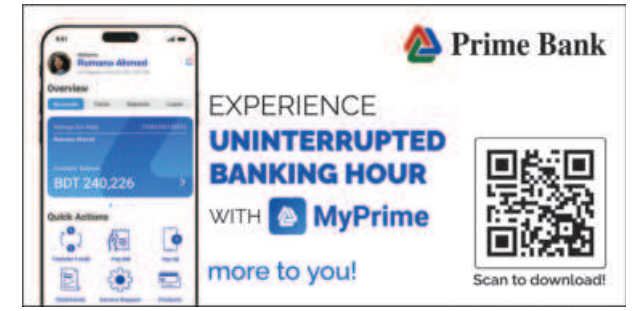


Star BUSINESS



\$190m ADB loan for upgrading rural roads

STAR BUSINESS REPORT

Asian Development Bank (ADB) has approved a \$190 million funding for upgrading rural roads, making agricultural areas more productive, and improving socioeconomic centres in rural areas of Bangladesh.

This loan is for its ongoing "Rural Connectivity Improvement Project" in the country, the ADB said in a statement yesterday.

"This is ADB's second additional financing for the project," said ADB Principal Rural Development Specialist Masahiro Nishimura.

"...(it is for) further expanding improvement of rural road networks and introducing innovative features in climate and disaster resilience and road asset management to enhance living conditions in rural areas," he said.

The latest loan will further extend improvement of another 1,350 km of rural roads with all-weather standards, climate resilience and safety features

This project is helping improve transport efficiency and reliability in rural areas, boost agricultural productivity and generate employment to help the country's sustainable economic growth, Nishimura said.

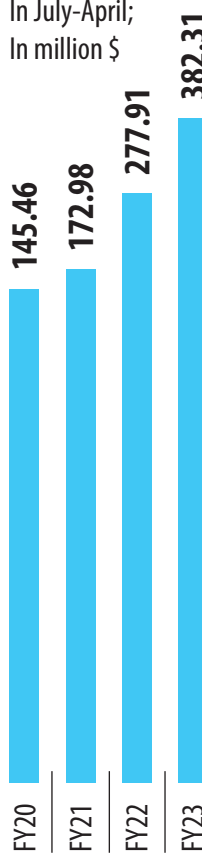
The ongoing project, originally approved in November 2018, aimed to upgrade about 1,700 kilometres (km) of rural roads, strengthen the capacity of rural infrastructure agencies and road users, and improve rural road master planning, said the ADB.

More than 900km of rural roads have been added to the original target since 2020, it added.

This latest loan will further extend improvement of another 1,350 km of rural roads with all-weather standards, climate resilience and safety features.

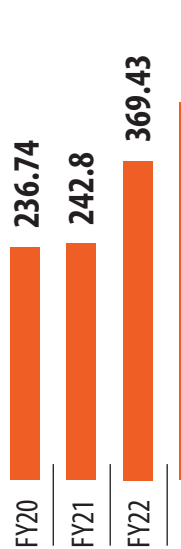
EXPORT OF COMPUTER DATA PROCESSING AND HOSTING SERVICES

In July-April; In million \$



IT EXPORT TRENDS

July-April period; In million \$ SOURCE: EPB



EXPORTS

In the entire FY22, IT exports surged 95% to \$592.06m

EXPORT AS PER BASIS

The trade body puts the figure at \$1.4b (Many firms and freelancers prefer to receive export proceeds through unofficial channels for higher USD dollar rate, say industry insiders)



IT exports rising though growth decelerates

MAHMUDUL HASAN

Information technology exports from Bangladesh grew in the July-April period of the just-concluded fiscal year on the bank of higher demand for IT-enabled services from global clients, official figures showed.

Local IT companies saw their earnings jump by 24.60 per cent year-on-year to \$460 million in the first 10 months of 2022-23, according to the Export Promotion Bureau (EPB).

The higher earnings were driven by ITESs, which include graphic design, image editing and business process outsourcing. Receipts from ITES shipments surged 37.57 per cent to \$382.31 million.

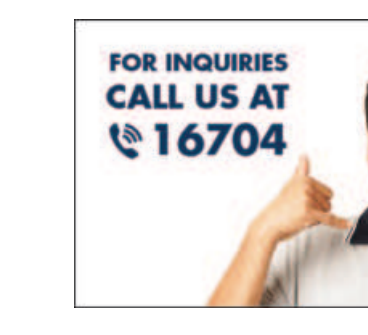
"Due to the Russian-Ukraine war, the global inflation rate has increased, which has forced technology companies in the US and Europe to lay off their regular employees and go for outsourcing in order to cut operational expenditures," said Rashad Kabir, managing director of Dream71 Bangladesh Ltd.

"This has created an opportunity for local technology companies to grab markets in the regions and the recent jump in ICT exports is a reflection of that."

The IT entrepreneur thinks if local firms can retain the current

growth momentum, there will be a huge jump in the ICT shipment in the coming years.

"Developing skilled human resources should be the priority to ensure high quality and long-term services," added Kabir, also a director of the Bangladesh



Association of Software and Information Services (BASIS), the apex trade body of ICT firms in the country.

Export earnings from software, commuter consultancy and product installation and maintenance saw a drop in July-April of FY23.

