

ICB approves Tk 20cr loan for Prime Bank Investment

STAR BUSINESS REPORT

The Investment Corporation of Bangladesh (ICB) has approved a loan of Tk 20 crore in favour of Prime Bank Investment Limited (PBIL), a merchant bank, from the "special fund for affected small investors of capital market" on a repayment basis.

The PBIL and the ICB signed an agreement in this regard at the latter's office in Dhaka on Wednesday, the PBIL said in a press release.

CQK Mustaq Ahmed, chairman of the PBIL, and Abu Taher Mohammad Ahmedur Rahman, managing director (current charge) of the ICB, inked the deal.

Hassan O Rashid, managing director and chief executive officer of Prime Bank Limited and director of the PBIL, Khandoker Raihan Ali, managing director and CEO (current charge) of the PBIL, Md Anwar Shamim, general manager for accounts and finance at the ICB, Md Korban Ali, deputy general manager of the special fund management unit, and Md Faruque Alam, deputy general manager of legal affairs and documentation department, were present.



CQK Mustaq Ahmed, chairman of Prime Bank Investment, and Abu Taher Mohammad Ahmedur Rahman, managing director (current charge) of the Investment Corporation of Bangladesh, exchanged signed documents of an agreement on loan at the latter's office in Dhaka on Wednesday.

PHOTO: PRIME BANK INVESTMENT

Ahmad appointed as MTB's company secretary

STAR BUSINESS DESK

Mutual Trust Bank Limited (MTB) recently appointed Rais Uddin Ahmad as its company secretary.

Ahmad was serving the bank as a deputy managing director and chief anti-money laundering compliance officer concurrently, said a press release. He joined the bank in 2021 from

Brac Bank Limited.

He has around 30 years of working experience in business, regulatory, risk management and company matters in the banking sector.

Ahmad started his career with ANZ Grindlays Bank, Bangladesh as a management trainee in 1994. He previously worked for Standard Chartered and Brac Bank.

He was also the company secretary of Brac Saajan Exchange Limited in the UK, a subsidiary of Brac Bank.

Ahmad obtained his master's degree in public administration from the University of Dhaka.



Ali Reza Iftekhar, managing director of Eastern Bank, receives an award from Stephan Jia, financing head for South Asia, India, and Japan regions at ZTE, at the former's head office in Dhaka yesterday.

PHOTO: EASTERN BANK



Dhaka Bank Founder Mirza Abbas Uddin Ahmed and Chairman Abdul Hai Sarker cut a cake at the bank's head office in Gulshan, Dhaka yesterday celebrating the 28th anniversary of the lender's operation in the banking sector. Among others, Amanullah Sarker, vice-chairman, Altaf Hossain Sarker, Reshadur Rahman, Md Amirullah, and Rakhi Das Gupta, directors, Feroze Ahmed, independent director, Khandaker Mohammad Shahjahan, former director, and Emranul Huq, managing director, was present.

PHOTO: DHAKA BANK

Eastern Bank wins ZTE's award

STAR BUSINESS DESK

Eastern Bank Ltd won the "Best Bank Guarantee Partner in Bangladesh 2022" award by a Chinese multinational technology company ZTE for providing quality services for the latter over the years.

Ali Reza Iftekhar, managing director and CEO of the bank, received the award from Stephan Jia, financing head for South Asia, India, and Japan regions at ZTE, at the bank's head office in Dhaka yesterday, said a press release.

"This is a testament to our unwavering dedication to providing excellent services and support to our valued partners. We look forward to further strengthening our partnership with ZTE," said Iftekhar.

Among others, Yang Tao, financial head for South Asia region at ZTE, Golam Jilani ACS, deputy chief financial officer of ZTE Bangladesh, Mehdi Zaman, deputy managing director of the bank, and Iftikhar Imam, head of inbound business and China desk, were present.



Zaid Bakht, chairman of the board of directors of Agrani Bank, presides over an extraordinary general meeting, where the bank's shareholders approved taking the PLC suffix for the lender, at its head office in Dhaka yesterday.

