



## Fueling growth: The evolving landscape of SME financing in Bangladesh

**The overall situation of SME financing in Bangladesh is improving. However, the contribution of SMEs to GDP remains stagnant at 25 percent, while our neighboring countries have much higher contributions.**

SUKANTA HALDER

Financing to small and medium enterprises (SMEs) is increasing, enabling many firms to access the much-needed capital to expand their businesses and accelerate the growth of the country's economy.

Today, the total financing to SMEs stands at around Tk 220,500 crore, which was Tk 85,323 crore a decade ago, thanks to the central bank's role in ensuring finances for cottage, micro, and SMEs. SMEs roughly contribute one-fourth to the economy and provide 90 percent of the jobs in the private sector.

Currently, all banks and non-bank financial institutions provide loans to SMEs, and several banks have dedicated windows for financing small and medium borrowers, which was not a common practice before.

"There was a time when banks and

non-bank financial institutions were unwilling to provide loans to SMEs. The situation has changed significantly now. However, it is still below the expected level," said Suman Chandra Saha, a deputy general manager at the SME Foundation.

In 2013, no one even considered giving collateral-free loans. Now, some banks are offering collateral-free loans to SMEs, he said.

The landscape of SME financing began to change after the Bangladesh Bank (BB), the central bank, intervened and directed lenders to increase their SME financing portfolios by 1 percent every year. Furthermore, there is some relaxation in financing for the SME sector from banks. As a result, there has been positive growth in loan disbursement over the past 10 years, according to a senior official from BB.

The official stated that banks and non-bank financial institutions now show

more interest in lending to CMSMEs to diversify their credit portfolios.

"Because when a big businessman defaults on a loan, the financial institution suddenly faces significant trouble. Therefore, many banks are now focusing on the SME sector to diversify their loans," the official added.

Sanjib Kumar Dey, the head of the SME and Agri-banking division at Mutual Trust Bank (MTB), stated that the MTB management has been highly focused on serving CMSME customers. The number of their distribution channels, such as branches, sub-branches, and agent outlets, has been increased. Most of the new channels have been established in rural areas, which are the powerhouse of CMSME business, he said.

"Furthermore, we have introduced a dedicated staff position called 'SME RM' to exclusively serve CMSMEs from all angles. We have developed an SME Hub that works solely to identify and serve quality CMSME clients in various CMSME-dominant areas of our country," he said.

Dey added that MTB has incorporated supply chain finance and collaborated with various fintech companies to reach marginal clients and unserved CMSMEs.

Dey emphasized that digital financing program could be a game-changer in promoting financial inclusion and significantly scaling up micro-merchants in the CMSME sector.

According to Dey, Mutual Trust Bank disbursed loans amounting to Tk 514.33 crore in 2018, which increased to Tk 2,865.30 crores in 2022.

He further mentioned that the recent policy on interest rates will provide the banking sector with more opportunities to focus on the CMSME sector and achieve better interest rate spreads.

The overall situation of SME financing in Bangladesh is improving. However, the contribution of SMEs to

GDP remains stagnant at 25 percent, while our neighboring countries have much higher contributions (Sri Lanka: 52 percent, Pakistan: 40 percent, India: 30 percent), said Syed Abdul Momen, the head of SME at BRAC Bank Limited.

The government has taken several steps to improve access to finance for SMEs. These include pushing banks to increase their SME Loan Portfolio to a minimum of 25 percent of their entire loan portfolio, providing refinance facilities to banks and financial institutions at concessional rates, and offering policy support to banks to make SME financing more lucrative, he said.

While the situation for financing SMEs in Bangladesh is improving, there are still a number of challenges that need to be addressed, he added.

He further mentioned that banks should introduce collateral-free lending options, ensure easy access to credit, and establish close interactions with SMEs to overcome the barriers they currently face. Momen informed that in 2018, BRAC Bank disbursed loans worth Tk 81,720 crore, which increased to Tk 122,292 crores in 2022.

Md Shaminoor Rahman, the head of MSME at Bank Asia, stated that Bank Asia has been focusing on financing women entrepreneurs and different CMSME clusters. They have been offering a range of loan products to extend credit facilities and meet the requirements of business entrepreneurs in the cottage, micro, and small segments.

Rahman informed that Bank Asia has implemented a "Cluster Financing Policy" and a fully digitized CMSE cluster-based approach for financing cottage, micro, and small enterprises.

Many CMSMEs face challenges with proper documentation during loan applications. Without the required documents, loan proposals cannot undergo due diligence, making it difficult

to approve loans, Rahman explained. He suggests that there could be some relaxation in regulatory prerequisites to support the development of micro and small-level entrepreneurs in Bangladesh.

"Prime Bank focuses on serving small and micro enterprises, with 87 percent of our CMSME portfolio belonging to these segments. We have achieved a strong compound annual growth rate of the CMSME portfolio within a span of the last 6 years," said Ebnul Alam Palash, Head of Small Business in the MSME Banking Division of Prime Bank.

"There are opportunities for us to collaborate closely with relevant bodies to provide seamless financial assistance for the overall sector growth," Palash added.

"Looking at the scenario of loan disbursement in the last ten years, we cannot fully understand the demand for credit in this sector," said Selim Raihan, Professor of Economics at the University of Dhaka.

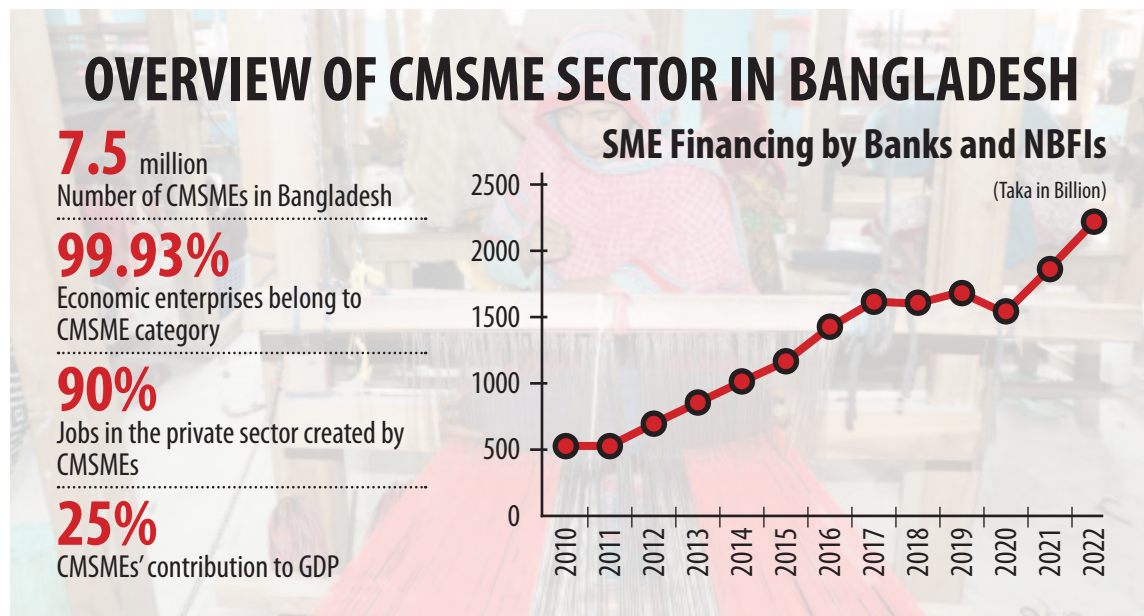
This is because many entrepreneurs did not receive loans during the government's announced stimulus package during Covid-19, as they lack the required documents, he said.

Therefore, access to finance should be made easier to ensure they do not face problems in obtaining loans when needed, added Raihan.

Khondaker Golam Moazzem, Research Director of the Centre for Policy Dialogue, considered the growth of lending to SMEs a positive development.