The shipment of computer consultancy services fell 5.45 per cent to \$29.67 million while installation, maintenance and repair of computer and peripheral equipment services

witnessed a decline of 29.54 per cent to \$6.44 million.

The international sales of software dropped about 18 per cent to \$41.91 million.

Brain Station 23, which has around 700 employees, witnessed a slide in software export.

"Due to the global economic slowdown, the inflow of orders



has slowed," said its co-founder and CEO Raisul Kabir.

BJIT Group, the top IT exporter in Bangladesh, however, posted more than 30 per cent year-on-year shipment growth during the 10-month period of the last fiscal year.

"We have already reached all of our export targets," said Masud Mehedi, chief operations officer of the company, which employs about 800 people.

Syed Almas Kabir, a former president of the BASIS, thinks it is crucial for Bangladesh to maintain positive growth in

software exports.

"If we really want to turn Bangladesh into an IT hub, increasing software exports and learning about new technologies is essential."

He said IT professionals should always keep themselves updated about software. "Unfortunately, our IT professionals don't keep themselves informed about changing technologies."

According to Almas, freelancers are mainly providing ITESs and Bangladesh has already displayed its strength in this area.

Although the overall IT exports climbed 24.60 per cent in July-April of FY23, the pace of growth decelerated compared to a year ago. During the identical period of 2021-2022, earnings shot up 52 per cent to \$369 million.

And in the entire FY22, overseas sales from the sector surged 95 per cent to \$592.06 million, EPB data showed.

BASIS President Russell T Ahmed, however, thinks the official statistics don't reflect reality since the real earnings are much higher than the reported figures.

"This is because the official figures don't include the earnings of many firms, including that of freelancers," he said, adding that the current estimated annual IT export is \$1.4 billion.

Top business leaders welcome trade in rupee with India

Taka should be included in future, they said

REFAYET ULLAH MIRDHA

The settlement of trade with India in the rupee will offer some benefit to exporters as this is expected to protect them from currency conversion loss and save time, according to a number of business people.

However, the inclusion of the Bangladesh taka in making settlements for trades and services will give a boost to the growing bilateral commerce between the two nations, they said.

Several exporters and business people shared the view yesterday after Bangladesh and India launched trade settlement in the Indian rupee (INR) in order to cut over-dependence on the US dollar.

"The trade settlement in rupee is an option that will ultimately bring benefits to local exporters," said Faruque Hassan, president of the BGMEA

"The trade settlement in the rupee is an option that will ultimately bring benefits to local exporters although it will be applicable for \$2 billion worth of imports initially. In the future, it is expected to be more," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

He said the launching of a dual-currency debit card in September will also ease pressure on the dollar in both countries.

The BGMEA chief said the government has allocated Tk 10,000 crore to import raw materials. In this case, garment exporters can easily buy raw materials from India in the rupee.

He said the hassle of a multiple conversion of the currency will ease and the taka should also be included in the two-way trade in the future.

Md Fazlul Hoque, managing director of Plummy Fashions Ltd, a knitwear exporter, said India is a growing and prospective market for Bangladesh.

He said the settlement of trade in the INR will bring benefits if it could save Tk 1 per dollar by avoiding multiple conversions.

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI
0.04%	Flat
6,327.98	18,703.82

COMMODITIES	
Gold ▲	Oil ▲
\$1,934.19	\$73.19
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.42%	▲ 0.04%	▲ 0.46%	▲ 0.55%
65,617.84	32,203.57	3,163.84	3,221.37

Edible oil prices fall for lower import cost

STAR BUSINESS REPORT

Refiners in Bangladesh have reduced the prices of soybean oil and palm oil as import costs decreased in line with the global market situation.

The Bangladesh Vegetable Oil Refiners' and Vanaspati Manufacturers' Association, an association of mill owners, said the new prices will come into effect from today.

As per a press release from the association, the price of one-litre bottles of soybean oil has been reduced by Tk 10 to Tk 179, down by some 5 per cent.

Similarly, the price of loose soybean oil was decreased by Tk 8, or roughly 5 per cent, to Tk 159 per litre.

Meanwhile, the price of five-litre bottles of soybean oil was reduced by Tk 43 to Tk 873.

Likewise, the price of palm oil has been decreased by Tk 5 per litre to Tk 128, as per the press release.

Bangladesh requires about 20 lakh tonnes of edible oil each year, shows data from the commerce ministry.

Only 2.03 lakh tonnes of this requirement can be sourced from local producers while the rest is met through imports.



The new prices to be effective from today may give some respite to the masses amid ongoing inflationary pressure.

PHOTO: STAR/FILE

Floor price will be lifted once economy stabilises: BSEC chief

STAR BUSINESS REPORT

The stock market regulator will withdraw the market's floor price as soon as the economy reaches a stable condition and investments of investors are secured, said a top official of the Bangladesh Securities and Exchange Commission (BSEC) yesterday.

"We are also eagerly waiting for a suitable time to lift the provision of the floor price," said BSEC Chairman Shibli Rubayet Ul Islam at a seminar in Dhaka.

The floor price is the lowest price at which a share can be sold.

The BSEC set the floor price of every stock at the end of July last year to halt the free fall of the market indices amid global economic uncertainties.

The floor price was determined based on the average of the closing prices on July 28 of the year and the preceding four days.

The economy is moving towards eventually reaching a stable condition after facing a lot of challenges like the fallouts of the pandemic, a dollar shortage and the Russia-Ukraine war, said Islam.

