

Grameenphone to halve carbon emission by 2030

STAR BUSINESS REPORT

Leading telecom operator Grameenphone has pledged to reduce its carbon emissions by 2030.

The organisation has set a target to reduce 50 per cent carbon emissions by 2030, taking 2019 emissions as the baseline, the mobile phone operator said in a statement.

GP said it converted around 1,200 towers into solar energy powered sites in remote places.

"Deploying solar powered towers is a stepping stone towards co-creating a greener future. It will significantly reduce carbon dioxide emissions from our operations and help overcome the electricity supply problem," said Yasir Azman, chief executive officer of Grameenphone, in an event titled "Green Energy Ecosystem in Bangladesh" at GP House in Dhaka yesterday.

ECB sees no peak in core inflation despite moderation: Lagarde

REUTERS, Frankfurt

European Central Bank President Christine Lagarde on Monday acknowledged "signs of moderation" in core inflation in the euro zone but reaffirmed it was too early to call a peak in that key gauge of price growth.

Lagarde's comments were likely to cement market expectations for more interest rate increases from the ECB this month and the next despite a sharp fall in inflation last month.

"The latest available data suggest that indicators of underlying inflationary pressures remain high and, although some are showing signs of moderation, there is no clear evidence that underlying inflation has peaked," Lagarde told European lawmakers.

Inflation in the 20 nations sharing the euro eased to 6.1 per cent in May from 7.0 per cent in April and core prices, which exclude volatile food and fuel and are closely watched by the ECB, rose by just 5.3 per cent from 5.6 per cent.

This has fuelled a debate about the need for further ECB hikes beyond a well-flagged increase at its next meeting on June 15, which will likely take the total to an unprecedented 4 percentage points in less than 12 months.



Winners of National Productivity and Quality Excellence Award 2021 large and medium industries categories

LARGE INDUSTRY	
Sub-category	Company
Steel and Engineering	HMCL Niloy Bangladesh Ltd
Pharmaceuticals	Square Pharmaceuticals
Ceramics	Sheltech Ceramics
Textile and Spinning	Coats Bangladesh Ltd
RMG	Pacific Jeans Ltd
Food	SQUARE Food & Beverage Ltd
Agro-processing product	Abdul Monem Sugar Refinery Ltd
Services	ITS Labtest Bangladesh Ltd
Plastic	National Polymer Industries Ltd
MEDIUM INDUSTRY	
Food	Ispahani Foods Ltd

SOURCE: INDUSTRIES MINISTRY PHOTO: SHELTECH CERAMICS

39 firms to get productivity, quality award

STAR BUSINESS REPORT

Thirty nine firms are going to get the "National Productivity and Quality Excellence Award 2021" in recognition of their continuous improvement in productivity and quality.

The industries ministry, which is conferring the awards, published a gazette notification with the names of the recipients on Monday.

Besides, a trade body and an association have been selected for an "Institutional Appreciation Award 2021" in recognition of their contribution to the industrial sector and encouraging creativity.

The "National Productivity and Quality Excellence Award" is being provided under six categories.

Under a "Large Industry" category, 23 firms have won the award while six firms won under a "Medium Industry" category.

Four firms have won the award under a "Small Industry" category while one firm under "Micro Industry" and two firms under a "Cottage Industry" category.

Three firms won the award under a "State-owned Industry" category.

HMCL Niloy Bangladesh Limited, a

concern of Nitol Niloy Group, won the award under a steel and engineering subcategory of the "Large Industry" category.

Abdul Matlub Ahmad, chairman of Nitol Niloy Group, said they ensure quality

"Our technicians and engineer's cross check every step from painting to assembling all components before make the delivery to the market so that no complaint arises after sales."

at every step during assembling Hero motorcycles at their factory to satisfy the customers.

"Our technicians and engineer's cross check every step from painting to assembling all components before make the delivery to the market so that no complaint arises after sales," he said.

He said they provide training to the staff so that they can continuously improve

and develop their skills.

Ahmad said around 400 technicians and staff work in this factory located in Jessore, a district west of the country.

According to him, this factory has a capacity to assemble 2 lakh motorcycles per year but they assemble only 80,000 to 100,000 units per year.

Moreover, they serve safe food to their staff and do not allow food from outside to avoid any kind of food poisoning.

"Considering these factors, the government chose to award our factory which is encouraging for other factories related to the engineering sector," he noted.

Sheltech Ceramics Ltd won the top award under a ceramics subcategory of the "Large Industry" category.

"It is a big achievement for us. We hope to be able to retain it," said Tanvir Ahmed, chairman of Sheltech Ceramics Ltd.

The concern of Sheltech Group started operations in 2018 and has become one of the biggest ceramic makers in Bangladesh, said Ahmed.

They had earlier received the award for their textiles, garments, electricity pole manufacturing and hotel business, he added.