"However, if we examine the overall loan structure, it is evident that loans in the SME sector are decreasing. Financing for SMEs is not happening as it should, and much more is required," he said, emphasizing the need for further action.

Moazzem added that 40 percent of SME businesses remain outside the reach of the banking sector's financing.



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## আপনার সব শুরুতেই আমরা

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## SMALL LOANS, BIG ACHIEVEMENTS



### Building a New Chapter

Allow me to introduce myself as Sumaiya Khatun, the proud owner of "Fardin Glass and Plastic Store." This business has a rich history, dating back to its establishment by my father-in-law, Musharraf Hossain, in 1980, known then as "Musharraf Bangari." However, unforeseen circumstances arose when my father-in-law passed away in 2000, leaving the responsibility of managing the business to my husband, Md. Ashraful Hossain Biplob.

In 2009-10, my husband fell ill with Hepatitis, hindering his ability to oversee the business. Stepping into the role, I took charge and made strategic decisions to expand our offerings, incorporating glass bottles and plastic items. This move proved fruitful as we witnessed remarkable growth and success.

In 2019, I secured a loan of BDT 7 lac from City Bank. Demonstrating unwavering commitment and diligence, I diligently repaid the loan within the stipulated time, earning the trust and admiration of the bank. Consequently, they granted me a loan facility of BDT 25 lac, playing a pivotal role in further fueling the growth of my business.

Today, Fardin Glass and Plastic Store boasts a dedicated team of 30 individuals who contribute to the seamless functioning of our operations. The profits generated from the business have allowed me to make wise investments in two plots of land in Jessore Municipality, measuring 6.60 decimals and 3 decimals, respectively.

My achievements as a successful female entrepreneur have earned me recognition as a role model within the community. Additionally, I receive full-time supervision and support from City Bank Jessore SME Unit, who acknowledge and appreciate my contributions to the local economy and business landscape.

### Reaching New Heights in Business

I am Md. Rokonzaman, an ambitious entrepreneur who followed my heart's calling by leaving my blue-collar job to pursue the world of business. As the MD & CEO of Rotex BD, a renowned company specializing in high-quality interlining products with an extensive range of 361 offerings, our journey has been marked by tremendous growth and success.

Right from the start, Mutual Trust Bank (MTB) has been our invaluable partner in growth. Their need-based financing solutions have not only increased our business revenue but also improved the financial well-being of our dedicated staff. We have successfully diversified our product lines from 1 to 6, and our workforce has expanded from a modest 20 employees in 2017 to an impressive team of 130 individuals. Our current monthly sales have reached USD 8 lac, an extraordinary eight-fold increase compared to our humble beginnings. Additionally, our factory size has expanded from 12,000 sq ft to a remarkable 88,000 sq ft within a span of just seven years.

At Rotex BD, we prioritize the well-being of our employees. We provide them with daily lunches, offer special bonuses during Eid-ul-Adha, and encourage them to contribute to the environment by planting two trees each month. As part of our commitment to sustainability, and with the support of MTB, we are in the process of relocating our operations from urban centers to rural areas, approximately 100 km away.

I am immensely grateful to MTB for their unwavering support and the financial assistance they have provided, which have played a pivotal role in propelling the growth of my business and granting me peace of mind. With their continued partnership, Rotex BD is set to soar higher and contribute to a sustainable and prosperous future in the interlining industry.



### Empowering Communities

I am Mafuzul Gani, born in the picturesque town of Parbatipur in the Dinajpur District. After my studies, I dedicated myself to the growth of a Textile Company in Savar until 2014.

In underdeveloped Parbatipur, I witnessed the struggle of locals in finding employment as opportunities became scarce. Determined to make a difference, I took it upon myself to create job opportunities for these individuals.

Starting with a poultry business, I soon realized that it wouldn't be profitable. Undeterred, I shifted gears and ventured into mushroom cultivation. However, due to challenges in finding buyers, I had to discontinue this endeavor as well.

In 2018, I established 'Gani Creation' with three sewing machines and four employees. Today, I take great pride in the growth of our factory, which now houses 52 sewing machines and employs a dedicated team of 150 permanent staff members. Overcoming numerous obstacles, we have focused on producing eco-friendly handicrafts using locally sourced materials like jute, sea grass, kaisha, and banana fiber. Gani Creation has become a 100% export-oriented factory, shipping our locally crafted products worldwide.

Prime Bank has played a pivotal role in our journey by providing a credit facility of BDT 2.5 million to Gani Creation. This financial support has allowed us to overcome the challenges posed by the COVID-19 pandemic. The bank has ensured timely disbursement of funds, ensuring the smooth operation of our business. Recently, Gani Creation received approval from the World Bank for the Export Readiness Fund (ERF), further enhancing our prospects.

In recognition of our efforts and achievements, I am honored to have received the prestigious National SME Entrepreneur Award in 2022, organized by the SME Foundation. This acknowledgment serves as a motivation to continue striving for excellence and contributing to the development of our country.

## Prime Bank taking bold steps forward to empower the unsung heroes of our economy

### CMSME sector

The emergence of the CMSME sector in Bangladesh has added a new dimension to Bangladesh's ever-growing economy. The sector in Bangladesh has significantly contributed to the country's economy, with over 8 million CMSMEs growing fivefold since the mid 1980s. These enterprises have consistently contributed over 25% to the GDP and employed around 24 million people, accounting for 30% of the total workforce. Despite facing numerous challenges, especially during and after COVID, CMSMEs have persevered and provided employment opportunities. However, accessing financial support remains a key challenge for the sector. Prime Bank collaborates with regulatory bodies to address these issues and find solutions, aiming to ensure favorable outcomes for CMSMEs in the country.

With its vast heritage of 28 years, Prime Bank has designed various services that cater to the unsung heroes of our economy – CMSME sector of the country. Prime Bank has been working persistently to provide financial solutions by introducing a comprehensive range of products to fulfill transactional, deposit, loan, trade support needs of CMSMEs. Prime Bank was one of the pioneering banks to focus on the CMSME sector of the country. The bank has differentiated itself from peer banks through different transformative initiatives, digital movement, introduction of market driven

product and services etc. Over the years, the bank has consistently maintained a strong growth rate for CMSME portfolio.

Prime Bank has strategically developed a range of market-driven products, a multi-channel acquisition model, and a robust risk management framework to support the CMSME sector. These efforts have positioned the bank favorably, enabling it to capture a larger market share. To enhance convenience, Prime Bank introduced Prime Shahaj, an unsecured loan product offering up to BDT 10 million for CMSMEs. Currently, 33% of the bank's CMSME loan portfolio is under Prime Shahaj.

Prime Bank initiated a distributor financing program with 14 renowned corporates. They introduced "Prime Dealer," a dedicated overdraft facility for MSME distributors. This facility offers collateral-free working capital solutions up to BDT 10 million, allowing distributors to purchase products on demand from designated corporates. Distributors can repay the bank after selling the products, bridging the liquidity gap in their operations. This solution supports business growth by ensuring timely funding in the value chain.

Prime Bank supports CMSMEs through various initiatives. The bank offers "Prime Lenden," an interest-bearing current account with no initial deposit requirement. It developed "Prime Aagami," a monthly savings scheme to promote equity building and resilience. Agent Banking outlets ensure accessibility,

reaching rural and urban areas in Bangladesh. "Prime Pay" is another such service that facilitates cash management digitally. "Pi-MSME" expedites loan processing, while the MSME Loan Tracker enhances efficiency. These efforts aim to empower CMSMEs, fostering their financial growth and success.

For the first time in Bangladesh, Prime Bank has initiated a market-building program called 'Industry, Trade Body & Cluster Alliance' during COVID-19 period. As a part of this initiative, Prime Bank formed alliances with major trade associations in ICT and ITES business i.e. BASIS, BACCO, e-CAB, BCS and ISPAB.