So, once it is understandable that the capital of investors no longer needs to be protected and that no crash of the stock market will recur, the BSEC will lift the floor price, he said.

The BSEC set the floor price of every stock at the end of July last year to halt the free fall of the market indices

The BSEC chairman also called on investors to invest in treasury bills and treasury bonds, explaining that those were very secure while returns were also good.

Many do not know that individual investors can also buy treasury bills and treasury bonds, he said, adding that the size of the bonds market had already crossed 3 lakh crore and this investment was guaranteed.

Currently the BSEC is working with the finance ministry to enable the listing of 22 state-owned companies soon, he said.

READ MORE ON B3

Taka-rupee debit card from September: BB

STAR BUSINESS REPORT

The central bank is going to introduce a taka-rupee debit card in September to allow travellers to make payments at home and in India, Bangladesh Bank Governor Abdur Rouf Talukder said yesterday.

"We are in the process of rolling out our national card," he said at the launch of the settlement of bilateral trade in the Indian rupee at Le Méridien Dhaka.

Under the current practices, travellers buy US dollars before travelling to India and convert them into the rupee when they are in the neighbouring country.

But the holders of the debit card named "Taka Pay Card" will be able to make payments against local bills as well as purchases in India within their travel quota limit as it will be tagged with the rupee.

READ MORE ON B3

Agrani Bank awards 64 exporters

STAR BUSINESS DESK

Agrani Bank has honoured 64 customers with an "Exporters Award 2022" for their contributions to the country's exports and foreign exchange earnings.

Chairman Zaid Bakht presented the awards through a ceremony at InterContinental Dhaka on Monday, said a press release.

In a speech, Bakht said the other name of economic development was industrialisation and Agrani Bank was making a big contribution for the sake of it by financing various projects in the

industrial sector.

Murshedul Kabir, managing director and CEO, chaired the function.

The ceremony was organised with the aim of increasing the country's foreign exchange reserves by increasing export income and making the country's development, progress and economic growth more dynamic, said Kabir.

Among others, Biswajit Bhattacharya Khokon, Mafiz Uddin Ahmed, Kashem Humayun and Tanjina Ismail, directors, and Wahida Begum, Md Anwarul Islam, Shyamal Krishna Saha and Rezina Parveen, deputy managing directors, were present.



Zaid Bakht, chairman of Agrani Bank, hands over an award to a recipient at the award-giving ceremony held at InterContinental Dhaka on Monday. PHOTO: AGRANI BANK

Pakistan gets \$2b deposit from Saudi Arabia

AFP, Islamabad

Pakistan's desperately low foreign exchange reserves were boosted on Tuesday with a \$2 billion deposit from Saudi Arabia, ahead of a key IMF meeting this month to approve a new deal.

The economy has been stricken by a balance-of-payments crisis as it attempts to service crippling external debt, while months of political chaos have scared off foreign investment.

Inflation has rocketed, the rupee has reached a record low against the dollar, and the country is struggling to afford imports, causing a severe decline in industrial output.

"Saudi Arabia had announced in the recent past that it would deposit an additional \$2 billion dollars in the account of the State Bank of Pakistan - that has been credited to the account of the State Bank," Pakistan's finance minister Ishaq Dar said in a televised press conference.

It brings state foreign reserves to a total of \$6.5 billion, an almost 50 per cent increase compared to last week's account balance.

The deposit will stabilise Pakistan's foreign exchange reserves and will improve its credit rating in the international market, experts say

Faisal Shaji, a research analyst with Standard Capital Securities, told AFP that the deposit will stabilise Pakistan's foreign exchange reserves and will improve its credit rating in the international market.

"This is also a big and positive development towards the IMF programme. As a result, Pakistan's currency will be strengthened and it will have a better impact on the stock market."

After months of prolonged negotiations, the IMF last week announced a new standby deal worth \$3 billion for Pakistan after the government met the final conditions, including securing guarantees of further financial support from friendly nations.

The standby deal will be considered for approval by the IMF's executive board by mid-July.

Years of financial mismanagement have pushed Pakistan's economy to the limit, exacerbated by the Covid pandemic, a global energy crisis and record floods that submerged a third of the country last year.



Matiur Rahman, chairman of the Uttara Group of Companies, and Nayeemur Rahman, head of business planning, recently inaugurate an all-new Suzuki Grand Vitara, a premium sport utility vehicle, at its Uttara Centre in Tejgaon, Dhaka. PHOTO: UTTARA MOTORS

Uttara Motors brings Suzuki Grand Vitara

STAR BUSINESS DESK

Uttara Motors Limited, a distributor of Suzuki vehicles in Bangladesh, recently launched an all-new Suzuki Grand Vitara, a premium sport utility vehicle (SUV), with a tagline "The Legend Returns".

It is equipped with hybrid technology and showcases Suzuki's renowned K-series 1.5L engine with notable features, including a panoramic sunroof, auto AC, 360 view camera, rear AC vents, 6 airbags, etc.

The SUV is available in nine colour options and the price tag starts at Tk 47 lakh with a 3-year or 55,000km Suzuki standard warranty, along with 4 years of complimentary services, said a press release.

Matiur Rahman, chairman of the Uttara Group of Companies, and

Nayeemur Rahman, head of business planning, launched the vehicle at its Uttara Centre, Tejgaon in Dhaka.