India home prices set to stay above inflation

REUTERS, Bengaluru

Home prices in India are set to hold above consumer inflation, even though interest rates are expected to stay higher for longer than previously thought, a Reuters poll of property analysts found.

A surge in savings and minimal income disruption to cash-rich home buyers during the pandemic led to a rise in demand that has made the market more resilient to interest rates than initially expected.

The May 16-June 1 poll of 12 property analysts predicted national home prices would reach a median 6.0 per cent this year, a modest upgrade from the 5.5 per cent expected in a March survey.

Forecasts ranged widely, from 1.8 per cent to 20.0 per cent.

Average home prices were expected to rise by 5.5 per cent next year and in 2025, outpacing consumer price inflation forecasts of 5.1 per cent and 4.8 per cent for fiscal years 2023/24 and 2024/25, respectively, in a separate Reuters poll.

"The interest rate cycle is near its end," Arvind Nandan, managing director of research at Savills India, said. "We think prices will continue to remain stable or rise steadily - though not steeply."

The Reserve Bank of India raised the repo rate by 250 basis points in this tightening cycle, modest compared with other major central banks. Rates are set to stay at 6.50 per cent for the rest of 2023 and start falling early next year.

"Demand and supply of affordable housing are reducing, while the luxury and high-end segments are witnessing increased traction. As a result, future developments are likely to increase in these segments which will quickly drive overall home prices northwards," said Anuj Puri, chairman of ANAROCK.

How industries are coping

FROM PAGE B1

For instance, when the gas pressure improves, the company's Tongi and Rajendrapur units work on spinning and dyeing and the rest of the time, they do other work.

The group's gas bills increased to Tk 70 crore per month from Tk 35 crore since February this year although the pressure of gas is still low, said Chowdhury. The company can run at 50 per cent capacity now.

"If the situation does not improve soon, local factories will face problems in making exports and paying workers," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

In the end, factory owners will

fail to repay loans as they will not be able to make a profit, he said.

"The situation is very bad. A dearth of energy is a big concern now," said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry.

"Running a business with diesel-run generators is very expensive. So, output has fallen and the cost of production has increased."

Also, a demand of businesses for lowering the duty on the import of solar panels has not been met in the proposed budget, he said.

Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry, echoed Jashim.

He suggested entrepreneurs use energy-efficient equipment to run factories.

BAJUS demands amendment to baggage rule

FROM PAGE B1

discussion on the proposed national budget for fiscal year 2023-24 at the BAJUS office in Dhaka yesterday.

By amending the baggage rule, it would be possible to control gold smuggling to a large extent, he said.

This is because many people bring gold bars from abroad by taking advantage of the rule. As a result, local businesses are being affected.

Hossain then said they are disappointed by the fact that just one of their 12 proposals were included in the budget.

In the budget for the next financial year, it has been proposed that the duty to be paid for importing 11.664 gram gold bars or pieces through airline passengers will be raised to Tk 4,000 from Tk 2,000.

BAJUS also demanded the value-added tax on sales of gold ornaments be reduced from 5 per cent to 3 per cent as it would discourage people from avoiding the charge.

As a result, the government's revenue shortfall would be met to some extent, Hossain said.

In addition, BAJUS proposed reducing the customs duty on gold ore from 5 per cent to 10 per cent.

The annual demand for gold ranges between 20 tonnes and 40 tonnes in Bangladesh, as per the country's gold policy.

According to commerce ministry documents, almost 80 per cent of this demand is met through smuggling and the rest by recycled gold.

BAJUS says gold worth Tk 73,000 crore is smuggled in every year.

3 submarine cable firms

FROM PAGE B1

Aminul Hakim, a director of Metacore Subcom, said it is almost confirmed that they are joining an initiative and plan to enter an agreement in this regard by June.

"If the three firms want to connect with Singapore, the route will be the same. So, it will be a waste of money if you deploy three cables."

"Besides, those payments have to be made in US dollars and it is almost impossible to do so under the current circumstance."

Owing to the Russia-Ukraine war, Bangladesh has been going through a foreign exchange crisis for the past one year as higher import bills have lowered the country's international currency reserves by about 30 per cent during the period, making it difficult for companies to open letters of credit for non-essential and luxury items.

The dollar has strengthened by about 29 per cent against the taka in

the past one year.

Each of the three companies will be able to bring about 18,000 Gbps bandwidth through the cable, enough to meet the rising demand for bandwidth in the country.

In addition, the cost of the joint initiative would be reduced to Tk 1,500 crore, Hakim added.

In Bangladesh, bandwidth consumption witnessed a remarkable rise during the coronavirus pandemic as people turned to internet to work, study and find entertainment at home.

Bandwidth usage surged to over 4,800 Gbps in May from 1,000 Gbps before the health crisis erupted, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

BSCCL supplies 2,300 Gbps while the rest comes from India through seven international terrestrial cable service providers.