Prime Bank has excelled in conducting banking activities amidst lockdowns and health concerns, prioritizing the safety of employees and customers. The bank has also extended services through alternate channels like Internet Banking, ATMs, 24/7 Contact Center, POS, and cards, allowing customers to access essential banking services from home. As one of the first banks, Prime Bank swiftly sanctioned loans and provided working capital to CMSMEs under the government's stimulus package. The bank also achieved 100% loan disbursement target for two consecutive years, positively impacting businesses and keeping the economy running during the pandemic.

With a vision to realize "Smart Bangladesh" and bringing banking solutions for the unbanked population, Prime Bank has also



focused towards introducing innovative digital products that will enable CMSMEs to initiate applications without difficulty. The bank is in on the verge of introducing "Digital Account Opening Procedure" for CMSMEs and is also initiating Digital Lending Facilities for small ticket sized CMSMEs, without any manual intervention.

Prime Bank has been a renowned

financial institution which has taken bold steps to provide the well-deserved support to the unsung heroes of our economy. Over the years, the bank has consistently contributed to the development of the CMSME ecosystem of the country through its innovative line of products and valiant initiatives to bring stability and sustainability in the sector and our economy.





## Unlocking the Potential of SME Financing in Bangladesh: A Roadmap

Market leaders in SME financing in Bangladesh have shared their valuable insights with The Daily Star, shedding light on strategies to fuel the development of the SME sector in the country.

**Md. Shaminoor Rahman**  
SEVP, SMR  
Bank Asia



- Strengthening the associations of SME clusters will help entrepreneurs obtain loans.
- Provide more refinance/pre-finance facilities to the trading sector.

**Syed Abdul Momen**  
DMD & Head of SME  
BRAC Bank



- Collateral is not a barrier to financing SMEs. Banks need to aim for collateral-free finance for them.
- Simplifying the documentation requirements will ensure a greater flow of funds to SMEs.

**Kamrul Mehedi**  
Head of Small & Microfinance Business  
City Bank



- There should be no requirement for a trade license for loans up to Tk 5 lakhs.
- Utilize relationships for loan collection instead of filing of cases for defaulters up to Tk 3 lakhs.

**Md. Mostaque Ahmed**  
Deputy Managing Director (CEMO)  
Dhaka Bank



- Encourage underprivileged women to participate in the manufacturing sector.
- Include a credit guarantee scheme with startup financing to encourage young entrepreneurs.

**Md. Kamruzzaman Khan**  
EVP & Head of CMSME  
LankaBangla Finance



- Provide training on finance, accounting, debt policy, and tax policy to SMEs.
- Mobile lending can be a good option for expanding financing services to SMEs.

**Sanjib Kumar Dey**  
Head of SME & Agri Banking  
Mutual Trust Bank



- Lenders should establish incubators to provide non-financial services to CMSMEs, enhancing their financial literacy.
- Collaborate with Fintech companies to expand digital financing to micro-merchants, reducing operational costs.

**Muhammad Ebnul Alam Palash**  
SVP and Head of Small Business -  
MSME Banking Division  
Prime Bank



- Utilize diversified acquisition channels and digital platforms like Digital Nano lending and agent banking outlets to enhance services and reduce operational costs.
- Promote financial literacy programs to build an entrepreneurial spirit.

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## Dollar rate hiked for exporters

STAR BUSINESS REPORT

Bankers yesterday hiked dollar purchase rate for the exporters in their bid to come to a unified rate for the greenback by September this year.

From July 2, the exporters will get Tk 107.5 for a US dollar, up from Tk 107, according to a circular by Bangladesh Foreign Exchange Dealers' Association (BAFEDA).

"Our target is to reduce the gap among dollar rates and reach to a single rate by the third quarter of this year. This is the part of that journey," said Selim RF Hussain, chairman of Association of Bankers, Bangladesh (ABB), after a joint meeting between at BAFEDA and ABB.

Other rates for the greenback will remain unchanged.

The remitters will get Tk 108.5 for a US dollar apart from the 2.5 per cent incentive given by the government.

**From July 2, exporters will get Tk 107.5 for a US dollar, up from Tk 107, according to BAFEDA.**

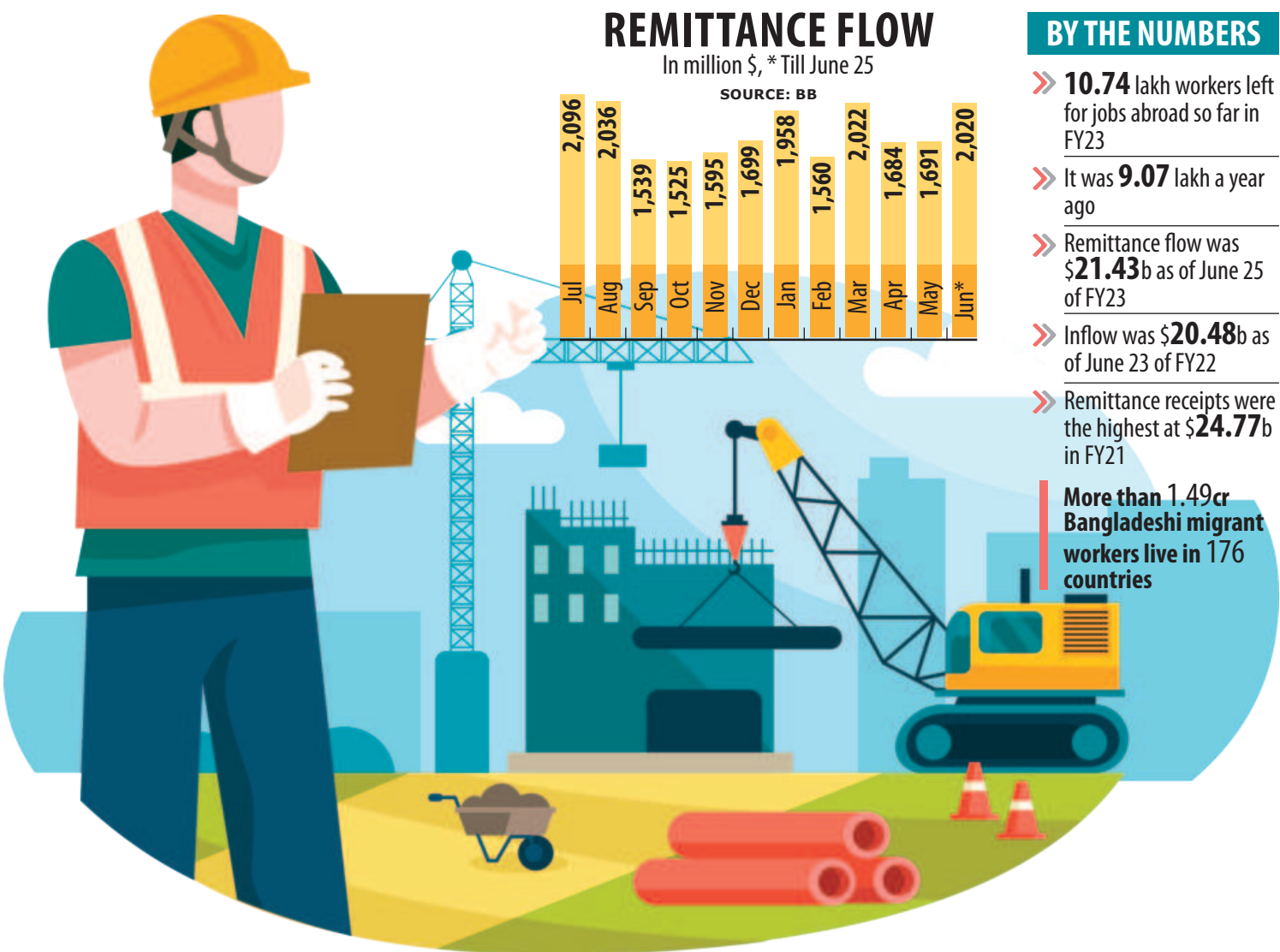
The rate of dollar for inter-bank transaction is as much as Tk 109 for a dollar, said a senior official of a private bank seeking to remain unnamed.

