

German industrial orders climb in May

AFP, Berlin

German industrial orders rose significantly in May, official data showed Tuesday, despite concerns that Europe's largest economy was set for a period of subdued growth.

New orders, closely watched as a foretaste of future industrial activity, rose by 6.4 per cent in May, federal statistics agency Destatis said.

The indicator climbed for the second month in a row, after Destatis revised up its figures for April to an increase of 0.2 per cent from a drop of 0.4 per cent.

May's rise was driven by increased orders for transport equipment, including ships, railway rolling stock, aircraft and military vehicles, which shot up 137.1 per cent on a month.

Orders for motor vehicles – a key sector of the German economy – also rose by 8.6 per cent.

The picture however remained mixed, with orders for electrical equipment falling by 15 per cent.

Domestic orders rose by 6.2 per cent, while those from abroad similarly rose by 6.4 per cent.

The improved order figures will provide a degree of relief for those concerned about the health of the German economy.

Despite a "gloomy business climate in the manufacturing sector, there are signs of a slight, albeit restrained expansion in industrial production in the course of the year", the economy ministry said in a statement.

A string of weak economic data had raised fears that the German economic motor was beginning to stall.

Germany fell into recession around the start of the year, as high inflation, elevated energy costs and tepid growth in key markets weighed on the economy.

The growing headwinds led the country's top economic institutes to forecast that the economy will shrink by 0.2 per cent over the course of 2023.



Bangladesh earned only \$142.24 million by exporting two-wheelers in the last fiscal year, down from \$167.95 in FY2021-22, according to the Export Promotion Bureau. PHOTO: COLLECTED

Bicycle exports backpedal by 15.31pc

JAGARAN CHAKMA

Bicycle exports from Bangladesh declined 15.31 per cent in the preceding fiscal year (FY) as demand fell amid the global cost-of-living crisis resulting from the ongoing Russia-Ukraine war.

The country earned only \$142.24 million by exporting two-wheelers in the last fiscal, down from \$167.95 in FY 2021-22, according to the Export Promotion Bureau (EPB).

Mainly two companies that built up their production capacity in a view to increasing two-wheeler exports currently ship bicycles from Bangladesh to destinations abroad.

"Basically, buyers in Europe kept a buffer stock after the Covid-19 period that is yet to sell out due to ongoing economic recession," said Kamruzzaman Kamal, director for marketing at Pran-RFL Group.

"So, bicycle exports reduced for this reason," he told The Daily Star yesterday.

Kamal believes bicycle exports from the country may revive from October this year.

"Fresh orders will come at the time as the old stock should be sold out by then," he said.

According to him, bicycle manufacturers did very well in FY 2021-22 as buyers placed immense orders during the post-

coronavirus period.

However, the Russia-Ukraine war changed the global economic situation in a way that impacted bicycle exports, Kamal said.

RFL has the capacity to manufacture nine lakh bicycles annually, a third of which is exported to European markets.

The country earned only \$142.24 million by exporting two-wheelers in the last fiscal, down from \$167.95 in FY 2021-22, according to the Export Promotion Bureau (EPB).

"We need to find new markets to expand exports in this situation," he added.

Export opportunities and the development of bicycle manufacturing facilities directly generate at least 7,000 jobs in the industry.

As per data from Eurostat, Bangladesh is currently the third largest bicycle exporter to the European Union and eighth largest in the world.

"Bicycle exports fell drastically as the

European economy is still in crisis due to the impacts of the Russia-Ukraine war," said Md Luthful Bari, director for operations at Meghna Group of Companies, the country's biggest bicycle exporter.

He believes the downward trend of bicycle exports could worsen in coming days due to persisting high inflation and growing global economic crisis.

Bangladesh mainly exports bicycles to Germany, where the economic pressure is continuing and so, the demand for bicycles has reduced significantly.

As such, export orders declined by around 20 per cent compared to the previous fiscal year, Bari added.

In the meantime, production costs have risen due to increased tariff on imports of bicycle related spare parts alongside hikes in gas and power prices.

He also said bicycle exports started booming after the Covid-19 pandemic and they accordingly developed their manufacturing capacity to meet the higher demand.

But the present global economic crisis pushed the industry into new challenges, and nobody knows when this situation will improve, Bari added.

Dhaka Bank wins Asiamoney Awards 2023

STAR BUSINESS DESK

Dhaka Bank recently won the title of "Best Corporate Bank in Bangladesh" at the Asiamoney Best Bank Awards 2023 for its contribution to garments, construction, consumer financing, and power sector.

With a client roster that includes Bangladesh's major conglomerates in sectors such as garments, engineering, construction, power, gas and consumer financing, the bank was at the forefront of numerous notable transactions in 2022, said a press release.

From syndicated term facilities for leading companies like Bashundhara Oil and Gas to arranging loans for sustainable projects generating over 2,800 MW of electricity, the bank is committed to supporting green infrastructure development and fostering a greener economy.

In addition to impressive financial growth with increased assets, loans, and deposits, the bank has also prioritised social and environmental responsibility.

By introducing innovative solutions like the Dhaka Bank C Solution app for cash management and the central over-the-counter platform for real-time reconciliation, they are revolutionising banking services in Bangladesh.

Asiamoney, a quarterly publication, focused on content related to business and finance, where it contains in-depth reports and banking awards in Asia.

India's vehicle sales go up

REUTERS, Bengaluru

Retail sales of cars and bikes in India rose in June, an industry body said on Thursday, while also flagging "demand-supply mismatches" that likely caused some disruption.

Sales of cars and vans – clubbed as passenger vehicles – rose 4.8 per cent to more than 295,000 units – a record high for the month of June, while those of two wheelers were up 6.8 per cent at over 1.3 million units, data from the Federation of Automobile Dealers Association (FADA) showed.

