channel

STAR BUSINESS REPORT

The government has decided to revise its contract with Jan De Nul, which was appointed for capital dredging of Payra Port's Rabnabad channel, as the Belgian company has completed the work ahead of schedule.

A meeting of the cabinet committee on government purchase yesterday approved the revision proposal of Payra Port Authority regarding its project on "Capital and Maintenance Dredging of Payra Port Rabnabad Channel".

However, the contract's value of Tk 5,629.18 crore will remain the same following revision, according to a press release from the finance ministry.

Addressing a virtual press briefing after the meeting, Syed Mahmud Khan, additional secretary of the Cabinet Division, said Jan De Nul was originally supposed to complete the capital dredging works within one year and then maintain the channel for another six months.

Now though, the deadline for completing capital dredging has been

shortened to eight months while the timeframe for maintenance has been extended to 12 months, he added.

Jan De Nul, a maritime infrastructure construction and maintenance company based in Luxembourg, handed over the

**Jan De Nul, a maritime infrastructure construction and maintenance company based in Luxembourg, handed over the channel to the port authority on March 26 after completing capital dredging works**

channel to the port authority on March 26 after completing capital dredging works.

With the completion of capital dredging, Rabnabad channel now has the highest depth while Chattogram port, the biggest seaport in Bangladesh, only just recorded the berthing of a vessel with 10 metres draft in January this year.

Larger mother vessels will now be able to load or unload their goods directly from

the jetty of Payra port instead of through lighter vessels at the outer anchorage.

Ships with a draft of up to 10.5 metres, ranging 225 metres long and 30 metres wide, can now dock at the jetty, said Rear Admiral Mohammad Sohail, chairman of Payra Port Authority.

The project was initiated in January 2021 in a bid to turn Payra port into a major shipping hub for the country by facilitating the access of larger vessels.

Port officials say that although capital dredging works are now finished, maintenance work is now ongoing to maintain navigability of the channel.

Meanwhile, the cabinet committee on economic affairs yesterday approved a proposal of Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) to make a 10-year contract with Intraco Refueling Station Ltd.

Under the deal, BAPEX will supply Intraco with surplus gas produced in Bhola for distribution among industrial units of Gazipur in Dhaka by initially compressing 5 MMcfid of the fuel and later 20 MMcfid in cylinders.

## PM calls for strengthening economic ties with Vietnam

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday emphasised on enhancing economic cooperation between Bangladesh and Vietnam for the mutual benefit of the two countries.

She made the observation while outgoing Ambassador of Vietnam Pham Viet Chien called on her at Gono Bhaban, Ihsanul Karim, the PM's press secretary, told reporters.

During the meeting, they expressed satisfaction over the growing bilateral relations, the press secretary said.

Hasina mentioned that Bangladesh and Vietnam have many common issues like their victorious struggles for liberation of their countries.

The people of the country admired the Vietnamese struggle for independence, the PM said adding that during their Liberation War against the Pakistani military junta, people of Bangladesh used to chant slogans "Bangla will be Vietnam".

Talking about the agricultural sector, she said Bangladesh is a densely populated country and it has a huge population, so researchers have been engaged in boosting agricultural production.

The PM also laid emphasis on improving connectivity with South Asian countries.

She thanked the Vietnamese envoy for completing his tenure successfully and also congratulated him on the success of his country in the socioeconomic arena.

## \$2B BUDGET SUPPORT ADB working on the fund for Bangladesh

STAR BUSINESS REPORT

Asian Development Bank (ADB) is working to provide around \$2 billion in budgetary support to Bangladesh this fiscal year in a co-funding initiative it plans to lead, a move that would to some extent relieve the existing pressure on the foreign exchange reserve.

"We are working on it. I am positive. We have some internal matters among the financiers," said Edimon Ginting, the ADB's country director for Bangladesh, yesterday. He was talking to reporters after a meeting with the planning minister at Sher-e-Bangla Nagar in the city.

The fund would come in two phases: \$1.05 billion in April and about \$1 billion more in June, learned The Daily Star from the finance ministry officials involved with the proceedings.

Of the sum, the Manila-based multilateral lender will provide \$400 million, Japan International Cooperation Agency \$250 million, Asian Infrastructure Investment Bank \$250 million and South Korea \$150 million.