Bangladesh Bank in its latest monetary policy said that it would adopt a unified, market-driven exchange rate regime allowing the rates of foreign currencies to be determined by the market factors.

The central bank of Bangladesh targets to reach a market-driven rate for all international currencies within the third quarter this year.

Despite the increase, Debasish Singha, head of business (export) at Danish Foods Ltd, owned by Partex Star Group, said the hike in the rate of dollar for exporters will not increase competitiveness.

It will not benefit the exporters of different items such as processed foods to that extent because of the rising prices of raw materials, he said.



### BY THE NUMBERS

- **10.74** lakh workers left for jobs abroad so far in FY23
- It was **9.07** lakh a year ago
- Remittance flow was **\$21.43b** as of June 25 of FY23
- Inflow was **\$20.48b** as of June 23 of FY22
- Remittance receipts were the highest at **\$24.77b** in FY21

# Remittance rebounds

## Gives some relief to under-pressure economy

MD FAZLUR RAHMAN, RASHIDUL HASAN and AKANDA MUHAMMAD JAHID

Remittance rebounded in Bangladesh in the outgoing financial year, extending some breathing space to an economy struggling to keep its head above water amid the lingering crisis at home and abroad.

Families and relatives received \$2.02 billion in the first 25 days of June from their breadwinners toiling abroad, up more than 57 per cent from the \$1.28 billion that was received in the first 23 days of the same month last year, data from the central bank showed.

June's receipts were the highest in three months and equal March's earnings. However, if the inflow goes up by a small margin in the last five days of June, the takings would be the highest in a single month in two years.

This month's remittance also lifted the earnings to \$21.43 billion between July 1 and June 25, up 4.6 per cent year-on-year, comfortably going past last fiscal year's total of \$21.03 billion.

The current pace of growth of 4.6 per cent is much higher than the 2 per cent uptick estimated by the central bank for 2022-23. The overall earnings will be \$21.45 billion in the year, said the BB in its latest monetary policy statement.

Remittance flow usually goes up ahead of major occasions such as Eid-ul-Fitr and Eid-ul-Azha as remitters send a higher amount to help their families celebrate the festivals. Eid-ul-Azha will be celebrated on Thursday, a time when about one crore animals are expected to be sacrificed.

The latest increase in remittance comes as the government says 10.74 lakh migrant workers have left Bangladesh for jobs abroad

so far in FY23, the highest in a single year.

The number of workers who went overseas between July 1 and June 15 saw an increase of 18.50 per cent compared to the same period a year ago, Expatriates' Welfare Minister Imran Ahmad told parliament yesterday. In 2021-22, some 9.07 lakh migrant workers went abroad.

Remittance sent by expatriate workers is considered one of the driving forces of the economy. But the funds transferred by the migrant labourers have not surged in line with their record outflow.

Local economists and multilateral lenders have pointed to the multiple exchange rates and the better rates of the USD available in the hundi market for the lower-than-expected flow of remittance through official channels.

**Families and relatives received \$2.02 billion in the first 25 days of June from their breadwinners abroad.**

A number of people living abroad say beneficiaries in Bangladesh usually receive 3 to 5 per cent better rate when they transfer funds through the hundi cartel, an illegal cross-border financial transaction system.

Neither remitters nor beneficiaries have to face any hassles in sending or receiving money, said one person.

About half of all remittance entered the country through unofficial platforms even before the coronavirus pandemic, according to an estimate of the government.

A wide gap in formal and informal exchange rate has been one of the factors behind the sharp fall in the foreign exchange

reserves in Bangladesh as it shifts remittances from official channels to unofficial routes and impedes repatriation of export proceeds, said the World Bank last month.

In Bangladesh, a one-per cent deviation between the formal and informal exchange rate shifts 3.6 per cent of remittances from the formal to the informal financial sector, said the global lender.

In order to encourage the use of formal channels in sending remittances, the government provides a 2.5 per cent incentive and has introduced remitter-friendly processes, including the use of mobile financial services.

Besides, all fees required for sending remittances through the Bangladeshi banks and exchange houses have been exempted.

Owing to a lower flow of remittance, the cheapest source of US dollars for Bangladesh, and a moderate export, the country's foreign currency reserves fell sharply in recent months amid escalated import bills, fuelled by a surge in global commodity prices.

At present, more than 1.49 crore Bangladeshi migrants are working in 176 countries, according to budget documents.

Bangladesh received the highest-ever of \$24.77 billion in remittance in 2020-21, posting a staggering 36.10 per cent year-on-year growth.

Speaking in the parliament, the expatriates' welfare minister also said there is a plan to sign agreements with a number of countries for the purpose of exporting manpower. The nations include Libya, Malta, Albania, Romania, and Serbia.

Since the establishment of Expatriate Welfare Bank, around 1.14 lakh expatriate workers have received Tk 2,081 crore in loans for migration purposes, he added.

## Forex reserve rises past \$31b

AKM ZAMIR UDDIN

The country's foreign exchange reserves rose past \$31 billion yesterday after three multilateral lenders provided \$925 million to Bangladesh.

In addition, a higher year-on-year inflow of remittances ahead of Eid-ul-Azha also played a role in pushing the reserves up.

The reserves stood at \$31.15 billion yesterday in contrast to \$30.84 billion on Sunday, said a Bangladesh Bank official.

There was \$41.82 billion in the reserves at the end of June last year.

The multilateral lending agencies -- Asian Infrastructure Investment Bank, World Bank, and Asian Development Bank -- provided the funds in the form of credit to Bangladesh.

The reserves had surpassed the \$30-billion mark on June 21.

The BB has so far injected nearly \$13.5 billion into the banking sector this fiscal year, which eroded the reserves to a large extent.

The BB official said expatriate Bangladeshis were now robust in sending remittances ahead of Eid-ul-Azha.

Expatriate Bangladeshis sent remittances amounting to \$2.02 billion in the first 25 days of this month whereas it was \$1.28 billion in the first 23 days of June last year.

**Loans from three multilateral lenders and a higher inflow of remittances ahead of Eid pushed the reserves up.**

Between July 1 and June 25 this fiscal year, the inflow of remittance stood at \$21.43 billion. The figure was \$20.48 billion between July 1 and June 23 last fiscal year.

Remittances usually increase centring Eid-ul-Fitr and Eid-ul-Azha -- the two biggest religious festivals for Muslims -- as expatriates send their hard-earned money to their near and dear ones to celebrate the occasions.

The BB officials said some banks were enjoying a surplus of the greenback at the moment, which was why they were selling dollars to the central bank.

Besides, the central bank is also getting a good amount of dollars from foreign sources, so the reserves yesterday crossed \$31 billion.

Lenders are also trading dollars with each other on the inter-bank platform. Some banks yesterday sold \$122 million to others.

Each US dollar traded in the range of Tk 108 to Tk 108.84 on the inter-bank platform.

READ MORE ON B3

STOCKS			
DSEX ▲		CASPI ▲	
0.29%		0.16%	
6,344.08		18,702.20	

COMMODITIES			
Gold ▲		Oil ▲	
\$1,922.00		\$74.25	
(per ounce)		(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.01%	▼ 0.25%	▼ 0.06%	▼ 1.48%	
62,970.00	32,698.81	3,189.68	3,150.62	



Traders are seen bringing cattle by boat to various markets, where they will be sold for sacrifice among the country's Muslim community on the occasion of Eid-ul-Azha. The picture was taken from the Bhairab river in Khulna recently.

PHOTO: HABIBUR RAHMAN

## InterContinental owning company narrows losses

STAR BUSINESS REPORT

Bangladesh Services Limited, the owning company of InterContinental Dhaka and Bangabandhu International Conference Center, has incurred lower losses this fiscal year, thanks to a rise in room bookings and events following the pandemic.