However, dealers selling cars have been impacted by a rise in inventory of some slow-moving cars and have noted "sporadic supplies of popular models," FADA President Manish Raj Singhania said in a statement.

Retail sales could have been slightly higher if not for the limited supply of utility vehicles, said Himanshu Singh, Research Analyst at Prabhudas Lillader, adding that a component issue at Mahindra and Mahindra and a planned shutdown at Maruti Suzuki India curbed some volumes.

Retail PV sales were up 4.3 per cent in May after a 1.4 per cent fall in April, while wholesale numbers for May and April were up 13.5 per cent and 12.9 per cent respectively, pointing to an inventory buildup.

Dealers have been grappling with a rise in inventory of slow-moving entry-level cars in the past 3 months, as supply of the more popular utility vehicles have been limited by chip shortages.



HBM Iqbal, chairman of Premier Bank, attends the bank's half-yearly "Business Conference-2023" at Renaissance Dhaka Gulshan Hotel in the capital yesterday. PHOTO: PREMIER BANK

Premier Bank organises business conference

STAR BUSINESS DESK

Premier Bank Limited organised a half-yearly "Business Conference-2023" at Renaissance Dhaka Gulshan Hotel in the capital yesterday.

HBM Iqbal, chairman of Premier Bank, was present as chief guest at the conference, which was presided over by M Reazul Karim, managing director and CEO, said a press release.

"The achievement the bank won in the first half would be enhanced

further in the second half of the year so that it could make a big leap forward and reaffirm the bank's position as one of the top performing banks in the country," said Iqbal in his welcome speech.

Among others, Moin Iqbal, vice chairman of the bank, BH Haroon, and Abdus Salam Mursheedy, directors, M Imran Iqbal, director and chairman of risk management committee, Kaisar A Choudhury, and Naba Gopal Banik, independent directors, and M Shahidul Islam, consultant, attended the event.

Threads crosses 10m users within hours of launch

AFP, Washington

More than 10 million people have signed up to Threads, Meta's rival to Twitter, within the first few hours of its launch, the Facebook parent's CEO Mark Zuckerberg said Thursday.

Threads is the biggest challenger yet to Elon Musk-owned Twitter, which has seen a series of potential competitors emerge but not yet replace one of social media's most iconic companies, despite its epic struggles.

The app went live on Apple and Android app stores in 100 countries at 2300 GMT on Wednesday, and will run with no ads for now.

"10 million sign ups in seven hours," Zuckerberg wrote on his official Threads account Thursday.

Accounts were already active for celebrities such as Jennifer Lopez, Shakira and Hugh Jackman, as well as media outlets including The Washington Post and The Economist.

Zuckerberg spent the first few hours of the platform's launch

replying to new users.

"One thing that's up is the number of world champion MMA fighters on Threads, especially now that you're here!" he wrote in a reply to American MMA fighter Jon Jones.

"Round one of this thing is getting off to a good start," he said in another. Zuckerberg also offered a

shot across the bow at Musk – the pair are known to be bitter rivals, and have even offered to meet each other in a fighting cage to wrestle it out. In his first tweet in over a decade, Zuckerberg posted a Spiderman pointing at Spiderman meme in an apparent reference to the similarity of the two platforms.

Back on Threads, he wrote: "It'll take some time, but I think there should be a public conversations app with 1 billion+ people on it. Twitter has had the opportunity to do this but hasn't nailed it. Hopefully we will." Twitter has said it has more than 200 million daily users.

Threads was introduced as a clear spin-off of Instagram, which offers a built-in audience of more than two billion users, thereby sparing the new platform the challenge of starting from scratch.

Zuckerberg is widely understood to be taking advantage of Musk's chaotic ownership of Twitter to push out the new product, which Meta hopes will become the go-to communication channel for celebrities, companies and politicians.

"It's as simple as that: if an Instagram user with a large number of followers such as Kardashian or a Bieber or a Messi begins posting on Threads regularly, a new platform could quickly thrive," strategic financial analyst Brian Wieser said on Substack.



BSCIC plans

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This is unfortunate for Bangladesh as leather is among a handful of products that offers exporters the scope for nearly 100 per cent value-addition as raw materials are entirely available in domestic markets.

Another price being paid for the lack of a well-equipped CETP is that the environment around the STIE is being polluted.

Mohammed Mizanur Rahman, director of the ILET, said it is not possible to go ahead with the existing CETP as it was constructed without following the proper design.

Besides, the technology used in building the CETP is not valid in most parts of the world nowadays.

Citing a paper of the ILET, Rahman said it is possible to reduce chemical usage in the washing of rawhide by 30 per cent using enzymes innovated by their researchers.

It is also possible to produce biodiesel and fertiliser from rawhide waste, he said, adding that his institute has already applied for a patent on the innovation.

Md Shakawat Ullah, general secretary of the Bangladesh Tanners Association (BTA), said tanners currently pay Tk 1 crore as an electricity bill for using the CETP,

which means the facility is running.

However, the solid waste management facility is less than 1 per cent operational, he added.

Md Akhtaruzzaman, vice chancellor of the University of Dhaka, said the production of biodiesel from rawhide waste is also producing green energy.

The leather and leather goods industries have been playing a vital role in the economy, which must not be marred by bureaucratic tangles, he added.

Kazi Faisal Bin Seraj, country representative of The Asia Foundation, also spoke at the seminar.

Forex reserve falls

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Bangladesh's foreign exchange reserves, a key indicator of a country's capacity to pay import bills, later rose above \$31.9 billion supported by remittances and loans provided by multilateral lenders such as the World Bank and the Asian Development Bank.

India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka are the members of the ACU, a Tehran-based organisation.