

# Star BUSINESS



## Onion prices decline as imports begin

SUKANTA HALDER and AHMED HUMAYUN KABIR TOPU

Onion prices witnessed a sharp fall in different parts of Bangladesh yesterday, a day after the government gave the go-ahead to import the vegetable from India.

According to the state-run Trading Corporation of Bangladesh, the local variety of onion was sold at Tk 80 to Tk 90 per kilogramme (kg) on Monday, which was a Tk 10 decline from Sunday's retail prices.

Prices of the local variety of onion increased by 81 per cent in the last month, prompting the agriculture ministry to import the cooking ingredient to stabilise the volatile market.

The fall of onion prices by Tk 10 per kg a day after the import permission only suggests that a

READ MORE ON B2



## Steel prices unlikely to cool down

Says Shahriar Jahan Rahat, deputy managing director of KSRM, in an interview

JAGARAN CHAKMA

The price of steel products is unlikely to decline in the coming days from its current record level as the budget for the upcoming fiscal year has not offered any benefit to the sector, said a top executive.

"I don't see any possibility of steel prices going down as the cost of production has shot up," said Shahriar Jahan Rahat, deputy managing director of KSRM, a Chattogram-based steel miller.

"The cost of import has gone up as the US dollar has strengthened by about 30 per cent against the taka, while the energy and power shortage has driven up the production cost as well."

Rahat made the comments during an interview with The Daily Star as he shared his thoughts about the proposed budget for 2023-24.

According to him, energy bills account for around 15 per cent of the steel production cost.

The global energy crisis driven by the Russia-Ukraine war has caused a similar energy crunch in Bangladesh as the country has been compelled to stop the purchase of liquefied natural gas from the international spot markets amid the fast decline of the foreign currency reserves.

"We are facing a dollar crisis and it is hampering our business," Rahat said.

READ MORE ON B2



Shahriar Jahan Rahat

REFAYET ULLAH MIRDDHA

Over the last couple of weeks, power cuts have become a pretty regular event.

And as the scenario has deteriorated, some factory owners and millers either stopped production or introduced new duty rosters for workers in tune with the availability of power and adequate pressure of gas in supply lines.

There are even some who are running the units using expensive diesel just to keep their commitment to buyers on supplying goods on time.

This is how many are managing their days amidst deepening power and energy shortages, with production falling by as much as 50 per cent, according to several businesses.

All in all, the factory owners and millers are not focusing on profits.

"Some millers shut operations for a few days because of the low pressure of gas in supply lines and power cuts," said Mohammad Ali Khokon, president of the Bangladesh Textile Mills

Association (BTMA).

Association (BTMA).

Running spinning mills, weaving mills and dyeing units needs a lot of gas pressure and electricity, he explained.

"It has been many months that textile millers are running their units at 50 per cent capacity because of the low gas pressure."

But the severity of the crisis intensified recently with the

Small and medium enterprises, particularly those using power looms in districts such as Sirajganj, Narsingdi, Narayanganj, and Pabna, suffered the most.

"Unfortunately, when there is a power cut, workers of small factories go home instead of waiting for the electricity to come back," said Khorshed Alam, chairman of Little Group, which supplies yarn to the domestic market.

Small and medium enterprises have been facing an acute gas and power crisis since May 2.

Since the production in the factories and mills fell sharply, unsold yarn is piling up, Alam said, adding that in some cases, small factories are running at 30 per cent capacity because of the

power cuts. Noman Group, a garment exporter, has minimised costs and profits as the company is committed to its buyers, said its chief executive officer Shahidullah Chowdhury.

"A new duty roster for workers has been introduced for the continuation of production."

READ MORE ON B3

## 3 submarine cable firms to team up owing to US dollar crunch

MAHMUDUL HASAN

Three private submarine cables have backtracked from their initial decisions to supply bandwidth separately through undersea cables and have now agreed to collaborate on one connection amid the US dollar shortage.

Top officials of the three licensees -- Summit Communications, CdNet Communications and Metacore Subcom Ltd -- said their collaboration would help the country save foreign currencies and cut their investment costs.

In September last year, the three obtained licences to establish, maintain and operate submarine cables in a development that broke the state monopoly in the wholesale bandwidth business.

Currently, Bangladesh Submarine Cable Company Limited (BSCCL) is the only company that connects Bangladesh with the global bandwidth network through undersea cables.

As per their previous plans, the three firms were supposed to invest around Tk 2,000 crore collectively to connect the country with three more submarine communication cables.

However, an official of one of the firms said that as US dollars have become dearer, their investment would surge to about Tk 3,000 crore if they go for establishing the connectivity separately.

"So, we have agreed in principle to join a consortium," Md Arif Al Islam, managing director of Summit Communications, told The

### KEY POINTS

- 3 private firms received submarine cable licences in Sept 2022
- Now they are teaming up to bring bandwidth through one cable
- Currently, state-run BSCCL brings in bandwidth thru undersea cable
- Bandwidth consumption stands at 4,800 Gbps
- BSCCL supplies 2,300 Gbps
- Rest of the demand met by 7 international terrestrial cable companies

Daily Star.