PHOTO: AGRANI BANK

Oil steadies

REUTERS, London

Oil prices were little changed on Thursday as the market digested tighter crude supply alongside fears of global economic slowdown.

Brent crude futures edged up 29 cents to \$76.94 a barrel by 0838 GMT after a 0.5 per cent gain the previous day.

US West Texas Intermediate crude firmed by 37 cents to \$72.16 after rising by 2.9 per cent in post-holiday trade on Wednesday to catch up with Brent's gains earlier in the week.

Agrani Bank takes PLC suffix

STAR BUSINESS DESK

The shareholders of Agrani Bank Limited have approved adopting the PLC suffix for the lender, Agrani Bank PLC, in the third special and extraordinary general meeting held at the bank's head office in Dhaka yesterday.

Zaid Bakht, chairman of the board of directors of the bank, presided over the meeting, where Nahid Hossain, representative of the government and joint secretary of the Financial Institutions Division of the finance ministry, was present, said a press release.

Zakir Hossain Chowdhury, observer and executive director of Bangladesh Bank, Biswajit Bhattacharya Khokon, Maliz Uddin Ahmed, Kashem Humayun, KMN Manjurul Haque Labloo, Khondker Fazle Rashid, Tanjina Ismail, Md Shahadat Hossain, and Mohammad Masud Rana Chowdhury, board of directors, attended the meeting.

RMG exporters bracing for difficult times

FROM PAGE B1

below 5 per cent in two years, way lower than the four-decade high of 9.1 per cent seen in June last year.

Similarly, the eurozone's annual inflation rate fell by more than expected in June to 5.5 per cent amid sharp falls in the cost of energy, down from a 40-year-high of 10.7 per cent recorded in October.

But local suppliers are worried as their cost of funds might go up after the Bangladesh Bank moved away from the 9 per cent lending rate cap, which had been in place from April 2020 to June this year.

According to Hoque, they came to know about the direction of exports based on queries from international retailers and brands.

"The number of queries from buyers for the next season is low because of the fallout of the war and the overall economic trend in the EU and the US."

He and a number of exporters sounded out pessimism despite the overall shipment from Bangladesh hitting a record high of \$55.55 billion in the just-concluded fiscal year and the receipts from the garment sector managed to register a year-on-year growth of 10.27 per cent to \$46.99 billion.

Industry people say the growth in times of global economic slowdown took place mainly in terms of value, not in terms of volume, as international retailers and brands paid better prices after taking into account the hike in the raw material costs and the spike in the cost of production in Bangladesh.

"How can the export of garment items be better when European and US consumers are passing through an economic downturn?" asked Md Siddiqur Rahman, chairman of Sterling Group, a garment exporter.

"The export growth in FY23 was not a growth in a real sense as buyers adjusted the prices."

MA Jabbar, managing director of DBL Group, a garment exporter,

thinks the export would be better from December as the economic situation may be better in the western world.

"The growth will be low in the next two months."

The current work order situation for garment items is not encouraging as buyers are cautious, said another garment exporter, asking not to be named.

"I do not see any jump in work orders in the next six months and everything is depending on the war situation."



Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said the shipment to new markets, particularly in Asian nations such as Japan, South Korea and India, increased in FY23 and buyers also paid better prices.

He said the global market for garment items currently worth nearly \$750 billion may shrink by 20 per cent this year because of lower consumption by western consumers.

Earlier, global management consulting firm McKinsey & Company said hyperinflation and depressed customer sentiments resulted in declining growth rates in the global fashion industry in the second half of 2022.

"We expect that the slowdown is

likely to continue through 2023."

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, thinks the depreciation of the local currency against the US dollar by nearly 28 per cent in the past one year has made Bangladesh's exports more competitive.

"But importers had to pay more for the US dollar to import raw materials."

Buyers are not optimistic because of the ongoing economic slowdown, said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

However, MA Razzaque, research director of the Policy Research Institute of Bangladesh, gave a mixed outlook on garment export for the new fiscal year, which began on July 1.

Apparel shipment to the US declined for all countries, including Bangladesh, in the February-May period of 2023.

"So, it will depend on how quickly the US and the EU could tackle their downward trend in the economies," he said.

