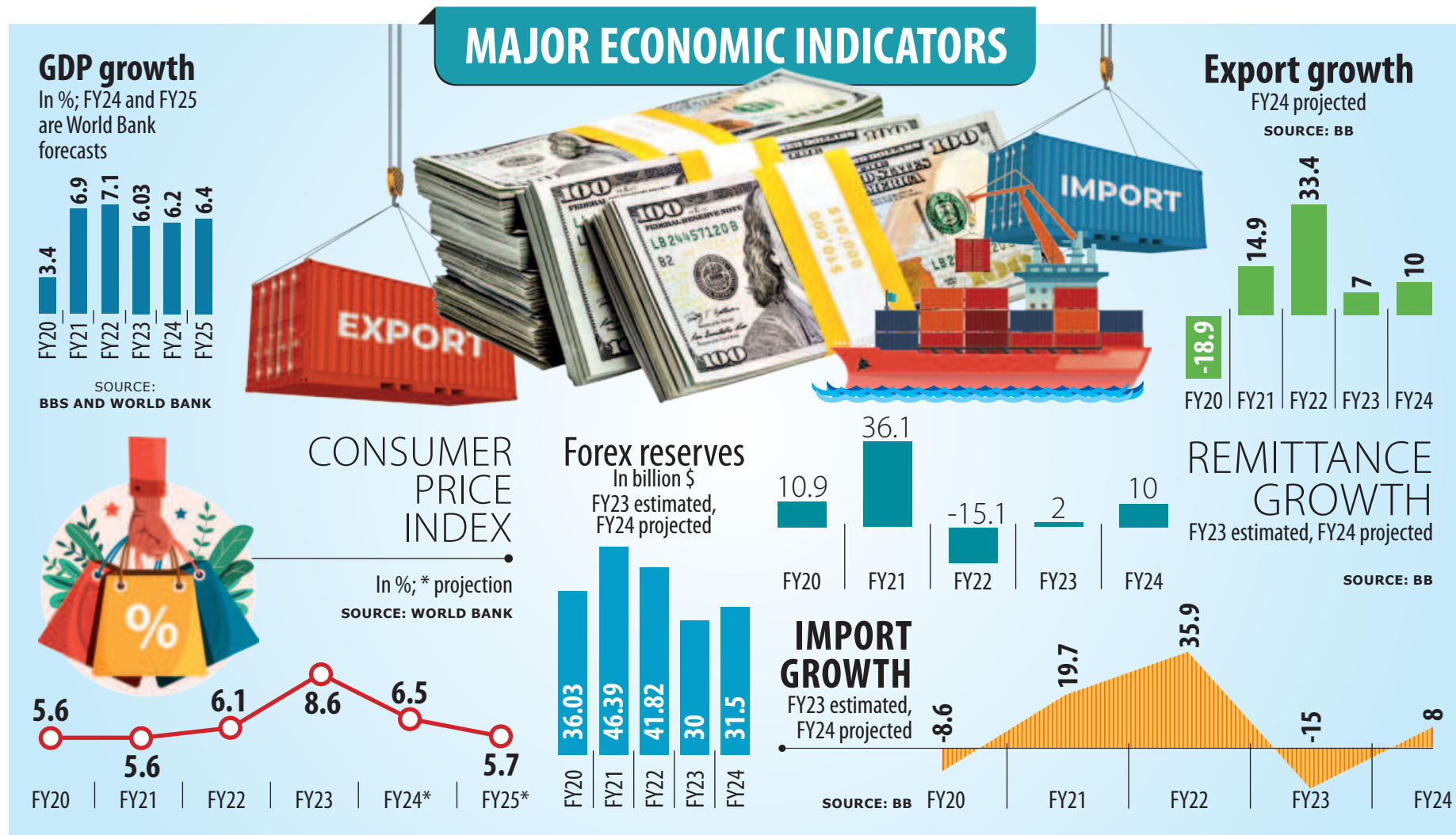
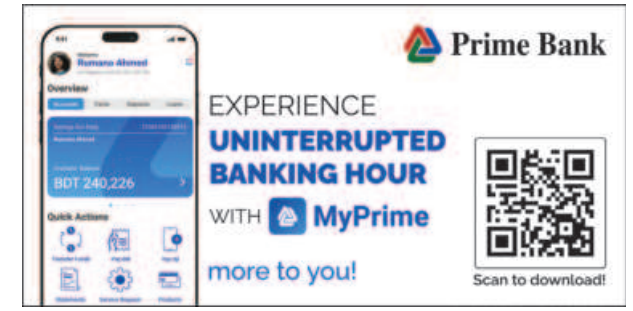


# Star BUSINESS



## Migrant workers sent home \$21.61b in FY23

**STAR BUSINESS REPORT**

Migrant workers sent \$21.61 billion to Bangladesh in the just-concluded fiscal year as remittance rebounded on the back of higher flow on the occasion of Eid-ul-Azha and a record outflow of labourers, official figures showed yesterday.

They remitted about \$2.2 billion in June, lifting the overall inflow for the entire 2022-23, according to the Bangladesh Bank.

This is the highest single-month high since July 2021 when \$2.6 billion entered the country.

June's takings were up nearly 20 per cent compared to the same month of 2022 whereas last fiscal year's total earnings beat the central bank's forecast by a small margin.

The central bank had projected a 2 per cent year-on-year growth in FY23 but it stood at 2.75 per cent finally. Some \$21.03 billion was remitted in FY22.