Bangladesh is a member of the South East Asia-Middle East-Western Europe 4 (SEA-ME-WE 4) consortium, the first undersea cable with which Bangladesh was connected in 2006. It supplies about 800 Gbps bandwidth.

The state-run entity supplies 1,500 Gbps through the SEA-ME-WE 5, for which the connection was established in 2017.

The company is set to receive 13,200 Gbps from the third undersea cable, SEA-ME-WE 6, by 2025.

Also, BSCCL is going to spend \$3.2 million to raise the capacity of its first undersea cable by more than four times to 4,600 Gbps.

According to the BTRC's guideline, submarine cable firms must roll out cables within 48 months of obtaining licences.

CdNet Communications CEO Rahman said the firms would connect the country with a private submarine cable before the rollout deadline.

Signs of de-dollarisation emerge: JPMorgan

REUTERS, London

There are some signs of de-dollarisation emerging right now, but the dollar should retain its "large footprint" for the foreseeable future, JPMorgan currency strategists said in a note on Monday.

"Putting together various measures, overall USD usage remains within its historical range with the dollar at top of the pack, but usage is bifurcated under the hood," strategists Meera Chandan and Octavia Popescu at the Wall Street bank wrote.

The dollar's share of traded currency volumes is just shy of record highs, at 88 per cent, while the euro's share has shrunk by 8 percentage points in the last decade to a record low of 31 per cent. The share of the Chinese yuan, meanwhile, has risen to a record high of 7 per cent.

"De-dollarisation is evident in FX reserves where (the dollar's) share has declined to a record as share in exports declined, but is still emerging in commodities," the strategists said.

German exports rebound in April

AFP, Frankfurt

German exports bounced back in April after falling a month earlier, official data showed Monday, but analysts said it was too soon to see a recovery in Europe's recession-hit largest economy.

Germany exported goods worth 130.4 billion euros (\$139 billion) in April, data published by federal statistics agency Destatis said, a 1.2 per cent increase on the previous month.

In March, demand for "made in Germany" goods plunged by six percent.

The bounce-back was driven by a 4.7 per cent jump in exports to the United States, which was once again Germany's biggest export destination.

Exports to key market China saw a 10.1 per cent increase, while those to European Union countries rose by more than four per cent.

Imports fell 1.7 per cent in April to 112 billion euros, leading a trade surplus of 18.4 billion euros for the month.

The rise in exports after March's sharp decline brought some relief, analysts said, after Europe's export powerhouse slid into a recession at the turn of the year as inflation and higher interest rates curbed demand.

But the April rebound in exports is "too little to make us happy", said ING bank economist Carsten Brzeski. "Trade is no longer the strong resilient growth driver of the German economy it used to be," he said.

An expected slowdown in the US economy, ongoing supply chain frictions and China increasingly being able to produce its own goods would all "leave clear marks on German exports", Brzeski warned.

The German economy shrank by 0.3 per cent in the first three months of 2023 following a 0.5 per cent contraction in the final quarter of last year, according to figures released by Destatis at the end of last month.

The German government expects the economy to grow by 0.4 per cent over the whole of 2023.

Islamic banks' loan surges

FROM PAGE B1

Some Shariah-based banks have also faced a wide range of scams in recent times, denting the confidence of depositors.

Under such a situation, some banks, including Islami Bank Bangladesh Ltd (IBBL), the largest private bank in terms of deposits and investments, suffered from liquidity dearth resulting from fund withdrawals.

The liquidity crunch prompted the central bank in December to pump funds into a number of Islamic banks, including IBBL, to enable them to meet emergency financing needs and comply with regulatory requirements.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, says that the economy has been sluggish in recent periods owing to the uncertainty at home and abroad. Still, Islamic banks have posted remarkable investment

growth.

"The economy is facing an energy crisis, which hurt the production of industries. But the banks have disbursed a large amount of funds. This is interesting."

Private sector credit growth in Bangladesh dropped to a 14-month low of 11.23 per cent in April owing to weak credit demand amid the current business slowdown.

Private sector credit growth in Bangladesh dropped to a 14-month low of 11.23 per cent in April owing to weak credit demand amid the current business slowdown. Fahmida Khatun, executive

director of the Centre for Policy Dialogue, says that the large volume of investments at a time of crisis is not an indication of prudential banking.

The Shariah-compliant banks, which have recently faced loan irregularities, were considered well-reputed lenders, but their image has been tarnished, she said.

"Some Islamic banks even failed to ensure the required cash reserve ratio."

The overall availability of excess liquidity at the Shariah-based banks and the Islamic banking windows of traditional lenders slipped to Tk 7,708 crore in March this year, from Tk 12,871 crore in December.

Their collective surplus liquidity stood at Tk 29,999 crore in March last year.

Both Hossain and Fahmida also urged the central bank to look into higher lending by the banks.