The loss stood at Tk 29 crore in the first nine months of fiscal year 2022-23, according to the company's disclosure posted on Dhaka Stock Exchange's (DSE) website yesterday.

It was Tk 74 crore in the same period of the previous fiscal year.

From July 2022 to March 2023, the earnings per share of the company stood at Tk 3.06 in the negative whereas Tk 7.66 in the corresponding period of the preceding year.

The decrease in losses was owing to higher revenues from the hotel and conference centre, the company said in the disclosure.

The revenue of the hotel increased to Tk 127 crore during the third quarter of this fiscal year, up from Tk 77 crore during the corresponding period of the precious fiscal year, said Md Atiqur Rahaman, managing director of Bangladesh Services Limited.

Losses were still being incurred due to the depreciation of the local currency against US dollar, he said.

"Even our occupancy rate reached 48 per cent this year which was around 10 percentage point higher than that last year," he added.

READ MORE ON B2

## Govt scraps plan to impose 15% VAT on ball pen

STAR BUSINESS REPORT

The government has backtracked from its decision to impose 15 per cent value-added tax (VAT) on the production of ballpoint pens amid opposition from various quarters, including lawmakers.

Instead, it slapped 5 per cent VAT on the writing utensil, according to a notification issued by the National Board of Revenue (NBR). The change came during the passage of the finance act by the parliament on June 25.

Officials said ballpoint pen was exempted from the indirect tax before the NBR sought to levy 15 per cent VAT. Finally, people will have to count 5 per cent VAT to buy ball point pens.

RN Pual, managing director of RFL Group, said prices of pens will increase following imposition of the indirect tax.

READ MORE ON B3





PHOTO: BANGLADESH HOUSE BUILDING FINANCE CORPORATION

Sheikh Mohammad Salim Ullah, secretary to Financial Institutions Division under the Ministry of Finance, presented an award to Md Abdul Mannan, managing director of Bangladesh House Building Finance Corporation (BHBFC), on the former's premises on Sunday on the corporation securing top position among financial institutions scoring 98.37 out of 100 in implementing an "Annual Performance Agreement" signed with the division for fiscal year 2021-22. The duo also signed an "Annual Performance Agreement" for fiscal year 2023-24. Mohammad Azimuddin Biswas, additional secretary to the division, Nasima Akter Banu, joint secretary, and executives of 19 state-owned banks and financial institutions were present.

## 34 Ctg women get online business skills training

STAR BUSINESS DESK

A three-day training was recently organised to enhance the skills of 34 Chattogram-based women entrepreneurs at using online tools for business operations and making key financial decisions.

The beneficiaries included entrepreneurs engaged in a variety of ventures including handicraft manufacturing, catering, and boutique shop management, says a press release.

Standard Chartered Bangladesh, in partnership with the Chittagong Women Chamber of Commerce & Industry (CWCCI) and the Small and Medium Enterprise Foundation (SME Foundation), hosted the training alongside a seminar on "Online Business Operation and Financial

Literacy".

"We recognise the important role that women-led businesses play in accelerating economic growth and lifting participation," said Sabbir Ahmed, managing director, Head of Consumer, Private and Business Banking, Standard Chartered Bangladesh.

Such programmes "provide women entrepreneurs nationwide with the tools and resources necessary to thrive" and "make the local business environment more inclusive", he added.

The initiative was "to enable women entrepreneurs to leverage on information technology for their growth and sustenance in the modern world, as well as achieve financial literacy", said Abida Sultana, vice president of the CWCCI.



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PHOTO: STANDARD CHARTERED BANGLADESH



Sonali Bank and Financial Institutions Division under the Ministry of Finance signed "Annual Performance Agreements" for fiscal year 2023-24 on the latter's premises in Dhaka on Sunday. In a press release, Sonali Bank PLC said to have secured top position among state-owned commercial banks scoring 96.66 out of 100 in implementing an "Annual Performance Agreement" of fiscal year 2021-22. Additional secretaries to the division and different bank and financial institution executives were present.

PHOTO: SONALI BANK PLC



Abul Faiz Muhammad Kamluddin, deputy managing director of Islami Bank Bangladesh Limited (IBBL), and Nurun Nabi, general manager of Sonali Bank PLC, signed an agreement recently enabling Cellfin and mCash customers of the IBBL to pay fees, charges and challan of 500 institutions through "Sonali Payment Gateway". Mohammed Monirul Moula, managing director and CEO of the IBBL, Md Altaf Hossain, additional managing director, Md Afzal Karim, managing director and CEO of Sonali Bank PLC, and Sanchia Binte Ali, deputy managing director, were present.

PHOTO: ISLAMI BANK BANGLADESH LIMITED



Sadharan Bima Corporation has announced attaining a net profit of Tk 380.75 crore in 2022. A meeting of its Board of Directors earlier this month approved the audited financial statements. The company's net profit before income tax was Tk 380.75 crore in 2022 which is 5.99 per cent higher than that in the preceding year.

PHOTO: SADHARAN BIMA CORPORATION

## Nagad booths in Gabtoli, Basila cattle markets

STAR BUSINESS DESK

Mobile financial service provider Nagad has installed booths at the Gabtoli and Basila cattle markets in Dhaka offering safe and convenient cashless transactions for the purchase and sale of sacrificial animals.

Customers transacting certain amounts will get t-shirts, caps, mugs, keyrings and pens, says a press release.

"This process of cashless transactions will rein in the use of counterfeit notes and will also play an important role in curbing crimes," said Muhammad Zahidul Islam, head of public relations.

## Marine Fisheries Assoc reelects president, secy gen



Nurul Qayyum Khan Md Moshir Rahman Chowdhury

STAR BUSINESS DESK

Bangladesh Marine Fisheries Association has reelected the president and secretary general of its 15-member Executive Committee for 2023-2025 at its Dhaka office on Sunday.

The officials are Nurul Qayyum Khan and Md Moshir Rahman Chowdhury respectively, said a press release.

Others office bearers are Vice Admiral (ret'd) Zahir Uddin Ahmed, 1st vice-president, Ahsan Iqbal Chowdhury, 2nd vice-president, and Md Nazrul Islam, treasurer.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUN 26, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	-6.25 ↓
Coarse rice (kg)	Tk 48-Tk 50	2.08 ↑	-2.97 ↓
Loose flour (kg)	Tk 52-Tk 55	-5.31 ↓	22.99 ↑
Lentil (kg)	Tk 90-Tk 100	0	-11.63 ↓
Soybean (litre)	Tk 168-Tk 175	-5 ↓	-7.07 ↓
Potato (kg)	Tk 35-Tk 40	-8.54 ↓	29.31 ↑
Onion (kg)	Tk 65-Tk 70	-6.9 ↓	42.11 ↑
Egg (4 pcs)	Tk 45-Tk 48	-4.12 ↓	13.41 ↑

SOURCE: TCB

# Companies to get first carbon accounting rules

AFP, Paris

Companies around the world will soon have a uniform set of standards on sustainability issues after the body governing international accounting rules published on Monday its first guidelines on reporting greenhouse gas emissions.

Currently, most large companies report how many tonnes of carbon they emit into the atmosphere each year, but the data is often not reliable.

The poor quality of data and lack of common standards allows companies to burnish their climate credentials, or to greenwash their reputations.

The International Financial Reporting Standards (IFRS) Foundation launched an effort in 2021 to fill that gap, creating a special board to work on sustainability disclosure standards.

On Monday, the International Sustainability Standards Board (ISSB) issued its first standards – IFRS S1 and IFRS S2 – that will be available for use from next year.

"The standards will help to improve trust and confidence in company disclosures about sustainability to inform investment decisions," the ISSB said.

"And for the first time, the standards create a common language for disclosing the effect of climate-related risks and opportunities on a company's prospects," it added.