The chairman of the company expressed his enthusiasm for the growing demand for SUVs in the country.

"With its captivating powertrain, dynamic and aggressive exterior design, sophisticated interiors, and an array of technologically advanced segment-leading comfort and convenience, the Grand Vitara is set to appeal to even the most discerning SUV enthusiasts," said Matiur.

Uttara Motors operates eight showrooms and 10 nationwide service centres, providing sales and service support for its customers. The company so far delivered over 50,000 units with a history of selling Suzuki cars since the early 80s.



Md Afzal Karim, managing director of Sonali Bank, inaugurates a special counter and help desk to facilitate export-import trading in rupee between Bangladesh and India at the lender's local office in Dhaka yesterday. PHOTO: SONALI BANK

Sonali Bank opens counter for trade with rupee

STAR BUSINESS DESK

Sonali Bank opened a special service counter and help desk in its local office as a designated bank of export-import trading in rupees between Bangladesh and India.

Md Afzal Karim, managing director and CEO of the bank, inaugurated the special counter and help desk at the

lender's local office in Dhaka yesterday, said a press release.

Md Rezaul Karim, general manager of local office, presided over the programme, where Sanchia Binte Ali, Mir Mofazzul Hossain, Subhash Chandra Das, Kazi Md Wahidul Islam, Parsoma Alam, deputy managing directors, along with general managers of head office and other officials were present.



Syed Mizanur Rahman, deputy managing director of AB Bank, and Solaiman Alam, chief digital officer of Grameenphone, signing an agreement at the former's head office in Dhaka yesterday. PHOTO: AB BANK

GP, AB Bank ink deal

STAR BUSINESS DESK

AB Bank Ltd signed an agreement with leading mobile phone operator Grameenphone in an effort to bring the country's unbanked population under the financial ecosystem.

Syed Mizanur Rahman, deputy managing director of the bank, and Solaiman Alam, chief digital officer of GP, inked the deal at the lender's head office in Dhaka, said a press release.

Tarique Afzal, managing director of the bank, and other senior officials of the bank and mobile phone operator were present.



Md Rabiul Alam, deputy general manager of Pubali Bank, and Hasina Begum, secretary of Bangladesh Rural Electrification Board, exchanged signed documents of an agreement at the latter's head office in Gulshan, Dhaka yesterday. PHOTO: PUBALI BANK

Pubali Bank signs deal with Rural Electrification Board

STAR BUSINESS DESK

Pubali Bank Ltd and Bangladesh Rural Electrification Board (BREB) recently signed an agreement on collecting the latter's postpaid electricity bill through Pubali Bank's online/mobile banking app "PI" by using API.

Md Rabiul Alam, deputy general manager and head of ADC division

of the bank, and Hasina Begum, secretary of BREB, signed the agreement at the latter's head office in Gulshan, Dhaka yesterday, said a press release.

Under the agreement, customers of Polli Biddiyut Samity will be able to pay their postpaid electricity bill through Pubali Bank's internet banking/PI mobile banking app.

AS Sirajul Haque Chowdhury,

general manager and regional manager for Dhaka north zone of the bank, Md Faizul Hoque Sharif, general manager and division head for general banking and operations division, Dipankar Biswas, member (finance) of BREB, Md Hossain Patwary, controller (finance and accounts), and other officials from both the organisations were also present.



Abdul Aziz, additional managing director of First Security Islami Bank, cuts a ribbon to virtually inaugurate the bank's three sub-branches in three different districts from its head office in Dhaka yesterday. PHOTO: FIRST SECURITY ISLAMI BANK

Sri Lanka to focus on energy, port projects with India

REUTERS, Colombo

Sri Lanka is likely to discuss energy, power and port projects during a presidential visit to New Delhi next week, the foreign minister said on Monday, as India tries to push forward stalled initiatives with its crisis-hit neighbour.

India's support was critical for Sri Lanka last year after it almost ran out of dollars and sank into a financial crisis that left it struggling to fund essential

imports including fuel and medicine.

India provided about \$4 billion in rapid assistance between January and July in 2022, including credit lines, a currency-swap arrangement and deferred import payments, and sent a warship carrying essential drugs for the island's 22 million people.

Sri Lanka will now focus on grid connectivity between the two countries, port development and renewable energy projects, largely in the northern part of the island, when

President Ranil Wickremesinghe visits India from July 21 for two days, Foreign Minister Ali Sabry told reporters.

"Trincomalee energy-hub development, port development, possible refinery - basically we are discussing with India," Sabry said, referring to a strategically important natural harbour on Sri Lanka's northeast shore.

"We are now continuously reviewing the progress and finding ways to fast track those, if possible."

First Security Islami Bank opens 3 sub-branches

STAR BUSINESS DESK

First Security Islami Bank Ltd yesterday launched three sub-branches in three different districts across the country.

The sub-branches are: Chatkhil sub-branch at Haji Atikullah Nirala Super Market in Chatkhil of Noakhali, Betagi sub-branch at Khan Mansion in Betagi of Barguna, and Kunjerhat sub-branch at Hena Kutir in Borhanuddin of Bhola.

Abdul Aziz, additional managing director of the bank, virtually inaugurated the sub-branches of the bank from its head office in Dhaka, said a press release.