**Migrant workers remitted about \$2.2 billion in June -- the highest single-month high since July 2021 when \$2.6 billion entered the country**

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 was celebrated on Thursday.

The latest increase in remittance comes as more than 10.74 lakh migrant workers left Bangladesh for jobs abroad in the last fiscal year, the highest in a single year. In 2021-22, some 9.07 lakh workers went abroad.

But the funds transferred by the labourers have not surged proportionately since remitters preferred the hundi cartel, an illegal cross-border financial transaction system, owing to the better rate of the US dollar offered by the unofficial channel.

About half of all remittances entered the country through unofficial platforms even before the coronavirus pandemic.

A wide gap in formal and informal exchange rates 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 in April.

READ MORE ON B3

# New fiscal year, old challenges

MD FAZLUR RAHMAN

When a year passes, those who had a good time look forward to continuing the momentum while those who had struggled to keep their head above water might breathe a sigh of relief.

But the latter's respite does not prolong if they see that the challenges they experienced throughout the bygone year are set to persist in the coming months.

Most Bangladeshis will fall into the second group since the high cost of living shows no sign of falling.

So, taming inflation would be the top most challenge for the government in the new fiscal year of 2023-24 as the external and internal determinants behind it, such as the Russia-Ukraine War as well as market imperfections and the erosion of the foreign currency reserve at home are still in place.

"Inflationary pressure may soften to some extent in 2023-24, but there may not be a significant respite for consumers. The ride in FY24 is going to be bumpy," said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

Bangladesh, where inflation averaged nearly 9 per cent in

recent months, is not the only nation that is struggling to contain higher consumer prices.

According to the World Bank, high prices prevail in most low- and middle-income countries, with inflation higher than 5 per cent in 66.7 per cent of low-income countries, 81.4 per cent of lower-middle-income countries, and 77 per cent of upper-middle-income countries, with many experiencing double-digit inflation.

"The key policy challenge today remains fully taming inflation, and the last mile is typically the hardest," said Agustin Carstens, general manager of the Bank for International Settlements (BIS), the world's central bank umbrella body, last week.

**Taming inflation would be the top most challenge for the government in the new fiscal year, as the external and internal determinants behind the higher consumer prices are broadly still in place**

"The burden is falling on many shoulders, but the risks from not acting promptly will be greater in the long term."

According to the BIS, governments should tighten their budgets, while targeting support on the most vulnerable,

The latest monetary policy statement unveiled by the central bank has promised to make a departure from an administered exchange rate and interest rate. But worries remain over whether the plans would translate into reality and both rates would

Raihan thinks if the exchange rate is left to the market, the 2.5 per cent incentive on remittance would not be required.

Bangladesh has targeted a 6.5 per cent GDP growth in FY24, which, if achieved, would be one of the highest in the world and the highest in South Asia.

One of the major challenges for the government would be to raise its tax-to-GDP ratio, which is one of the lowest in the world. What is even more worrying is that the National Board of Revenue (NBR) has not been able to attain the tax collection target set by the government in the past 11 years.

The export growth is likely to moderate, the World Bank said in April.

Last year, higher inflation in the US and the European Union dealt blows to exports, the biggest source of foreign currencies for Bangladesh, as consumers in the two biggest markets tightened their belts. But prices have declined from their peaks, which may bode well for exporters.

In the US, the inflation index showed that prices rose 3.8 per cent in May from 12 months earlier, while the eurozone's annual inflation rate fell by more

READ MORE ON B3



and embarking on a long-term consolidation of their spending.

Although macroeconomic challenges stemming from the crisis in the balance of payments, the volatility in the exchange rate, and the interest rate cap will be there, it is the higher inflation that is hurting people day in, day out, said Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem).

"Their struggle is expected to continue in the coming months as well."

actually become market-driven in a true sense.

This is because the formula that would set the lending rate would still be influenced by the central bank, said Raihan.

Similarly, a uniform exchange rate might not be possible as long as the incentives for exporters and remitters are there.

Exporters receive as low as 4 per cent to as high as 15 per cent incentives on their export receipts, so importers will always be in a disadvantaged position when they buy US dollars.

## 93 tonnes of green chili imported so far

STAR BUSINESS REPORT

About 93 tonnes of green chili have arrived in Bangladesh since the government allowed the import of the kitchen staple a week ago in order to tame its skyrocketing price, according to a notification from the agriculture ministry.

On June 26, the ministry announced import permits for green chili for three months. As of yesterday, permission to import 36,830 tonnes of green chili has been granted, a ministry official said.

The move comes as the retail price of green chili rose sharply owing to a supply dearth and crop damage caused by inclement weather.

It hit a record high of Tk 700 per kilogramme in Dhaka and other parts of the country on Saturday. However, the price decreased by Tk 200 to Tk 250 yesterday.

Green chili was sold at Tk 350-400 per kg in the Karwan Bazar kitchen market yesterday, way higher than Tk 100 to Tk 120 a month ago.

"Chili cultivation has been hampered this year due to inclement weather. That's why production has fallen compared to last year," said Md Idris Ali, a development officer of the Department of Agricultural Extension in Pabna.

The production data for the just-concluded fiscal year was not immediately available. Chili output stood at 2.98 lakh tonnes in 2021-22 against the production target of 3.24 lakh tonnes, data from the DAE showed.