## German inflation expected to ease significantly

REUTERS, Berlin

Inflation is expected to ease significantly in Germany in March on the back of lower energy prices, preliminary data from six economically key states in the country showed on Thursday.

The inflation rate in Brandenburg and Baden-Wuerttemberg fell to 7.8 per cent year-on-year. It slowed to 7.2 per cent in Bavaria, 7.1 per cent in Hesse and 6.9 per cent in North-Rhine Westphalia. In the eastern state of Saxony, inflation declined to 8.3 per cent in March.

In February, inflation rates for the six states had been between 8.3 per cent and 9.2 per cent.

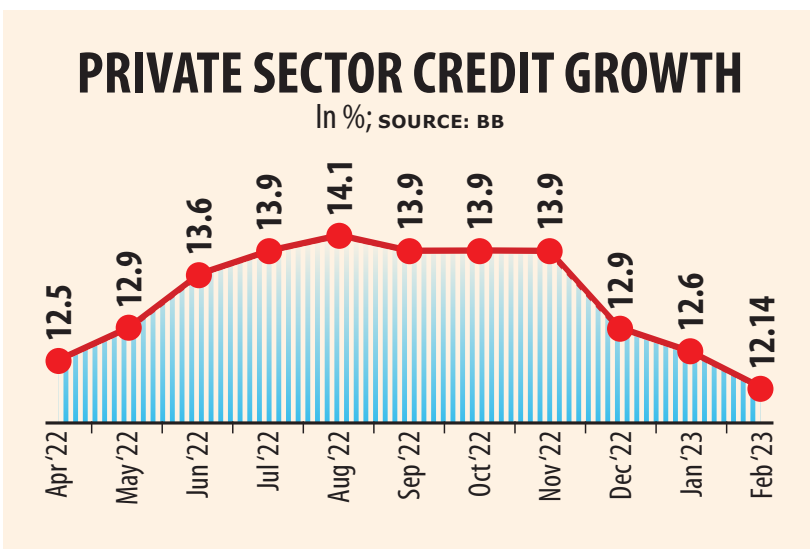
National inflation data will be published at 1200 GMT. Economists polled by Reuters expect the rate of price rises to ease to 7.5 per cent from 9.3 per cent in February in Europe's largest economy. Inflation in Germany and the euro zone is no longer the result of a pure supply-side shock, but a demand-side issue,

ING economists Carsten Brzeski and Franziska Biehl said.

"It is not only higher energy and commodity prices which are being passed through to consumers, it is also widening profit margins in some sectors which are contributing to inflationary pressures," the economists wrote in a note.

Workers are increasing their wage demands and gaining bargaining power in an extremely tight labour market. Wage negotiations for Germany's public sector failed to yield agreement this week although employers offered almost 6 per cent pay growth per year for 2023 and 2024.

"The unions are in a strong position, so we still assume that the eventual deal will be more front-loaded," Citi economist Christian Schulz said. "It will directly raise inflation as local authorities will have to hike rubbish administrative fees and health insurers raise contribution rates to pay for the higher costs."



## Private credit growth slows

FROM PAGE B1

Imports have already declined.

Bangladesh's imports dropped 5.66 per cent year-on-year to \$44.031 billion in the July-January period of the current fiscal year, according to central bank data.

Mohammad Ali, managing director of Pubali Bank Ltd, attributed the slowing growth of private credit to reduced trade financing as imports are falling.

"There is also a slowdown in

demand for loans to import raw materials used in producing goods for the export markets."

He said owners are holding a minimum stock of raw materials to keep their factories operational. "Importers are also doing the same."

"The interest rate has risen on loans and advances. As a result, the cost of borrowing has gone up. This has made a section of borrowers cautious."

## Govt prepares guideline

FROM PAGE B1

The project yielded satisfactory results upon its successful completion, according to a document on the new guidelines.

Commercial cultivation of white-leg shrimp will initially be allowed only in coastal areas as well as farms that have the required infrastructure, including biosecurity and quarantine facilities.

White-leg shrimp cannot be cultivated by traditional means for the sake of ensuring biosafety. This means that unauthorised antibiotics, chemicals or pesticides cannot be used, the ministry said.