According to the researcher, Bangladesh is competitive in the global apparel market whereas China is losing its market share. "So, Bangladesh has a very good future."

China, the largest apparel supplier in the world, is losing its market share for three reasons: diversification of sourcing by western retailers and brands as they see China as a sensitive source; China's shift to more sophisticated items like capital machinery, solar panels, electrical vehicles and mobile gadgets; and higher cost of production.

The geo-political tensions such as the dragging tariff war between Washington and Beijing is also contributing to the lowering of garment exports from China, Razzaque added.

Dhaka chamber Global rice prices

FROM PAGE B4

Dhaka contributes about 36 per cent of the total gross domestic product of Bangladesh, Taposh said.

Sameer Sattar, president of the DCCI, also said the MoU is a remarkable initiative that will benefit businesspeople in the country.

Termed it a milestone initiative of public-private partnership, Sattar added that this type of bondage will help improve the ease of doing business.

Mizanur Rahman, chief executive officer of the DSCC, said this is a new beginning and they are committed to facilitating businesspeople with digitalised services.

"The more we can provide online services, the more we can facilitate the ease of doing business," he added.

Stocks slide

FROM PAGE B4

Fu Wang Food made the highest gain with an increase of 9.9 per cent.

Heidelberg Cement Bangladesh, Progressive Life Insurance, Generation Next Fashions, and Emerald Oil Industries were among the top gainers.

Sonargaon Textiles was the highest loser, shedding 8.6 per cent.

Dacca Dyeing & Manufacturing, Fu-Wang Ceramic Industries, Alltex Industries, and Prime Textile Spinning Mills were also on the list of significant losers.

Fu Wang Food was the most-traded stock on the day with its issues worth Tk 53 crore changing hands.

Lub-rref (Bangladesh), Malek Spinning Mills, Rupali Life Insurance Company, and Olympic Accessories registered significant turnover as well.

Caspi, the all-share price index of the Chittagong Stock Exchange, slipped 6 points, or 0.03 per cent, to close at 18,720.

Of the issues, 50 rose, 95 retreated and 83 did not see any price swing. Turnover of the port city bourse inched down 1 per cent to Tk 21.22 crore.

"The impact of El Nino is not restricted to any single country; it affects rice output in almost all producing countries," said Nitin Gupta, vice president of Olam India's rice business.

The price of Indian rice exports has jumped 9 per cent to a five-year high, following a hike of 7 per cent last month in the price the government pays farmers for new-season common rice.

Export prices in Thailand and Vietnam have risen to more than two-year highs since that incentive, aimed at luring the votes of farmers in key Indian state elections this year and a general election next year.

In recent months, the prices of sugar, meat and eggs have jumped to multi-year highs worldwide, after producers cut exports to rein in domestic costs.

Despite the forecast for a strong Asian crop, some global trading houses expect El Nino to crimp the output of all key rice producers.

"Rice prices have already been rising due to limited supplies," added Olam's Gupta. "If production decreases, there will be a rally in prices."

Global inventories of rice are set

to drop to a six-year low of 170.2 million tonnes by the end of 2023/24, as stocks fall in top producers China and India, the USDA says, after the rising demand of recent years.

Prices could rise a fifth or more if yields drop sharply, as El Nino means the second rice crop in almost all Asian nations will be lower than normal, said a New Delhi-based grains dealer with a global trading house.

No. 2 exporter Thailand has urged farmers to plant only one rice crop after May rainfall was 26 per cent below normal.

In India, which plants its second crop in November, planting of summer-sown rice was down 26 per cent from a year ago by Friday, as the monsoon brought 8 per cent less rain than normal, government data show.

Weather in China, the top producer of the grain, has not been conducive for the early season crop but high stockpiles will balance supply and demand, said Rosa Wang, an analyst with Shanghai JC Intelligence.

Food inflation is always a concern for India's ruling party, which banned wheat exports last year and curbed those of rice and sugar to bring down prices.



Rice is a staple for more than 3 billion people and nearly 90 per cent of the water-intensive crop is produced in Asia.

PHOTO: STAR/FILE