Vegetable prices, including that of green chilies, remain high in Dhaka's kitchen markets though there is a low turnout of customers amid a holiday mood after Eid-ul-Azha. The photo was taken from Karwan Bazar in Dhaka yesterday.

PHOTO: AMRAN HOSSAIN

READ MORE ON B3

## Two banks to raise Tk 900cr thru bonds

STAR BUSINESS REPORT

Two private lenders -- Dhaka Bank and Prime Bank -- will issue bonds to raise a total of Tk 900 crore.

Of the amount, Dhaka Bank will raise Tk 600 crore by issuing subordinated bonds.

The board of directors has decided to raise the fund only through the floatation of Dhaka Bank 4th subordinated bond as part of tier-II capital of the company, said the private commercial bank in a filing on the Dhaka Stock Exchange yesterday.

"The initiative has been taken in line with Bangladesh Bank guidelines on risk-based capital adequacy subject to the approval of regulatory authorities."



People are seen inside an Apple store near Central Ferry Piers in Hong Kong yesterday. Shares of the world's most valuable company jumped 2.3 per cent to \$193.97, giving it a market capitalisation of \$3.05 trillion on Friday. PHOTO: AFP

## Eurozone inflation falls in June

AFP, Brussels

Eurozone inflation eased further in June as energy prices fell but those of food and drinks remained elevated, official data showed Friday.

Consumer prices rose by 5.5 per cent this month, down from 6.1 per cent in May, according to the European Union's Eurostat agency.

The drop was slightly better than the 5.6 per cent inflation rate forecast by analysts surveyed by Bloomberg.

Since consumer prices remain above the European Central Bank's two-percent target, analysts expect there will likely be no let-up in more interest rates hikes. Food and drink prices rose by 11.7 per cent in June compared with 12.5 per cent in May, according to Eurostat.

The agency said energy inflation in the eurozone dipped further into negative territory in May, falling by 5.6 per cent in June after recording a drop of 1.8 per cent in May.

# Apple's market value ends above \$3tr for first time

REUTERS

Apple Inc's stock market value ended a trading session above \$3 trillion for the first time on Friday, lifted by signs of improving inflation and bets that the iPhone maker will successfully expand into new markets.

Shares of the world's most valuable company jumped 2.3 per cent to \$193.97, giving it a market capitalization of \$3.05 trillion, Refinitiv data showed.

It was Apple's fourth straight record high close.

The Cupertino, California company's market capitalization briefly peaked above \$3 trillion in intraday trading on January 3, 2022 before closing the session just below that mark.

Heavyweight growth stocks including Apple, Nvidia Corp and Tesla Inc rose sharply after a Commerce Department report showed the Personal Consumption Expenditure price index advanced less in May than in April, reflecting progress in the Federal Reserve's fight against

inflation.

Apple has surged 49 per cent so far in 2023 in a rally by several of Wall Street's most valuable companies, fueled by bets that the Fed is nearing the end of its campaign of interest rate hikes, and by optimism about the potential for artificial intelligence.

Apple's most recent quarterly report in May showed revenue and profits fell but still beat analysts' expectations. Along with a steady track record of stock buybacks, the financial results reinforced its reputation as a safe investment at a time of global economic uncertainty.

"It's a testament to one of the greatest publicly traded companies that's ever existed. It continues to grow and diversify its revenue streams, has shareholder-friendly management, buys back shares, throws off a dividend and has a fortress balance sheet with strong and defensible cash flows," said Art Hogan, chief market strategist at B Riley Wealth.

Apple's \$3 trillion milestone follows the June 5 launch of a pricey augmented-reality headset, its riskiest bet since the introduction of the iPhone more than a decade ago.

The stock has climbed about 7 per cent since then, compared to the S&P 500's 4 per cent rise.

Recent gains in Apple's shares have outpaced analysts' estimates for the company's future earnings. It is now trading at over 29 times expected earnings, its highest since January 2022, according to Refinitiv data. That compares to a median PE ratio of about 13 for the S&P 500 technology index.

Four other US companies have valuations of more than \$1 trillion - Alphabet Inc, Amazon.com Inc, Nvidia and Microsoft Corp, which follows Apple with a market value of \$2.5 trillion.

Shares of Tesla and Meta Platforms Inc have more than doubled this year, while a 190 per cent gain in shares of Nvidia has catapulted the chipmaker into the trillion-dollar club.

## EBL wins 'Best Domestic Bank in Bangladesh' award

STAR BUSINESS DESK

Eastern Bank Limited (EBL) won the "Best Domestic Bank in Bangladesh 2023" award given by The Asiamoney, a London-based financial and management publication.

The bank won the award for the third consecutive year, said a press release.

"It's a great honour for team EBL and a testament to our strength and resilience. I take the opportunity to share this award with all our valued clients, stakeholders, and patrons," said Ali Reza Iftekhar, managing director and CEO of the bank.

Amid surging global interest rates, runaway inflation, and geopolitical upheaval, 2022 was challenging for Bangladesh's financial system, according to The Asiamoney.

However, EBL management kept a clear eye on future growth and competitiveness. The bank weathered the global chaos by prioritising compliance, controlling costs, product innovation, increasing internal productivity, and strengthening customer service.

The Asiamoney's award decisions were made by a team of senior journalists after receiving detailed submissions from market participants and in conjunction with research into the banking and capital markets by its editorial committee.