The ongoing US dollar crunch is the main reason for the companies to opt for forming an alliance as it would lessen the burden of having to pay a substantial amount of foreign currencies as a down payment for connections.

"We are in the process of evaluating the global consortium. We haven't decided yet," Islam said.

Submarine cable systems generally use optical fibre cables laid undersea to carry international data traffic, creating telecommunication links between countries across the globe. As such, cable systems cost several hundred millions of dollars to establish. In most cases, the construction is

funded by consortiums of telecom operators, private cable operators and private-public partnerships.

All three local companies said they are in discussion with the initiatives of three foreign firms, namely Reliance Jio Infocomm of India, NTT Ltd of Japan, and Campana of Singapore. Mashiur Rahman, CEO of CdNet Communications, said discussions with Campana have advanced to the final stage.

According to a study by Cushman & Wakefield, Singapore ranks among the most desirable data centre location, tying with Silicon Valley for second place globally, and ranking first in Asia.

READ MORE ON B3

## POWER AND GAS CRISIS

# How industries are coping



FOR INQUIRIES CALL US AT 16704

Small and medium enterprises have been facing an acute gas and power crisis since May 2.

Since the production in the factories and mills fell sharply, unsold yarn is piling up, Alam said, adding that in some cases, small factories are running at 30 per cent capacity because of the

power cuts.

Noman Group, a garment exporter, has minimised costs and profits as the company is committed to its buyers, said its chief executive officer Shahidullah Chowdhury.

"A new duty roster for workers has been introduced for the continuation of production."

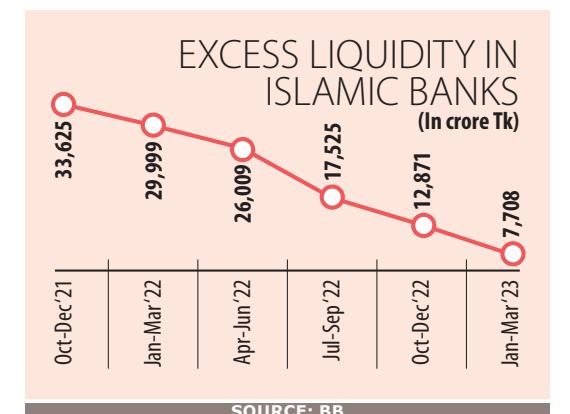
READ MORE ON B3

## Islamic banks' loan surges 9 times their deposits in a year

AKM ZAMIR UDDIN

Investments made by full-fledged Islamic banks in Bangladesh surged nearly nine times their deposits in a span of a year, raising questions as private sector credit growth has slowed in the entire banking sector, official figures showed.

The banks registered an increase in investments, or loans, by Tk 46,011 crore in January-March of 2023 compared to the identical quarter of 2022. Deposits rose by Tk 5,169 crore during the same period, data from the Bangladesh Bank showed.



On top of that, the full-fledged Islamic banks, now numbered 10, were the biggest sufferers of fund withdrawals after the banking sector was hit with fresh loan irregularities: they lost deposits amounting to Tk 427 crore in the first quarter of this year in comparison to the last quarter of 2022.

They collectively held deposits to the tune of Tk 379,524 crore in March, down 0.11 per cent from Tk 379,951 crore in December. It was up 1.38 per cent from March last year, however.

Investments at the banks stood at Tk 412,397 crore as of March, an increase of 1.18 per cent from three months ago and 13.44 per cent a year earlier.

"The abnormal investment growth against a feeble deposit growth is a matter of concern," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"The indicators highlight the weak financial health of the banks. The central bank should investigate why the banks have given out an excessive volume of loans. The asset quality of the banks should also be verified."

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI ▼
0.15%	0.06%
6,356.29	18,776.99

COMMODITIES	
Gold ▼	Oil ▲
\$1,943.92	\$73.11
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.38%	▲ 2.20%	▲ 0.72%	▲ 0.07%
62,787.47	32,217.43	3,189.01	3,232.44

## BAJUS demands amendment to baggage rule

STAR BUSINESS REPORT

The Bangladesh Jeweller's Association (BAJUS) has proposed reducing the maximum weight of gold jewellery a person can bring from abroad under the baggage rule to 50 grams.

At present, airline passengers can carry up to 100 grams of gold jewellery into the country without paying duty upon entry.

However, they are not allowed to bring more than 12 pieces of any single type of ornament.

If implemented, the move would protect the interests of local gold traders, according to Anwar Hossain, chairman of the BAJUS standing committee on tariff and taxation.

Hossain was speaking at a post-budget

READ MORE ON B3

**Ready plot at Bashundhara**

One bigga few ready plots are available for sale at Bashundhara VIP Zone.

Only genuine buyers contact to the following numbers:

For Details: 01730018547, 01730018458, 01799998182, 01799998188