Countries are adopting measures to achieve carbon neutrality by mid-century in the hopes of limiting the increase in global temperatures at 1.5 degrees Celsius in line with the 2015 Paris



PHOTO: AFP/FILE

A residential area is seen in front of a coal-fired power plant in Niederaussem, western Germany.

climate pact.

This is creating a patchwork of regulations for firms to comply with and the financial stakes in the transition are becoming more and more important, both for the firms and their shareholders.

IFRS accounting standards are required in many countries, while many companies in other countries use them in order to better tap international finance.

COMMON LANGUAGE

The ISSB believes that a number of states, including Japan and Britain, will quickly make the new climate standard mandatory, and hopes China, which boasts the world's second-largest economy, will adopt it as well.

The European Union is working

on its own standards, which will also include biodiversity and human rights, and the ISSB hopes they will be compatible.

The standards ensure "that what they are actually doing is detailed in a common language for all the companies", Emmanuel Faber, the former chief executive of French food company Danone, who led the effort to come up the rules, told AFP.

They also define how companies measure their direct and indirect emissions, using a method that is widely used but until now has not been mandatory – the Greenhouse Gas Protocol.

The standards also require companies to audit their emissions data and ensure their

climate strategy is adopted by the top management.

While the ISSB, at least initially, is not going as far as the European Union, Kate Levick, the associate director for sustainable finance at independent think tank E3G, said creating common baseline standards is positive.

"When you have lots of countries all making regulations and requirements at the same time, that's a bit of a nightmare scenario for companies," she told AFP.

She believes that will help reduce greenwashing by companies.

"The disclosure requirements have been very carefully considered and thought out and designed with anti-greenwashing in mind," she said.

## IFC lends \$50m

FROM PAGE B4

"Our SME and corporate clients continue to confront challenges arising from the disruptive effects of Covid-19. The insufficient availability of foreign exchange has additionally impeded their regular trading operations," said Selim RF Hussain, managing director and chief executive officer of Brac Bank, in the press release.

Joon Young Park, IFC's portfolio manager for South Asia, said: "IFC has been supporting the banking sector in export-driven economies like Bangladesh, which have been facing declines in foreign exchange reserves due to various macroeconomic and geopolitical headwinds."

"IFC plans to continue providing its steadfast support to key banking partners in Bangladesh who have significant SME portfolios, such as Brac, with whom IFC has had equity and debt commitments over the past 19 years."

After three long years of grappling with the impact of the pandemic, businesses in Bangladesh continue to face challenging market conditions, said Martin Holtmann, IFC country manager for Bangladesh, Bhutan, and Nepal.

"By supporting Brac Bank, we are continuing our efforts to help Bangladesh recover and foster a resilient post-pandemic economic landscape."

## Sri Lanka to restructure

FROM PAGE B4

He told local television networks that it would be unhealthy for markets to remain open while the debt restructuring was being discussed in parliament.

"Markets should not function when sensitive debt restructuring is discussed," Weerasinghe told the Hiru TV network. "We hope to complete the restructuring process within these five days." Weerasinghe said deposits of individuals would not be affected, but the government plan is to restructure treasury bills and bonds held by commercial banks and pension funds.

The government is still in talks with its foreign creditors to restructure external debt, a key condition to continue with the four-year \$2.9 billion IMF rescue package.

The government had expected foreign debt restructuring by last August, but it was held up as the country's main bilateral creditor, China, was initially reluctant to take a haircut and instead offered more loans to pay off old debts.

More than \$14 billion of the total foreign credit is bilateral debt to foreign governments, 52 percent of which is owed to China.

Under IMF conditions, the government must reduce its domestic and foreign debt servicing by more than half to balance its books and emerge from the island's worst economic crisis.

The country ran out of foreign exchange to pay even for the most essential imports earlier last year sparking unprecedented shortages of food, fuel and medicines.

## InterContinental

FROM PAGE B1

The company has been incurring losses since fiscal year 2015-16 when its financials were hit by renovations of InterContinental Dhaka which started in 2014.

Its commercial operations commenced at the end of 2018 and its loss dropped to Tk 36 crore in 2018-19 from Tk 55 crore in the previous year.

Then the pandemic hit and the company's losses soared to Tk 180 crore in 2020-21. In 2021-22, the loss fell to Tk 110 crore.

Though the outbreak of Covid-19 has subsided, the

company's earnings have not improved that much.

A majority of its hotel's rooms are availed by international guests who have arrived in fewer numbers, the company said in its annual report for fiscal year 2021-22.

However, sales in the hotel's restaurants and venue bookings have increased, it added.

Its reserves and surplus amount to Tk 3,189 crore in the negative. Due to its continuous losses, the company did not disburse any dividend after 2014, according to the DSE data.





Makeshift butcher's blocks made from tree stems are seen being sold at a cattle market in Khulna city. Retailing for between Tk 100 to Tk 300 depending on size, these blocks are used by households to butcher the meat of their sacrificial animals on the occasion of Eid-ul-Azha. The photo was taken on Sunday. PHOTO: HABIBUR RAHMAN

## Importers given more time for clearing payments

STAR BUSINESS REPORT

Bangladesh Bank yesterday extended the timeframe to repay import payments for industrial raw materials, including back-to-back imports, agricultural implements and chemical fertilizers.

The imports, which were made under the supplier's and buyer's credit, will be allowed to enjoy the support, according to a central bank notice.

The importers will be able to enjoy the benefit until December 31 this year.

Under the suppliers' and buyers' credit, importers usually have to settle such import payments within 180 days, but the central bank has been allowing importers to do so within 360 days ever since the coronavirus pandemic.

Buyers' credit finance means finance for payment of imports arranged by the importer (buyer) from a bank or financial institution outside Bangladesh. The suppliers' credit means credits extended for imports directly by the overseas supplier instead of a bank or financial institution.

## GP propels growth in country's mobile subscriber base

MAHMUDUL HASAN

Mobile subscriber numbers witnessed growth in May thanks to a strong performance by the top operator, Grameenphone.

The three private mobile network operators – Grameenphone, Robi and Banglalink – collectively added over 9 lakh customers, taking the total to 18.51 crore.

This is the fifth consecutive month that mobile subscriber numbers have grown in Bangladesh.

This was also the fifth consecutive month of growth witnessed by Grameenphone after months of downturn from July to December last year due to a ban on its SIM sales.

On June 29 last year, the telecom regulator banned Grameenphone's SIM sales until it "improves its quality of service, including bringing down the call drop rate". The ban was eventually lifted on January 2 this year.

Grameenphone added 6.5 lakh subscribers in May to take its total to 8.12 crore. This was the highest gain registered by the telecom operator in the last five months.

But still, the figures could not touch Grameenphone's all-time high customer number, which was about 8.50 crore in May last year.

During the six-month ban, it lost almost

5 million customers, taking a toll on the country's total mobile subscriber base.

And despite a strong performance by the third-placed Banglalink, the country's overall subscriber base had declined by over 35 lakh.

Here, a subscriber refers to each biometric verified customer or subscription that was active (voice, data, SMS etc) at least once in the preceding 90 days.

**Three private mobile operators – Grameenphone, Robi and Banglalink – collectively added over 9 lakh customers in May.**

Of the more than 18 crore SIMs now in circulation, 12 crore are of unique users, Telecom Minister Mustafa Jabbar told The Daily Star recently. Each person can use as many as 15 SIMs.

The second-largest operator, Robi Axiata, added 2 lakh customers month-on-month in May to 5.59 crore.

"We are delighted to see positive growth in customer acquisition, reflecting our continuous effort to improve the quality of

services," said Shahed Alam, chief corporate and regulatory officer at Robi Axiata.

"We will continue our efforts for maintaining the best quality of service parameters," he added.

In a recent conversation with The Daily Star, Alam noted that the market has now turned into a highly competitive one as everyone is vying for customers.

Banglalink added about one lakh customers in May, taking its total customers base to 4.14 crore.