Before marketing any vannamei raised at a farm, the producer should inform the concerned officer of the Fisheries Department, who will then check the health of the shrimp some 8 to 10 days before harvesting.

Also, the shrimp heads must be intact while flour, tapioca and other impurities cannot be used for increasing their weight, it added.

And until the construction of a government quarantine station, importers and other concerned organisations will need their own quarantine facilities.

This is because imported brood vannamei shrimp needs to be tested for disease in an approved laboratory

before being farmed.

"The guideline was prepared so that farmers can cultivate vannamei shrimp in the right way without facing any complications," said KH Mahbulul Haque, director general of the Department of Fisheries.

Frozen food exporters who had been pursuing the government to allow the cultivation of non-native shrimp in the face of falling export earnings for over a decade welcomed the new guideline.

Shyamal Das, managing director of MU Sea Food Limited, said India started commercial farming of white-leg shrimp many years ago while Bangladesh has just begun.

"Now, we have to work on moving forward in the international market," he added.

The Department of Fisheries had been unwilling to grant permission for cultivating non-native shrimp in fear of negative impacts on biodiversity and the environment.

Introduced in the US in the 1970s, commercial cultivation of white-leg shrimp started to expand in the 1980s, reaching many Asian countries such as China, Thailand, Indonesia and India.

As such, production of the shrimp soared, making huge strides in the global market.



## China committed to economic opening up: premier

REUTERS, China

China is committed to opening up the world's second-largest economy and delivering reforms that can help stimulate growth, Premier Li Qiang said on Thursday, adding that geopolitical tension would only hold back development worldwide.

Li's comments at an international business summit in the island province of Hainan, are his latest calls for Beijing to bolster its economic recovery in the face of strained relations with the United States and its allies over everything

from Russia's war in Ukraine to technology exports and Taiwan.

His comments were delivered on a panel alongside the prime ministers of Malaysia, Singapore and Spain - which all have close trade and diplomatic ties with Beijing.

"No matter what changes take place in the world, we will always adhere to reform and opening up," Li, who took office this month, told the panel at the annual Boao Forum.

"We will introduce a series of new measures in expanding market access and optimising the business environment ... Peace is a prerequisite

for development," he said.

Covid curbs battered China's economy for three years before being dropped in December, and Li said there were signs a recovery was starting to take hold.

China has set itself a modest target for gross domestic product growth of about 5 per cent this year, after significantly missing its target for 2022. That is lower than what the International Monetary Fund and some private forecasters think it can achieve.

"Judging from the situation in March, it's better than in January and February. In particular, major economic

indicators such as consumption and investment continue to improve, while employment and prices are generally stable," Li said.

In veiled comments aimed at the United States, which is working with its allies to stymie China's access to advanced technologies such as microchips, Li said Beijing opposed trade protectionism and decoupling.

Relations between the two superpowers have been tense for years and worsened last month after the United States shot down a high-altitude balloon off the US East Coast that it says was a Chinese spying craft.





Bangladesh says the European Union should extend trade facilities well past its United Nations status graduation to a developing country as the country's trade was badly impacted from the severe impacts of the Covid-19 pandemic and Russia-Ukraine war. Moreover, the garment sector has been playing a major role in empowering women by creating jobs for thousands of female workers while Bangladesh has sheltered a massive number of displaced Rohingyas.

PHOTO: STAR

## Garment export to EU soars 36%

STAR BUSINESS REPORT

Bangladesh's apparel export to the European Union increased 35.69 per cent year-on-year in 2022, according to data from the Eurostat.

The bloc's imports from the world grew by 20.97 per cent.

The EU imported \$22.89 billion worth of clothing items from Bangladesh last year, data from the statistical office of the EU showed.

Thanks to a 22.20 per cent share in the EU's total garment import, Bangladesh remains the second largest apparel sourcing destination for the bloc.

The EU's import from the top sourcing nation, China, was up 17.01 per cent to \$30.14 billion in 2022, while the import from Turkey, the third-largest apparel supplier, increased by 10.09 per cent to \$11.98 billion.

It rose 21.02 per cent and 35 per cent from India and Vietnam, respectively.