Among others, Muhammad Mustafa Khair, additional managing director, Md Zahurul Haque and Md Masudur Rahman Shah, deputy managing directors, attended the event.

Channel more financing

FROM PAGE B4

two factors, according to Prof Ahmed, who was chairman of state-run Rupali Bank in 2001-2003.

One of the factors is the low motivation in the financial sector.

"In the first instance, banks and other financial institutions think that SMEs are not strong, they are less profitable and those which are profitable see fluctuation in their earnings."

"They think a lot of SMEs will shut prematurely."

As a result, when an SME goes to a bank or any kind of lender, he or she does not receive the same level of attention a large borrower gets.

"I think MSMEs are more efficient than large because they are careful,

industrious and dedicated."

He said there are some products that can be produced by SMEs more economically and profitably.

He cited the example of fashion boutique shops that produce quality products but may not like to go for large-scale production.

Prof Ahmed thinks cottage industries should not be included in the MSME sector.

His argument is MSMEs are more organised, dynamic, promising, and profitable, and have better chances of growth and survival.

"The government and the central bank can extend as much support as they want to cottage industries but they should be treated separately from the MSME sector."

Scanty rains diminish

FROM PAGE B4

Maharashtra, which was expected to produce 13.8 million metric tons of sugar in the 2022/23 marketing year ending September 30, produced only 10.5 million tons due to lower cane yields.

The industry was expecting production would revive in the 2023/24 marketing year starting

Oct. 1, but scanty rainfall has washed away hopes of any revival in the output, said B.B. Thombare, president of the West Indian Sugar Mills Association.

"Instead, there will be a drop in production in the upcoming season. The quantum of the drop depends on how much rainfall we receive in the next few months," Thombare said.

Clean tech minerals market surges to \$320b: IEA

AFP, Paris

The market for the minerals key to the clean energy transition soared to \$320 billion last year but faces challenges including volatile prices, supply chain snarls and geopolitical tensions, the International Energy Agency said Tuesday.

The market for minerals such as lithium, cobalt, nickel and copper doubled between 2017 and 2022, fuelled by the record deployment of clean technologies such as solar panels and electric car batteries, according to the IEA.

"Rapid growth in demand is providing new opportunities for the industry," the Paris-based agency said in its first annual IEA Critical Minerals Market Review.

"But a combination of volatile price movements, supply chain bottlenecks and geopolitical concerns has created a potent mix of risks for secure and rapid energy transitions," it added.

The IEA, which advises developed nations on energy policies, said the "affordability and speed of energy transitions" will depend on the availability of critical mineral supplies.

Prices rose in 2021 and early 2022 as the Covid pandemic caused bottlenecks across supply chains and Russia's invasion of Ukraine wreaked havoc in commodity markets.

Most prices began to moderate in the latter half of 2022 and into 2023, but they remain well above historical averages, the IEA said.

Rupee gains for second day

REUTERS, Mumbai

The Indian rupee rose for a second straight session against the US dollar on Tuesday, mirroring similar moves in Asian peers, as risk appetite in the region rose on fresh bets of the Federal Reserve nearing the end of its rate tightening cycle.

The rupee ended at 82.3650 against the dollar compared with 82.5650 in the previous session. The currency gained 0.25 per cent on the day, adding to Monday's 0.2 per cent rise.

Tuesday's gain is the local currency's best daily performance since June 16.

The rupee is likely to find some resistance near the 82.00-82.20 levels, said Jigar Trivedi, senior research analyst - currencies and commodities at Reliance Securities.



Workers are seen harvesting kathkachu for sale between Tk 25 and Tk 35 per piece, depending on size and quality. Farmers are pleased to be getting good yields and prices for the crop this year. The picture was taken recently from Lalmonirhat sadar upazila.

PHOTO: S DILIP ROY

Kathkachu farming bringing profit to farmers

S DILIP ROY

Farmers in Bangladesh are pleased to be getting good yields and prices for kathkachu, a variety of taro root native to South Asia, as demand for the crop has risen this year.

Kathkachu is mainly grown across five northern districts, namely Lalmonirhat, Kurigram, Rangpur, Nilphamari and Gaibandha, in the greater Rangpur region.

Farmers say they are selling each piece of kathkachu directly from the field for between Tk 25 and Tk 35 depending on size and quality while it was Tk 15 to Tk 20 last year.

Vegetable traders from all over the country come to buy the crop, which was cultivated on 1,200 hectares of land in greater Rangpur this year compared to 1,100 hectares in 2022.

Farmers can produce 4,500 to 5,000 pieces of kathkachu from each bigha of land at a cost of up to Tk 15,000.

With each kathkachu weighing roughly three to four kilogrammes, most of the crop is usually cultivated in

Lalmonirhat and Kurigram.

Mobarak Hossain, a farmer based in the Mandolerhat area of Lalmonirhat sadar upazila, said kathkachu is cultivated in low lying areas, where floodwater can accumulate.

"There is no damage to this crop in flood water," he added.

Farmers say they are selling each piece of kathkachu directly from the field for between Tk 25 and Tk 35 depending on size and quality while it was Tk 15 to Tk 20 last year.

Hossain cultivated 15,000 pieces of kathkachu on three bighas of land this year at a cost of Tk 40,000.

He has already sold 6,000 thousand pieces of the vegetable for Tk 30 per piece.

"I'm being highly benefited by kathkachu farming this year,"

Hossain said.