But on a year-on basis, it witnessed the highest growth among operators in May, with 8.30 per cent.

"We have been focusing on providing best network experience towards our customers for the last one-and-a-half years after having invested heavily on spectrum and through network expansion," said Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink.

"Our primary goal is to ensure a good experience for our customers through providing quality traditional telecom and digital services," he added.

State-owned Teletalk lost about 30,000 customers that month, taking its total to 65.4 lakh. The operator has been losing customers every month since September last year despite deploying 4G networks through government-funded projects.

## BGMEA again seeks extension of EU GSP

STAR BUSINESS REPORT

Local garment makers have once again urged the European Union (EU) to extend the transition period of the generalised system of preferences (GSP) to Bangladesh from three years to six years for a sustainable graduation from the least developed country (LDC) category in 2026.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made the call yesterday at a meeting with EU Ambassador Charles Whiteley at the BGMEA Complex in Dhaka.

With the LDC graduation, Bangladesh will lose its preferential trade facilities from different countries and trade blocs, but the EU will continue the same LDC trade benefit for a graduating country for three more years up to 2029 as a grace period.

However, the BGMEA and other trade organisations have been demanding for further extension of the grace period after being severely affected by the Covid-19 pandemic and the Russia-Ukraine war.

The extension would help Bangladesh to cope better with the emerging challenges in the post-LDC era and sustain its development strides, BGMEA President Faruque Hassan said in a statement after the meeting with Charles Whiteley.

## Walton opens branches in Kishoreganj, Narayanganj

STAR BUSINESS DESK

Electronics sales and service provider Walton Plaza recently opened two branches – one in Kuliarchar of Kishoreganj and another at Dohargaon of Rupganj in Narayanganj.

Frost and non-frost refrigerators, freezers, LED and smart televisions, air conditioners, washing machines, generators, smartphones, laptops, computers, fans and other electronics are available at the outlets, says a press release.

Customers can make purchases paying six monthly instalments at zero interest and also avail a "Hire purchase buyer & family protection policy". Under this policy, Walton Plaza provides financial assistance ranging from Tk 25,000 to Tk 3 lakh based on the product price on the death of the customer or his/her family member.

The policy also enables availing discounts at hospitals, diagnostic centres, life insurers and restaurants.

Humayun Kabir, deputy managing director, Amin Khan, senior executive director and film actor, and Abu Hena Roni, comedian, inaugurated the Kuliarchar branch.

Mostafizur Rahman, in-charge of Bhulta Police Outpost, Kamrul Hasan Bhuiyan, Golakandail union chairman, were present at the inauguration of the Dohargaon branch.

## Germany faces uphill battle to shake off recession

REUTERS, Berlin

German business morale worsened for the second consecutive month in June, a survey showed on Monday, indicating that Europe's largest economy faces an uphill battle to shake off recession.

The Ifo institute said its business climate index fell to 88.5 this month from 91.5 in May. A Reuters poll of analysts had predicted a smaller drop to 90.7 in June.

"Sentiment in the German economy has clouded over noticeably," Ifo's president Clemens Fuest said.

Expectations were much more

pessimistic, with the related index falling to 83.6 from May's 88.3. Companies also assessed their current situation more poorly, with that index falling to 93.7 from 94.8.

The economy faces the prospect of a longer recession as domestic demand and the expectations of exporters have both weakened, Klaus Wohlrabe, head of Ifo surveys, told Reuters in an interview on Monday.

"The probability has increased that gross domestic product will also shrink in the second quarter," he said.

China's weaker than hoped for economic performance since its reopening from tight COVID-19

lockdowns, a looming US recession and ongoing monetary policy tightening seem to be weighing on German company sentiment, said Carsten Brzeski, global head of macro at ING.

"What is clear is that the optimism at the start of the year seems to have given way to more of a sense of reality," Brzeski said.

The decline in Ifo is in line with the drop in the flash purchasing managers index, published on Friday. There was a combination of a slower rise in service sector business activity and a deepening downturn in manufacturing output, that report showed.

## Indonesia's textile industry to lay off more workers

Faces export slowdown

ANN/THE JAKARTA POST

More workers are expected to head to the chopping block in the Indonesian textile industry later this year, as companies face a prolonged slowdown in the export market.

Indonesian Textile Association (API) executive director Danang Girindrawardana said on Wednesday, approximately 12,000 workers from five textile companies would be impacted by the cost-cutting measures, which he expected would take place in the third quarter this year.

The measures will come in three possible forms, namely layoff, contract termination or shorter working hours, the latter resulting in lower monthly wages.

"This is our last resort, which we will do by rationalizing our workers," Danang said, as quoted from Katadata.

Firms in the textile industry have made attempts to prevent a larger round of layoffs by reducing production costs, lobbying for the improvement of policies or laws and spreading information related to the anti-illegal import movement, he said.

The International Monetary Fund (IMF) has projected world economic growth to decline to 2.8 percent this year from 3.4 percent last year.

The drop is projected to be contributed by advanced economies, primarily the United States and European countries. This group is projected to see economic growth fall to 1.3 percent this year from 2.7 percent last year.

Jemmy Kartiwa Sastraatmaja, who chairs the API, told lawmakers on Wednesday that exports of Indonesian

textiles had continued to decline over the past few months. Jemmy explained that exporting countries faced difficulties finding new markets.

To make matters worse, many exporting countries ended up targeting Indonesia as an alternative market amid the slowdown that has struck the majority of Western markets like the US and Europe, he said.

Now, many textile firms in the upstream segment have seen their utilization rate drop below 50 percent with several having to shut down their operations.

"The textile industry requires regulatory protection. We can learn from other nations such as China, Bangladesh, Turkey and India, where the textile industry is highly controlled due to employing workers from upstream to downstream," he said, as quoted by Kompas.

Jemmy also proposed that Indonesia's People's Representative Council and the government establish a dedicated agency that protected Indonesia's textile sector and textile products.

Indonesian Employers Association (Apindo) chairwoman Shinta Widjaja Kamdani told reporters on June 15 that it was hard to see when the wave of layoffs would end. She expected it to continue until the end of this year with the global economy expected to remain weak.

"We hope next year there will be recovery in the industry," Shinta said.

This March, the government granted businesses a rule that allows them to slash payments by 25 percent, but only applicable to those in the textile, footwear, leather goods, furniture or children's toys industries and which rely heavily on foreign demand.

## Forex reserve

FROM PAGE B1

The reserves declined to \$29.77 billion on May 7 when the central bank cleared import bills to the tune of \$1.18 billion with Asian Clearing Union (ACU).

The ACU is an arrangement to settle payments for intra-regional transactions among member countries, including Bangladesh.

India, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka are other members of the Tehran-headquartered ACU.

The member countries of the ACU clear their payments once every two months.

Two days later, however, the reserve increased to \$30.36 billion after loans provided by the World Bank reached the reserves.

The multilateral lender released \$507 million to the government, giving a little bit of breathing space to the economy from the ongoing stress in the different zones of the macroeconomy.

But the reserves slipped below the \$30-billion mark again on May 25.

## Govt scraps

FROM PAGE B1

"Our cost has increased too for the US dollar price hike. So, we will have to hike prices," he added.

Ballpoint pens are mainly used for writing nowadays and Tk 500 crore worth of pens are sold annually in Bangladesh, Paul said, adding that RFL's share in the market is one-fifth.



People are seen at a shopping mall illuminated with Christmas decorations in Berlin on December 6 last year. PHOTO: AFP/FILE





The seaside town of Cox's Bazar is missing the typical buzz of tourists during the current holiday centring Eid-ul-Azha as people are feeling the pinch of ongoing inflationary pressure while bad weather is also to blame, according to hospitality service providers.

PHOTO: MOKAMMEL SHUVO

## IFC lends \$50m to Brac Bank for trade finance

STAR BUSINESS REPORT

The International Finance Corporation (IFC) is providing a \$50 million loan to support small and medium-sized enterprises to emerge from the lingering effects of the Covid-19 pandemic.