REFAYET ULLAH MIRDHA

Bangladesh has again demanded that the European Union (EU) extend its trade facilities meant for least developed countries (LDC) for six more years instead of three years to ensure the country's smooth graduation to a developing nation.

A delegation of Bangladesh placed the demand at different meetings with high-ups of the EU at its headquarters in Brussels in Belgium over the last two days.

Bangladesh is scheduled to make the United Nations status graduation from November 24, 2026.

The EU will continue to provide Bangladesh the LDC trade benefits up to 2029, with the three extra years being a grace period the world's largest trade bloc allows for graduating countries.

Bangladesh wants the extension to last up to 2032 to take more preparations for the graduation.

Moreover, Bangladesh has also demanded that the EU withdraw a rule in a new Generalised Scheme of Preferences (GSP).

The rule stipulates that if the value of a product imported from a country eligible for duty-free benefits under the Everything But Arms initiative crosses 6 per cent of the bloc's total imports, then the zero-duty facility will not be applicable even if GSP status is granted.

Bangladesh has crossed the 6 per cent

POST-LDC TRADE WITH EU

# Bangladesh reiterates demand for extension of benefits

threshold a lot earlier.

"We have already demanded to some EU parliamentary members, those who are involved in the trade affairs, for the removal," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), over the phone.

He is one of the members of the delegation, which is led by Mohammad Tofazzel Hossain Miah, principal secretary to the prime minister, and which includes Tapan Kanti Ghosh, senior secretary to the commerce ministry.

Despite repeated efforts, Ghosh could not be reached over phone. He also did not reply to a query sent over WhatsApp.

During the meetings, Bangladesh demanded the trade facility extension citing that its trade was badly impacted from the severe impacts of the Covid-19 pandemic and Russia-Ukraine war, Hassan said.

Moreover, the garment sector played a major role in empowering women by creating jobs for thousands of female workers while Bangladesh has sheltered a massive number of displaced Rohingyas, he said.

Some members of the private sector also participated in the meetings, including Nihad Kabir, former president of the Metropolitan Chamber of Commerce and Industry and chairperson of the trustee board of Business Initiative Leading Development, said Hassan.

Farooq Ahmed, secretary general and CEO

of Bangladesh Employers' Federation, also participated in the meetings, Hassan added.

Hassan said earlier the EU had removed another threshold of 7.4 per cent for which Bangladesh gained eligibility for GSP Plus of the EU after the LDC graduation.

The old import share criterion stipulated that a country's share in EU GSP-covered imports in 2019 could not be more than 7.4 per cent.

As Bangladesh is a large clothing exporter and as almost all of it is exported duty-free, Bangladesh's share in EU-GSP covered imports was much higher than the 7.4 per cent.

The EU is going to introduce its new GSP rules for eligible countries from January 2024 to be continued up to 2034.

The delegation is also scheduled to hold meetings with the director general for trade of the EU to place the demand.

Bangladesh along with other LDCs have been lobbying with different developing and developed countries over the last few years to extend the LDC trade benefits.

Of the total exports from the country, over 73 per cent is LDC induced as Bangladesh enjoys preferential trade benefit as an LDC in 38 countries now.

However, once the country graduates to become a developing country, it will lose its preferential trade benefits.

The BGMEA in a press release also informed of the demands being placed with the EU.

## Great resignation to unprecedented tech layoffs

MAHTAB UDDIN AHMED

A college friend who was once an outstanding student failed to do well in his IT career. His family of two university students barely managed with his single income until the pandemic. But since then, the price of his basket of goods has increased significantly. As a result, the family is finding it very hard to make ends meet with his monthly income of Tk 60,000.

To make matters worse, he recently got fired by his struggling IT company, which is heavily dependent on the export market. Completely devastated, he turned to his friends for support of any kind.

He is just one of the many I know who fell into troubled waters recently with no salary to pay for house and car mortgages.

While technology companies announced massive layoffs last year, 2023 is looking even worse. Tech giants, including Amazon, Facebook, Microsoft, Google, IBM, SAP, and Salesforce and many smaller tech companies announced sweeping job cuts.