Subhas Chandra Das, a farmer in Rajarhat upazila of Kurigram, said he has been farming kathkachu for the last 20 years.

Das cultivated kathkachu on eight bighas of land this year and already sold 15,000 pieces of the crop for Tk 30 per piece.

"We regularly eat this vegetable in our family as well," he added.

Nur Islam, a vegetable trader based at Kurigram Poura Market, said only poor people would buy kathkachu just a few years back but now, this item has become popular nationwide.

"The demand for kathkachu has increased compared to previous years," he added.

Hamidur Rahman, deputy director of the Department of Agricultural Extension in Lalmonirhat, said the vegetable is cultivated in flood prone areas, where other crops do not fare well.

"And as the price of kathkachu has doubled or more, farmers' interest in growing the crop has increased too," he added.

Robi launches tourist SIM

STAR BUSINESS REPORT

Robi, the second largest mobile network operator in Bangladesh, today launched tourist SIM for travellers visiting the country.

The dedicated SIM card offers a wide range of services, including local and international calls, SMS, and data usage, supported by Robi's robust 4.5G network coverage, the company said in a statement.

The operator said considering the diverse needs of tourists, it has carefully designed the tourist SIM package to provide a range of attractive benefits, ensuring a seamless and convenient travel experience from the moment they arrive in Bangladesh.

The exclusive product range covers various duration options, allowing subscribers to choose from validity periods of seven days, 15 days, or 30 days.

The flexible plans enable tourists to select the most suitable plan based on their specific requirements, it added.

UK jobless rate rises amid high inflation

AFP, London

UK unemployment rose back to four per cent in the three months to the end of May, official data showed Tuesday, as the economy struggles with stubbornly high inflation.

The unemployment rate increased from 3.8 per cent in the three months to the end of April, the Office for National Statistics (ONS) said in a statement.

The rate was back at four per cent for the first time since the start of 2022. Analysts' consensus had been for unemployment to remain at 3.8 per cent.

Despite the rise, finance minister Jeremy Hunt said Britain's "jobs market is strong with unemployment low by historical standards".

The ONS added that pay excluding bonuses had risen at record levels.

"Due to high inflation, however, the real value of weekly earnings is still falling, although now at its slowest rate since the end of 2021," noted Darren Morgan, director of economic statistics at the ONS.

In a keynote speech late Monday, Hunt insisted there could "be no sustainable growth without eliminating the inflation that deters investment and erodes consumer confidence".

UK annual inflation has eased in recent months but remains close to nine per cent.

This is far above the Bank of England's two-per cent target, triggering numerous interest-rate hikes from the central bank.

"UK inflation is already running far hotter than policymakers had hoped, and price pressures will struggle to abate any time soon so long as earnings continue to grow at the current scorching pace," said Matthew Ryan, head of market strategy at Ebury.



Md Shahriar Alam, state minister for foreign affairs, Pranay Verma, high commissioner of India to Bangladesh, and Ali Reza Iftakhar, managing director of Eastern Bank, inaugurate a dedicated "India Business Desk" opened by the bank at its head office in Gulshan, Dhaka yesterday.

PHOTO: EASTERN BANK

Eastern Bank opens India business desk

STAR BUSINESS DESK

Eastern Bank Limited (EBL) yesterday launched a dedicated "India Business Desk" to facilitate cross-border business transactions between Bangladesh and India.

Md Shahriar Alam, state minister for foreign affairs, inaugurated the desk at the bank's head office in Gulshan, Dhaka yesterday, said a press release.

The setting up of a dedicated "India Business Desk" by Eastern Bank Ltd will boost bilateral trade and investment between the two friendly countries, Alam said.

"We are thrilled to launch the EBL India Business Desk, which reflects our commitment to strengthening the trade relations between Bangladesh and India," said Ali Reza Iftakhar, managing director and CEO of the bank.

The bank also launched a co-brand card with the India-Bangladesh Chamber of Commerce and Industry (IBCCI) at the same event.

Threads surges to 100m users in five days

REUTERS

Meta Platforms' Twitter rival Threads crossed 100 million sign-ups within five days of launch, CEO Mark Zuckerberg said on Monday, dethroning ChatGPT as the fastest-growing online platform to hit the milestone.

Threads has been setting records for user growth since its launch on Wednesday, with celebrities, politicians and other newsmakers joining the platform that is seen by analysts as the first serious threat to the Elon Musk-owned microblogging app.

"That's mostly organic demand, and we haven't even turned on many promotions yet," Zuckerberg said in a Threads post announcing the milestone.

The app's sprint to 100 million users was much speedier than that of OpenAI-owned ChatGPT, which became the fastest-growing consumer application in history in January about two months after its launch, according to a UBS

study. Twitter had nearly 240 million monetizable daily active users as of July last year, according to the company's last public disclosure before Musk's takeover, although data from web analytics companies indicates usage has dropped since then.

Twitter's web traffic was down 11 per cent from the year prior in the days after the Threads launch, compared to the 4 per cent it was down year-over-year as of June, according to Similarweb.

Matthew Prince, CEO of internet infrastructure firm Cloudflare, shared a graph showing a similar trajectory in a tweet on Sunday and said Twitter's traffic was "tanking."

Twitter CEO Linda Yaccarino tweeted on Monday that the platform last week had its "largest usage day" since February, without providing details. "There's only ONE Twitter," she tweeted.