## Oil settles higher

REUTERS

Oil prices settled higher on Friday but posted their fourth straight quarterly loss as investors worried that sluggish global economic activity could crimp fuel demand.

Benchmark Brent crude futures for August delivery which expires on Friday, settled up 56 cents, or 0.8 per cent, at \$74.90. In the three months to the end of June, the contract finished down 6 per cent.

US West Texas Intermediate crude (WTI) settled up 78 cents, or 1.1 per cent at \$70.64 a barrel. It posted its second straight quarterly drop, down about 6.5 per cent in the latest three months.

Prices have been under pressure from rising interest rates in key economies and a slower than expected recovery in Chinese manufacturing and consumption.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUL 2, 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	0	-2 ↓
Loose flour (kg)	Tk 52-Tk 55	-2.73 ↓	25.88 ↑
Lentil (kg)	Tk 90-Tk 100	0	-11.63 ↓
Soybean (litre)	Tk 167-Tk 175	-5 ↓	-6.3 ↓
Potato (kg)	Tk 35-Tk 40	-1.32 ↓	29.31 ↑
Onion (kg)	Tk 80-Tk 85	6.45 ↑	65 ↑
Egg (4 pcs)	Tk 45-Tk 48	-2.11 ↓	16.25 ↑

SOURCE: TCB

# US targets China over semiconductors

REUTERS

US-China tensions over semiconductors began with the Trump administration's trade war and have ratcheted up under President Joe Biden's leadership as Washington looks to undercut Beijing's efforts to build its high-tech industry.

The US and the Netherlands are set to deliver a one-two punch to China's chipmakers by further curbing sales of chipmaking equipment, including some from Dutch firm ASML, the global leader in the critical process of lithography, Reuters reported on Thursday.

Here is a timeline of US actions against China's chip industry:

October 2018: Former US President Donald Trump's administration cuts off Chinese chipmaker Fujian Jinhua Integrated Circuit from its US suppliers after the US Justice Department indicted the state-backed firm for stealing trade secrets.

The case initially started as a dispute between Micron Technology and the Chinese firm. Trump's move escalated it into the realm of an international trade conflict between the United States and China.

January 2020: Reuters reported that the Trump administration had since 2018 had mounted an extensive campaign to block the sale of Dutch chip manufacturing technology to China. It resulted in ASML being unable to sell its most advanced lithography machine to a Chinese customer.

May 2020: The Trump administration blocks shipments of semiconductors to China's Huawei Technologies from global chipmakers, crippling its HiSilicon chip and smartphone divisions.



Chinese and US flags flutter outside the building of an American company in Beijing. PHOTO: REUTERS/FILE

December 2020: The US adds China's top chipmaker SMIC and dozens of other Chinese firms to a trade blacklist and said it would presumptively deny licenses to prevent SMIC from acquiring technology to produce semiconductors at advanced technology levels of 10 nanometres or below.

September 2022: US chip designers Nvidia and Advanced Micron Devices say US officials have told them to stop exporting some top computing chips for artificial intelligence work to China.

October 2022: The Biden administration publishes a sweeping set of export controls, including a measure to cut China off from certain semiconductor chips made anywhere in the world with US

equipment.

December 2022: The US adds Chinese memory chip maker YMTC and dozens of other Chinese firms to its trade blacklist.

June 29, 2023: Reuters reports the Netherlands is this summer planning to curb sales of certain ASML equipment from being sold to China's chipmakers. The US is expected to go one step further and use its long reach to withhold even more Dutch equipment from specific Chinese fabrication plants.

A separate report citing sources said US officials are considering tightening an export control rule designed to slow the flow of AI semiconductors to China by clamping down on the amount of computing power the chips can have.

## China's factory, service sectors

FROM PAGE B4

The NBS' separate services index dropped to 52.8 from 53.8 in May, its lowest since December when China scrapped strict COVID curbs.

The readings initially pushed the yuan to a seven-month low and the Australian dollar to a three week low although both currencies later recovered losses.

"After a short-lived reopening boost, the service sector appears to be settling into a new post-pandemic normal of slower growth," wrote Julian Evans-Pritchard, head of China economics at Capital Economics.

When China abandoned its COVID controls, economists anticipated its economy would recover quickly and emerge as a key driver for global growth. Six months on, however, analysts are downgrading their forecasts for the rest of the year.

Nomura has been the most bearish, cutting its forecast for growth in China's gross domestic product (GDP) this year to 5.1 percent

from 5.5 percent. That downgrade even takes into account the prospect of new stimulus.

The PMIs showed new orders and new export orders shrank for the third straight month.

"The June PMI reflects a number of imbalances and weaknesses, such as: the continuous contraction of internal and external demand, an accelerated slowdown in the operations of small enterprises, and continuing increasing pressure on the private economy," said Bruce Pang, chief economist and head of research for Greater China at Jones Lang LaSalle.

"This indicates the urgent need for a more powerful package of policy measures... to ensure the annual growth targets," he added.

The government has set a modest GDP growth target of about 5% for this year after badly missing its 2022 goal.

China's cabinet this month pledged to promote a sustained

economic recovery "in a timely manner".

Addressing a World Economic Forum summit in Tianjin on Tuesday, China's Premier Li Qiang reiterated that Beijing will take steps to boost demand, but stopped short of unveiling any concrete policies.

China cut key lending benchmark rates earlier this month to shore up activity.