This investment will contribute to the preservation of jobs and bring foreign exchange liquidity into Brac Bank to help support the working capital and trade finance requirements of the bank's clients such as importers and exporters, according to a press release.

This investment will also send a positive signal to the market and contribute towards attracting additional international investors to support the foreign exchange financing needs of local banks and SMEs.

The financing package is part of IFC's \$8 billion global Covid-19 fast-track financing facility to support companies during the ongoing public health crisis.

Brac Bank is Bangladesh's third-largest private bank and the only SME-focused bank in the country.

READ MORE ON B2

# Tourist turnout lacklustre ahead of Eid

MOKAMMEL SHUVO, Cox's Bazar

Hospitality service providers in Cox's Bazar are not expecting an onrush of tourists amid the upcoming holiday centring Eid-ul-Azha as ongoing inflationary pressure and unfavourable weather are keeping travellers at bay.

"But many tourists will come if there is less rain in the days ahead," said Selim Nawaz, secretary of the Cox's Bazar Hotel, Motel, Guest House and Cottage Owners' Association.

"We have the capacity to accommodate around 85,000 at a time in around 450 hotels, but only 30 per cent of these accommodations have been booked till now," he added.

And although there is no exact estimate, it is for sure that the number of tourists will be around half of the total that came during Eid-ul-Azha last year.

As such, some 50,000 tourists may come to Cox's Bazar after Eid on June 29, he added.

Mohammad Ali, president of the Cox's Bazar Restaurant Owners' Association, said they also expect less tourists this Eid-ul-Azha.

Ali, owner of the Jhaubon Restaurant chain in the region, pointed out that he himself kept his outlets shut on Sunday for being busy buying sacrificial cattle.

And so, he expects the number of tourists will be low as they too will be busy doing the same.

During a visit to Kolatoli beach on Monday, it was seen that fewer tourists were present compared to normal times.

Mohammad Arif, who rents out a horse for rides along the beach, said he could not earn even Tk 600 per day amid the lack of visitors.

"I could not earn enough money to even

feed the horse as there are very few tourists present," he added.

However, Arif expects tourists will start coming a day after Eid-ul-Azha, when his income could reach as much as Tk 3,000 per day," he added.

Imon, who rents out a jet ski to tourists, said he expects his daily income to be as much as Tk 25,000 during the week after Eid.

of tourists.

There are around 50 bus companies in Cox's Bazar and each operates an average of 10 trips to and from the region every day, he added.

The situation is similar at tourist spots in other parts of the country.

"Queries and bookings have fallen this year compared to the previous Eid-ul-Azha



Surat Alam, who charges people for taking their photographs on the beach, echoed the same, saying that the number of tourists will boom during the off-peak season after Eid.

Saiful Islam, member secretary of Cox's Bazar Bus Counter Owner-Manager Association, said over half of the tickets of buses coming to Cox's Bazar have been sold out.

The bus companies will raise the number of trips after Eid for the smooth transportation

holidays. Overall bookings are 30 per cent below the previous year," said Mirza Muslequr Salahin, who runs a resort at Sajek Valley and a houseboat in Rangamati.

"We usually see our rooms fully booked the whole week after the Eid holiday. This time, the situation is different. Inflation seems to be the main reason. Buying capacity of people has eroded," said Salahin, also a managing partner of the Suilui Resort in Sajek and Ark De Kaptai in Rangamati.

## The game of marketing for startups

SALEKEEN IBRAHIM

Understanding the game of marketing is more important for a startup than for an enterprise that is already in a stable position. Still, we see top-rated companies are more engaged in marketing activities compared to startups.

Many of us may think established companies spend money in marketing because they earn a lot. This might be partially true but the actual truth is they know the effects of marketing activities and want to keep that on to sustain their position. The effects of consumer behaviour and keeping the growth average are essentially significant.

Many startups see marketing budget as burning capital. This is unfortunate. Yes, it is true that we can't claim to achieve better growth than our competitors just because we outspend them, but the art of marketing seems to be confusing for many startups or the product and services that they are dealing with might not be market competitive.

A super competitive product or service might get a mileage for their superiority but it will get into consumer mind as a brand through effective marketing activities, strong content and proper marketing plans. Big brands are made by the proper understanding of marketing games.

Behind every successful startup, there is a goal-oriented marketing plan. It must address the route the company will take, along with the marketing plans we will use to do so. To put it another way, we need to think the marketing strategy as a road map to our business journey.



Well, the good news is we don't need to spend all our bank balance to communicate about our startup venture. In fact, the greatest marketing thoughts are often simple and inexpensive. We just need to think out-of-the-box and be innovative.

Constructing a brand is an ongoing process and having a creative strategy is needed to reap the benefits in future. When we start working on our startup business plan, we must include a comprehensive marketing strategy so that it remains as the centre in our preparation and is not just added as a random topic as we move forward. The importance of marketing strategy for startups can't be disregarded.

A startup can consider a number of ways when it formulates its marketing strategy. After completing a proper market research, building a reputation will be the core of the plan. The issue of visibility and ensuring product or service quality will proceed side by side.

Enterprises need to think how they can be treated differently from others and what will be the unique selling propositions. After setting these initial columns properly, money can be used to gain traction. Unfortunately, startups always go through a fund crisis, so we will have to find the middle road that combines money, creativity, out-of-the-box thinking, and innovation.

The role of digital and social media marketing can't be excluded in the marketing efforts. It is important for any startups to get in touch with the targeted audience. The spending in digital space and in other areas such as referral programmes, bonuses, customer loyalty packages, search engine optimisation, influencer endorsements, affiliated programmes, sponsorships, visibility enhancement measures, and publishing press releases has to be identified properly.

Startup marketing ideas can get a bit complex at times. But if we have the right approach, understand the key metrics and think creatively, we can achieve success with a low budget.

The writer is a senior banker.

## S&P Global cuts China growth forecast

REUTERS, Beijing

S&P Global said it has cut its 2023 GDP growth forecast for China after May data showed a post-Covid recovery was faltering in the world's second-largest economy.

"We have reduced our 2023 GDP growth forecast to 5.2 percent, from 5.5 percent," it said in a research note on Sunday.

"China's recovery should continue but at an uneven pace, with investment and industry lagging." S&P is the first major international credit agency to cut its forecasts for China's economy this year, although several major banks including Goldman Sachs have lowered their estimates this month.

Goldman Sachs reduced its forecast from 6 percent to 5.4 percent, citing persistently weak confidence and the cloud over the property market as stronger-than-expected headwinds.

China's economy stumbled in May with property investment slumping further, industrial output and retail sales growth missing forecasts, adding to expectations that Beijing will need to do more to shore up a shaky post-pandemic recovery.

China will roll out more stimulus to support a slowing economy this year, sources involved in policy discussions have said.

**Goldman Sachs earlier reduced its forecast for China's growth from 6 per cent to 5.4 per cent.**



A vendor selling toys waits for customers at the Galle Face promenade in Colombo on June 13. Sri Lanka ran out of foreign exchange to pay even for the most essential imports earlier last year, sparking unprecedented shortages of food, fuel and medicines.

PHOTO: AFP

## Sri Lanka to restructure domestic debt

AFP, Colombo

Sri Lankan authorities have declared a five-day closure of financial markets from Thursday ahead of a controversial move to restructure the government's domestic debt amounting to more than \$51 billion.

The restructuring affects government bonds in line with an IMF bailout agreed in March, after Sri Lanka defaulted on its foreign debt in April last year and declared bankruptcy.

A parliamentary official said lawmakers were expected to meet on Tuesday to discuss holding a special session of the legislature later this week to approve debt restructuring plans.

Central bank governor Nandalal Weerasinghe said authorities had ordered that Friday will be a holiday, on top of existing religious holidays on Thursday and Monday and the weekend.

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