Musk tweeted "I think we may hit an all-time record this week."

Top business leaders welcome

FROM PAGE B1

Plummy Fashions also exports products to India, alongside other countries.

Hoque raises some questions.

"What will be the effective dollar rate in Bangladesh to determine the exchange rate of the Indian rupee and the taka? The question comes as we have different rates for exporters, importers and remitters. This needs clarification," he said.

He said importers have to pay in dollars even when they buy raw materials from local sources.

"Will we be able to buy the raw materials in the rupee or taka?" he asked.

"A lot of things have remained unclear."

Overall, he said, the settlement of the INR may not bring significant benefits to exporters.

Ahsan Khan Chowdhury, chairman of Pran-RFL Group, describes the beginning of trade settlements in the rupee as a great initiative.

"This is a step in the right direction."

"This will give more comfort to my customers and take us closer to our customers and eliminate wastage and currency conversion loss. India is a big market and it is a big opportunity for us."

The group ships products to India.

Chowdhury said Pran-RFL group will try to settle import bills in the INR equal to the amount of its export earnings from the country.

"Let's try. If it is not beneficial, we can always come back," he said.

MA Jabbar, managing director of DBL Group, a garment exporter to India, says the new initiative will benefit both exporters and importers of Bangladesh and India as the process will be simplified and the cost of currency conversion will reduce to some extent.

He also thinks trade settlements should also be carried out in the taka.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters

Association, said the move will deepen bilateral ties.

"The over-reliance on the US dollar will reduce to some extent. This will cut the cost of doing business as well."

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, said trade volumes worth \$2 billion might be settled in the rupee initially.

The balance of trade heavily tilts towards India, with the neighbouring country exporting goods worth more than \$12 billion to Bangladesh.

Bangladesh ships goods worth \$2 billion to India annually.

"So, Bangladesh's benefit will be low," Khokon said.

Abdul Matlub Ahmad, president of the India-Bangladesh Chamber of Commerce & Industry, said the dual-currency card to be introduced in September will reduce the exchange rate loss stemming from the conversion of US dollars.

"The taka-rupee card would be useful for travellers of both countries."

Floor price will be lifted

FROM PAGE B1

The seminar was on "Economic challenges for Bangladesh Capital Market: Possible Remedies" organised by Economic Reporters' Forum (ERF) on its premises.

It is possible for institutional and retail investors to separately conduct trade on the stock markets for better performance, said Hafiz Muhammad Hasan Babu, chairman of Dhaka Stock Exchange (DSE).

A new programme will be launched under the Capital Market Stabilisation Fund (CMSF) called "Investors Stabilisation Fund" (INSAF) so that more facilities can be provided to investors, said Md Nojibur Rahman, chairman of the CMSF.

The small and medium enterprise board has been formed in the capital market so that small investors can avail money for investments, said Asif

Ibrahim, chairman of Chittagong Stock Exchange.

Expatriates should be encouraged to make long-term bond purchases, said SM Parvez Tamal, chairman of NRB Commercial Bank Limited.

Banks are enablers of short-term investments while bonds long-term ones. But in Bangladesh, banks are used for long-term investments, he said.

The slowdown in the stock markets may continue for the next six months but their revival may begin afterwards, said Hasan Imam, president of the Association of Asset Management Companies and Mutual Fund.

Mohammad Mufazzal, a member of the ERF and a staff reporter of The Financial Express presented a keynote paper. ERF President Mohammad Refayet Ullah Mirdha also spoke.

Taka-rupee debit

FROM PAGE B1

The use of the card will allow travellers to reduce exchange rate losses twice. The governor earlier put the exchange rate loss at as high as 6 per cent.

The card may allow Bangladesh to save a significant amount of US dollars since a lot of people travel to India for health, tourism and religious purposes.

The Indian High Commission in Bangladesh issued 15 lakh visas to Bangladesh last year.

The idea of the taka-rupee card comes as the foreign currency reserves in Bangladesh have continued to face pressures amid higher import bills against moderate export and remittance receipts.

The reserves stood at \$31.16 billion on July 5, down from \$41.88 billion on the same day a year ago, a decline of more than 25 per cent, BB data showed.



Amfitriti, a bulk carrier part of the Black Sea grain deal, and other commercial vessels wait to pass the Bosphorus strait off the shores of Yenikapi in Istanbul on May 10. The grain deal has facilitated the export of more than 32 million tonnes of foodstuffs through three Ukrainian ports to 45 countries. PHOTO: REUTERS/FILE

Chambers urge govt to seek extension of Black Sea grain deal

STAR BUSINESS REPORT

Six major business chambers in Bangladesh yesterday urged the government to pursue a further extension of an international deal to help keep the grain supply smooth at home and abroad.

The Black Sea Grain Initiative, negotiated by the United Nations and Turkey, is an agreement that allows Ukraine to export millions of tonnes of grain through the Black Sea despite the ongoing war with Russia.

The latest two-month extension expires on July 17. In a joint statement, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the International Chamber of Commerce – Bangladesh (ICC-B), the Metropolitan Chamber of Commerce and Industry (MCCI), the Dhaka Chamber of Commerce and Industry (DCCI), the Chattogram Chamber of Commerce and Industry (CCCI), and the Foreign Investors Chamber of Commerce and Industry (FICCI) said Bangladesh and other countries would face risks if the initiative is not renewed.