In the US alone, approximately 150,000 jobs were lost in 2022, which is shockingly similar to the first three months of the current year. In India, 166 IT companies fired more than 65,000 workers in 2022, and the trend is continuing in 2023.

The primary reason behind this job crisis in the tech sector was the hiring spree of big tech companies during the pandemic when lockdowns sparked a tech buying binge to support remote work coupled with abnormal uptake in e-commerce. Persisting supply chain issues, inflation and the war in Ukraine also impacted business and consumer spending, leading to fears of a global recession.

The recent impact of artificial intelligence on people's productivity is also to be considered. With the dismal global economic scenario and if we consider Bangladesh's high inflation, the forex reserve crisis and the poor banking system, we can foresee a perfect storm brewing!

Why is there a sudden shift from an employee driven market (Great Resignation) to the unprecedented scale of tech layoffs?

Amid a strong labour market, companies were competing for talent worldwide. At the same time, trends like quiet-quitting and the Great Resignation made way for employees to make more demands. At the same time, reports of rampant hiring freezes and layoffs left many workers nervous.

People who left their jobs are now worried about keeping their new positions. Other workers are wondering if 2023 is the right time to switch careers.

There is debate among billionaire CEOs regarding the reasons for the layoff. Investor Keith Rabois recently said firms had over-hired IT engineers who do "fake work."

Investor David Sacks, a friend of Elon Musk, commented: "Does anyone still work?" Musk replied with a cry-laugh emoji. Most CEOs in this category admit that they made a mistake by excessively recruiting during the pandemic.

Since Bangladesh is in short supply of tech workers, the impact on tech companies may not be that harsh in the short term. But the crash will be more significant in industries dependent on the export market, like IT and garments.

Bangladesh's job market has fortunately not seen many challenges since our liberation. The nation has only seen progress. Our workers and employers are yet to learn how to deal with the Great Migration or the high lay-off scenario. Under the circumstance, options like salary cuts, lower working days, and new skill development may be considered in balancing the interest of both parties.

One last piece of advice: be less adventurous as an employee with job changes, as it is always better to take shelter under a big tree during a storm.

The author is founder and managing director of BuildCon Consultancies Ltd



## Mutual funds allowed to invest more in stocks

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has given go-ahead to mutual funds to invest up to 80 per cent of their funds in the stock market.

The stock market watchdog took the decision today to raise the investment limit for mutual funds from the existing 60 per cent in a bid to increase institutional investors' participation in the market, said a top official of the BSEC.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are then paid their share as dividends.

Some companies invest in non-listed securities and in most of the cases these investment decisions ultimately give low yield, the BSEC official said.

So, for the betterment of the investors' interest, the BSEC took the decision to allow them to invest more in the stock market, he added.

However, a top official of an asset management company, preferring anonymity, said the BSEC's decision would leave little impact on the stock market because the asset manager invests only in stocks, which they think have potential to grow. Until they see the potential, their investment would not come, he said.

Normally, when the stock market becomes bearish, the fund managers go to the non-listed securities to safeguard peoples' funds and ensure their return.

If any asset manager invests up to 80 per cent of their fund in the stock market, it will make them riskier considering the risk of the stock market, he added.



Farmers pick out chilli that has dried properly in Char Deluabari, a remote char in the middle of the Jamuna river, under Gaibandha's Phulchari upazila. Chilli is one of the cash crops in the area, providing a profit of Tk 50,000 to Tk 70,000 on every Tk 20,000 invested on one bigha of land, according to the farmers. Around 492,681 tonnes were produced across the country in fiscal year 2020-21, as per the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: MOSTAFA SHABUI

## Two firms to provide internet in 2,600 unions

STAR BUSINESS REPORT

The government has awarded Summit Communications and Fiber@Home the task of providing high-speed internet connections in 2,600 unions across Bangladesh.

The Executive Committee of the National Economic Council (ECNEC) yesterday approved a draft public-private partnership agreement with the internet infrastructure providers for revenue sharing.

The deal also includes the maintenance, upgradation, replacement, operation and connection of broadband internet infrastructure, namely optical fibre cable installed under the government project titled "Development of National ICT Infrastructure for Bangladesh Government Phase-III (Info Sarker Phase-3)".

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