Sources involved in policy discussions have told Reuters that China will roll out more stimulus measures, but concerns over debt and capital flight will keep measures aimed at shoring up weak demand in the consumer and private sectors.

ING's Carnell said while the government is likely to provide some support, it won't "resemble anything like the financial bazooka that some want to see, but will instead be more of a buck-shot spray of smaller more targeted measures that may not move the GDP needle substantially."

## India's GST receipts rise 12% in June

REUTERS, New Delhi

India's goods and services tax (GST) collections rose nearly 12 per cent year-on-year to 1.61 trillion rupees (\$19.61 billion) in June, a government statement showed on Saturday.

The government collected 1.45 trillion rupees as GST in June 2022 and a record 1.87 trillion rupees in April 2023. It expects to garner 9.56 trillion rupees through GST in the current fiscal year that ends in March 2024.

The western state of Maharashtra clocked a 17 per cent year-on-year growth in tax receipts to 260.99 billion rupees in June - the highest for any state - while the southern states of Karnataka and Tamil Nadu recorded increases of 27 per cent and 20 per cent, respectively.

The monthly GST collected has topped the 1.5 trillion rupees mark for the seventh time since the new tax regime was introduced in 2017.

## DSE turnover drops

FROM PAGE B4

Many investors are still in a holiday mood and so, turnover was lower in the market, said a mid-level official of a leading stockbrokerage.

Although most trading orders came through phone calls, investors were not active on the trading floor.

So, turnover of the market is expected to increase soon, he added.

Ratanpur Steel Re-Rolling Mills made the highest gain with an increase of 10 per cent. Dacca Dyeing and Manufacturing, Shyampur Sugar Mills, Salko Spinnings Mills, and Fu-Wang Ceramic Industries were among the top gainers as well.

Khulna Packaging lost the most,

shedding 9.8 per cent. Yeakin Polymer, Aziz Pipes, Phoenix Finance 1st Mutual Fund, and Pragati Life Insurance were also on the list of significant losers.

Fu-Wang Ceramic Industries was the most-traded stock with issues worth Tk 17 crore transacted. Khan Brothers PP Woven Bag Industries, Intraco Refueling Station, Rupali Life Insurance Company, and Meghna Life Insurance registered significant turnover as well.

The CASPI, the all-share price index of the Chittagong Stock Exchange, gained 32 points, or 0.17 per cent, to close at 18,734 points.

Of the issues traded, 78 rose, 48 retreated and 36 did not see any price swing. However, turnover of the port city bourse fell 26 per cent to Tk 66.5 crore.



Fish markets are understandably devoid of customers as the recent conclusion of Eid-ul-Azha celebrations means that most freezers are packed with beef, mutton and other meats. The photo was taken from Karwan Bazar kitchen market in the capital yesterday.

PHOTO: AMRAN HOSSAIN

# Uninterrupted energy needed at affordable prices

Says Dhaka chamber's President Sameer Sattar

**STAR BUSINESS REPORT**

An uninterrupted energy supply and affordable pricing are necessary to maximise productivity and avoid exacerbating inflationary difficulties, said Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry (DCCI).

"For a sustainable energy sector, the government needs to enhance its investment in energy sourcing from diversified sources, apart from traditional sourcing destinations like Gulf Cooperation Council countries and Organisation of the Petroleum Exporting Countries."

He made the comments while sharing his expectations in the new fiscal year 2023-24, which began on July 1.

To enhance remittance inflow, the government needs to provide incentives to remitters to encourage them to send money through formal channels and ensure sending of skilled manpower abroad and cordial treatment of migrant workers at airports, according to Sattar.

Support for industrial inputs and restriction on luxury imports are necessary to diversify exports, he said.

He said Bangladesh consistently witnessed 6 per cent plus economic growth on average over the past decade before the coronavirus pandemic hit.

While the economy was recovering from the headwinds caused by the pandemic, the Russia-Ukraine war adversely affected the global supply and trade systems. The resultant supply crunch, price hikes and inflation hurt both developed and developing economies, including Bangladesh.

Still, Bangladesh managed to project a growth of 6.03 per cent in the just-concluded fiscal year but various macroeconomic challenges emanating from global uncertainties are hurting the country's progress in many ways.

In FY2023, declining international trade and foreign exchange reserves were the two major economic challenges that significantly affected the economy.

The consistent fluctuation in exchange rates and import of expensive raw materials used by export-oriented industries created challenges for the country's international trading system and resulted in a series of disruptions in the economy, exposing the local supply



Sameer Sattar

chain and businesses to damages.

Due to the global energy supply crunch, the government raised the prices of petroleum products by up to 51.7 per cent and increased power and gas prices as well.

"The increase in energy prices hampered the overall business ecosystem," said Sattar.

Despite the global crisis, the entrepreneur said, Bangladesh achieved some major milestones during FY2023.

The long-awaited Padma bridge opened in June of 2022 which is estimated to boost the country's annual GDP by 1.23 per cent.

"The opening of the country's first metro rail in December last year added a new mode of public transport to Dhaka city which is expected to ease traffic congestion and spur economic activity."

He said the current inflationary pressure is expected to continue in the new fiscal year and even might worsen.

"As higher inflation impacts the cost of doing business and raises living expenses, it can undermine overall economic performance."

He said inflation needs to be tackled by adjusting the repurchase agreement rate and the reverse repo rate.

"In addition, strong market monitoring is required to tame inflation with the engagement of stakeholders. In order to bring stability in the foreign exchange market, strong monitoring should be in place by the Bangladesh Bank."

He expects the economy to return to its pre-pandemic growth trajectory in FY24 if the aforesaid measures are seriously considered.

## Eastland Ins gets new independent director

**STAR BUSINESS DESK**

Hedayetullah Al Mamoon, former senior secretary, was recently appointed as an independent director of Eastland Insurance Company Limited.

Mamoon has 34 years of experience of government services in various higher positions, including over eight years as a senior secretary and secretary to the government.

He was a member of the Bangladesh Civil Service (administration cadre of 1982 batch) and retired as a senior secretary of the finance division of the Ministry of Finance.

He was promoted to the rank of secretary in April 2009 and subsequently to the rank of senior secretary in 2014, continuing in the position until October 4, 2017.

Prior to his assignment as the finance secretary, Mamoon worked as the senior commerce secretary for more than two years. He served as a secretary of information, cultural affairs, and civil aviation and tourism.

He also served as a member of the Planning Commission, secretary of Bangladesh Public Service Commission, and director general of the department of social services at the Ministry of Social Welfare.



## Delwer becomes independent director of Standard Bank

**STAR BUSINESS DESK**

AKM Delwer Hussain has been appointed as an independent director of Standard Bank Limited.

Hussain was the president of the South Asian Federation of Accountants, the Institute of Cost and Management Accountants of Bangladesh (ICMAB), director of Rupali Bank Limited, chairman of the Bangladesh Sugar and Food Industries Corporation, said a press

release. His imaginative sense and inspired leadership combined with understanding knowledge and practical experience led to continuous and sustainable growth in every organisation he worked for, it said.

Hussain obtained his bachelor's and master's degrees in management from the University of Dhaka and was a fellow of Cost and Management Accountants from the ICMAB.



# Polluting shipping sector to face climate reckoning

**AFP, London**

The hefty carbon footprint of global shipping networks that crisscross our oceans and keep the world's economy afloat will come under scrutiny next week, as countries wrestle over measures to slash planet-heating pollution.

Nations are under pressure to agree ambitious emission reduction targets and consider a tax on pollution by the sector at a key meeting of the International Maritime Organization. Currently shipping belches out roughly the same level of greenhouse gases as aviation.

The IMO Marine Environment Protection Commission (MEPC)

meeting, held in London from Monday to Friday, is likely to pit climate-vulnerable nations — particularly Pacific islands — and some richer countries against big exporters such as China.

"The climate crisis is an existential threat to Pacific small island developing states, and many other countries, but can be seen as less urgent by countries with superior resources," Michael Prehn, the IMO delegate for the Solomon Islands, told AFP.

"This is why the Pacific has been consistently pressing for the highest possible ambition in climate regulation."

Shipping, which is responsible for around two percent of global

greenhouse gas emissions, is judged to be off course in the fight against climate change.

Efforts to decarbonise so far centre around a 2018 IMO decision that instructed shipping firms to reduce CO2 emissions by 50 per cent by 2050, from 2008 levels.

But that target is considered insufficient given the level of global emissions and compared to other industries, including aviation, which is aiming for net zero by the same mid-century deadline.

Nations in support of more ambitious cuts want the IMO to align its goals with the Paris Agreement's global warming limit of 1.5 degrees Celsius above pre-industrial times.

## Opec oil output drops slightly

**REUTERS, London**

Opec oil output has fallen only slightly in June as increases in Iraq and Nigeria limited the impact of cutbacks by others, despite a wider Opec+ deal and voluntary cuts by several members to support the market, a Reuters survey found on Friday.

The Organization of the Petroleum Exporting Countries has pumped 28.18 million barrels per day (bpd) this month, the survey found, down 50,000 bpd from May's revised figure. In May, output dropped by 240,000 bpd as the latest cut took effect.

The survey suggests little further progress by Opec in limiting supply ahead of a further voluntary reduction by Saudi Arabia which takes effect in July, as part of the producers' latest agreement made in June to support the market.

## Migrant workers sent home \$21.6b

**FROM PAGE B1**

In order to encourage the use of formal channels, the government provides a 2.5 per cent incentive and has introduced remitter-friendly processes.

But Selim Raihan, executive director of the South Asian Network on Economic Modeling, thinks if the exchange rate is left to the market, the incentive will not be required.

Currently, there are different exchange rates of the US dollar for exporters, importers, and remitters.

At present, more than 1.49 crore Bangladeshi migrants are working in 176 countries.

Remittance flow would grow by 10 per cent to \$23.6 billion in the current fiscal year, according to the forecast of the BB.

## New fiscal year, old challenges

**FROM PAGE B1**

than expected in June to 5.5 per cent amid sharp falls in the cost of energy.

Shipments from Bangladesh grew 7.11 per cent in July-May of FY23, down from 34.09 per cent year-on-year. The export might increase by 10 per cent in FY24, the Bangladesh Bank forecasts.

Imports, which have been at the heart of the crisis in Bangladesh as the country has had to pay more to buy goods and services from external sources owing to their elevated prices and the taka's 25 per cent fall against the US dollar, dropped 14.44 per cent in July-April of FY23 against a staggering 41.40 per cent growth during the same period of FY22.

The central bank has projected an 8 per cent import growth in FY24.

MM Akash, a professor at the economics department at the University of Dhaka, called for stepping up the government's intervention in the market to rein in the prices of essentials.

"We have not seen any significant measures in the FY24 budget to contain higher prices. But the price level will not come down unless such a step is taken."

He said adequate foreign currencies should be made available to import essential goods and those goods have to be sold at subsidised rates among the poor and low-income groups.

CPD's Rahman does not expect the geopolitical tension and the war situation to improve in FY24. "This means our export might continue to face a slowdown."

He said the improvement in the tax-to-GDP ratio and a lower budget deficit would be possible if the government gets down to work in a determined way.

"A lot of efforts will be needed to overcome macroeconomic challenges, bring down default loans, and restore discipline in the banking sector."

Default loans increased by Tk

10,964 crore in the first three months of 2023 to Tk 131,621 crore. The non-performing loans increased by 9 per cent from three months ago and 16 per cent from a year earlier.

Rahman pointed out that the government has targeted to lift private sector investment by five percentage points to 27 per cent in a single year.

"This will require a radical effort since private investment has remained stuck for many years."

Prof Rahman said there has to be good governance at all levels, institutional efficiency has to be enhanced, and public service delivery has to be ensured.

"I also would like to see what steps the government takes in FY2024 in order to raise the tax-to-GDP ratio, discipline the banking sector and ensure efficiency in the public expenditure management," said Prof Raihan of the Sanem.

An uninterrupted energy supply and affordable pricing are necessary to maximise productivity and avoid exacerbating inflationary difficulties, said Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry.

## Two banks to raise

**FROM PAGE B1**

Prime Bank Ltd has received consent from the Bangladesh Securities and Exchange Commission to raise Tk 300 crore by issuing bonds.

The non-convertible, unsecured, fully redeemable, floating rate Prime Bank subordinated bond to be issued through private placement is aimed at enhancing the tier-II capital base, the private commercial lender said in a post on the Dhaka Stock Exchange yesterday.

Tier 2 is designated as the second or supplementary layer of a bank's capital and is composed of items such as revaluation reserves, hybrid instruments, and subordinated term debt.



A shipping crane stands over a container ship at the Port of Oakland on March 08, 2023 in California. Shipping, which is responsible for around 2 per cent of global greenhouse gas emissions, is judged to be off course in the fight against climate change.

PHOTO: AFP



People are seen waiting in line at a branch of Sonali Bank in Motijheel, Dhaka yesterday. Although the Eid vacation has come to an end, people are still in a holiday mood as evinced by the thin crowd of customers at bank branches throughout the country. PHOTO: PRABIR DAS

## DSE turnover drops as holiday mood stays around

STAR BUSINESS REPORT

Turnover of the Dhaka Stock Exchange (DSE) dropped during the first trading session after Eid-ul-Azha as investors' participation was lower with most still being in a holiday mood, according to market analysts.

Turnover, a key indicator of the market, dropped 33 per cent to Tk 515 crore yesterday from Tk 770 crore on June 26, the last trading session before the Eid holiday.

Other major indicators of the DSE took a similar tumble.

The DSEX, the benchmark index of the country's premier bourse, inched down 7 points, or 0.1 per cent, to close the day at 6,343 points.

The DS30, which represents blue-chip stocks, decreased 0.04 per cent to hit 2,191 points while the DSES, an index comprised of shariah-compliant companies, lost 0.05 per cent to reach 1,376 points.

Of the securities traded, 80 advanced, 116 declined and 169 did not show any price movement.

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# Clothing brand for big people making a splash

SUKANTA HALDER

Like many in Bangladesh, Farhan Tanvir often struggled to find suitable clothing given his large size.

Standing at about six feet tall and weighing upwards of 134 kilogrammes, Tanvir could rarely find any shirts, T-shirts, panjabis or trousers that could fit his measurements.

"I went to many tailors a week ahead of Eid-ul-Fitr last year but no one wanted to make a panjabi of my size in such a short period of time," he said.

Tanvir eventually found a tailor in Bashundhara City Shopping Mall that agreed to take on the task but delivered a rather low-quality product despite being paid for better materials.

This prompted Tanvir to launch his own brand, called "Bigshot", for plus-size people so that no one else has to face such a problem.

The company began its journey by making shirts, T-shirts, panjabis, hoodies and jackets in October 2022.

Tanvir currently sells his products through online platforms and is enjoying a good response.

Having started the business with an investment of Tk 2.70



Farhan Tanvir, owner of Bigshot

lakh, Tanvir sold goods worth more than Tk 4 lakh ahead of the two Eid celebrations this year.

At present, a total of nine people is working on his team, which retails clothes in sizes ranging from extra-large (XL) to 8XL.

Tanvir had started out by first looking for good quality materials, including yarn and different accessories while also educating himself on the apparel production process.

He then searched for a factory that could make his products

as per their design, but this proved to be a difficult task as no one agreed to make such large clothing.

And after much discussion with numerous factory owners, Tanvir eventually found one that agreed.

"But in the first shipment, 30 per cent of our shirts were rejected due to poor quality," the entrepreneur said.

"I then understood that if you trust someone with little knowledge, you will be cheated," he added.

Tanvir then relocated to another factory and made a deal with them to make panjabis.

With a bachelor of science in industrial and production engineering from the Ahsanullah University of Science and Technology, Tanvir's life could have gone down a different path.

"My wife, Farhana Akther, had asked me a long time ago to work in the garment sector, but I didn't really think of it much at the time. Now, I feel like I am involved in a good cause," he said.

"I am now focused on my career at Bigshot. If you want to be established in any sector, there will be many challenges. But you have to deal with them and move forward," Tanvir added.

He also said that people's support is needed to establish any successful brand.

"I've had a lot of people with me since the beginning of this journey. Those who are still with me, I am grateful to them," he added.

Tanvir hopes that in the future, Bigshot branded shoes, belts, polo shirts, pants and more will be available.

"And as time goes on, the dream of Bigshot will get bigger," he said, adding that the company will begin online sales in Australia from next month.

## Transformative power of ChatGPT

RIZWANUL ISLAM

If one technological innovation is to be cited for capturing much of the talk time in discussions ranging from drawing rooms to corporate offices and academic institutions, it is ChatGPT. Released by Open AI in November 2022, this is a language model based on artificial intelligence (AI).

It is basically a software belonging to the genre of Chatbot that can understand questions covering a wide range of fields and generate human-like responses. The versatile nature of the software is indicated by its ability to provide not only standard responses, but also to generate "creative" pieces like poems and essays.

It has the potential for use in a wide range of sectors as diverse as agriculture, manufacturing, trade, education, health, and services.

Previous experiences with technological and industrial revolutions have shown that while innovations can transform the lives of human beings, they also create challenges and raise fears about their possible adverse effects. For example, issues relating to the Fourth Industrial Revolution (4IR) have been the subject of discussion and debate for a few years now.

While the potential for raising productivity is an attractive aspect of 4IR, the possible negative effects on employment and the need for developing new skills have to be taken seriously.

Given the versatile nature of ChatGPT, the debate surrounding it is also much broader. On the positive side, the tool is very powerful and capable of transforming the way work is carried out in businesses, education, health, etc.

For industries, it has tools that are more efficient and effective for studying consumer demand, marketing products and offering services.

In education, productivity of both teachers and students can be raised through tools for tailored learning platforms, intelligent tutoring, personalised instructions, instant feedback, automated rating systems, etc.

In healthcare, ChatGPT has the potential to assist medical service providers by simplifying patient care, quicker diagnosis of ailments and wiser judgements.

Examples of the positive features of ChatGPT can be multiplied. Not surprisingly, it has become the fastest growing new technology in the recent history of mankind. Early reviews of the software were full of praise for its capability and optimism about its potential – so much so that other tech giants offering search engines (e.g., Google) started to get somewhat concerned.

But ChatGPT has not come with unmixed blessing. On the technical side, limitations like providing incorrect or inappropriate answers (the latter including lack of sensitivity to race and gender) were pointed out quite early.

More serious are concerns like overdependence of students and teachers on technology and inadequate use of brain power and creativity in education, risks arising from mechanical applications of drugs in healthcare, etc.

Some ethical issues are also coming up, and questions are being asked whether the technology should be allowed to overtake the human side of civilization. The concern has gone to the extent of raising the basic existential question.

And the seriousness of such concerns is being reflected in decisions like banning the application's use in schools (for example, government schools of New York) – reminding me of "luddites", who went to smash labour-saving machines in textile factories during the first industrial revolution.

The real concern is of course whether human beings will become so much dependent on technology that their creative abilities will not have a chance to develop. That would be like killing the goose that lays golden eggs, and efforts will have to be made to prevent such an outcome.

The author is an economist and a former special adviser for the employment sector at the International Labour Office.



## China's factory, service sectors stumble

REUTERS, Beijing

China's factory activity declined for a third straight month in June and weakness in other sectors deepened, official surveys showed on Friday, adding pressure for authorities to do more to shore up growth as demand falters at home and abroad.

The world's second-largest economy grew faster than expected in the first quarter largely due to a strong post-Covid rebound in consumption, but policymakers have been unable to sustain the momentum in the second quarter.

Services sector activity for June also recorded its weakest reading since China abandoned its strict Covid curbs late last year, data from the National Bureau of Statistics showed.

The official manufacturing purchasing managers' index (PMI) inched up to 49.0 from 48.8 in May, staying below the 50-point mark that separates expansion from contraction and in line with forecasts.

The non-manufacturing PMI fell to 53.2 from 54.50 in May, indicating a slowdown in service sector activity and construction.

"Domestic tourism, and dining out have been making up for lost time in the early part of the year. But there is only so long that this can go on," said Rob Carnell, regional head of research Asia-Pacific at ING. "Other indicators of retail sales suggest that it remains well above historical trends, and suggests some further moderation over the second half of this year."

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A worker is checking a robot to be exported to the Middle East, at the Chuangze robot factory, which manufactures the machines for the education, medical, and domestic service industries. Chinese authorities will have to do more to shore up growth in manufacturing and services sectors as demand falters at home and abroad. PHOTO: AFP/FILE

## Inflation eases sharply in Sri Lanka

AFP, Colombo

Sri Lanka's inflation eased to 12 percent in June, official data showed Saturday, the lowest figures since the island nation careened into an unprecedented economic crisis last year.

Sri Lanka defaulted on its \$46 billion foreign debt in April 2022 and the public endured months of food, fuel and medicine shortages.

The crisis has eased since, with the government securing a \$2.9 billion bailout from the International Monetary Fund in March.

June inflation was the lowest since the 9.9 percent figure recorded in November 2021.

It is down from 25.2 percent in May and a peak of 69.8 percent in September.

"Inflation is expected to reach single-digit levels by early third quarter 2023," the Central Bank of Sri Lanka said.