Md Jashim Uddin, president of the FBCCI, Mahbubur Rahman, president of the ICC-B, Md Saiful Islam, president of the MCCI, Sameer Sattar, president of the DCCI, Mahbubul Alam, president of the CCCI and Naser Ezaz Bijoy, president of the FICCI, signed the statement.

The deal has facilitated the export of more than 32 million tonnes of foodstuffs through three Ukrainian ports to 45 countries, with wheat exported to the least-developed economies remaining largely unchanged from pre-war levels, they said.

As a direct result of the trade through the Black Sea – as well as exports of food and fertilisers from Russia – global food prices have dropped 22 per cent since March 2022, according to the Food and Agriculture Organisation.

The World Food Programme is procuring wheat from Ukraine at the same volumes as in 2021 to support humanitarian operations in Afghanistan, Ethiopia, Kenya, Somalia, Sudan, and Yemen.

So, continued facilitation of Ukrainian and Russian exports of food and fertilisers thus remains crucial to global food security, the statement said.

It said any lapse in the deal risks severely jeopardising the availability and affordability of food for millions around the world, a situation that will have truly damaging social, economic and, above all, human consequences.

The trade bodies, therefore, called upon the government to strongly pursue the extension of the agreement.

Scanty rains diminish India's sugar output, export prospects

REUTERS, Satara/Sangli Solapur, India

Sugarcane growers in India's top producing states are worried scanty rainfall during the crop's crucial growth period could trim yields and reduce sugar output in the upcoming season, farmers and industry sources told Reuters.

Lower sugar production in Maharashtra and Karnataka, which together account for more than half of India's total output, would reduce exports from the world's second-biggest producer of the sweetener and support global prices, trading near multi-year highs.

"Sugarcane thrives on the abundant rainfall experienced from June to September, but this year's growth has nearly stalled due to poor rainfall," said Bharat Sankpal, a farmer from the Satara district of the western state of Maharashtra, India's No.1 sugar-producing state.

Key cane-growing districts of Maharashtra received up to 71 per cent less-than-normal rainfall so far this monsoon season that started on June 1, according to the weather department data.

In neighbouring Karnataka, the third-biggest sugar producer, rainfall deficit is as high as 55 per cent in cane-growing districts.

Sugarcane yields fell last year due to lower rainfall in June-July, and the same weather pattern is prevailing this year as well, said Shrikant Ingale, a farmer from Solapur district in Maharashtra.

READ MORE ON B2

A quarter of BO accounts closed in two years

AHSAN HABIB

Around 6.56 lakh beneficiary owner (BO) accounts, which are needed to trade stocks, were closed over the last two years mainly due to a lacklustre condition of the primary and secondary markets of securities in the country.

On July 6, 2023, there were 18.55 lakh BO accounts whereas 25.12 lakh on the same day in 2021, according to data of Central Depository Bangladesh Limited (CDBL).

A few years back, a section of investors was operating a huge number of BO accounts, mainly to participate in lotteries of initial public offerings (IPO) to avail shares at low prices, said an official of a leading brokerage house.

In 2020, the Bangladesh Securities and Exchange Commission (BSEC) changed the system such that all shares were equally divided among everyone who subscribed to an IPO.

Since there are a huge number of investors subscribing to each IPO, the equal distribution system resulted in each getting only a few shares.

On top of that, the stock market regulator set a precondition stipulating that anyone intending to subscribe to an IPO must have at least Tk 50,000 invested in the secondary market.

These two developments meant that operating BO accounts are no longer profitable and so the IPO hunters are leaving the market, said the official requesting anonymity.

"I think this is a good step of the BSEC launching the pro-rata share allocation system instead of lottery



system as it will benefit stock investors who hold shares for long periods," he added.

"The number of new BO accounts being opened has dropped massively over the past couple of months," said a top official of a merchant bank.

This is because the secondary market is no longer lucrative, especially for the presence of the floor price, which has turned the market illiquid, so investors are

not interested in opening new BO accounts, he said.

The floor price is the lowest price at which a stock can be traded.

At the end of July last year, the BSEC set the floor price of every stock to halt the free fall of the market indices amid global economic uncertainties.

The floor price was the average of the closing prices on July 28 of the year and the preceding four days.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 138 points, or 2.21 per cent, in the last two years, shows the DSE data.

Existing stock investors are struggling to make money in the secondary market due to the absence of buyers amidst the presence of the floor price. "So how will new investors come to the market?" asked the merchant banker.

Moreover, the stock market investors did not see any IPO of renowned and reputed companies over the last two years which could have attracted investors, he said.

Some banks and insurance companies went public in the last two years but their participation in the market was mainly to fulfill conditions of the regulator, he said.

So few BO accounts are being opened while many are being closed down, he added.

Channel more financing to SMEs Says economist Montaz Uddin Ahmed

MD FAZLUR RAHMAN

At least half of all credits disbursed by banks and other financial institutions in Bangladesh should go to small and medium enterprises (SMEs) since a significant of them still don't have access to the formal credit system despite recent improvements, said a noted economist.

Montaz Uddin Ahmed, a former professor of the economics department at the University of Dhaka, said about 45 per cent of SMEs are now getting bank credit but the rest don't have any access to banks.

"This may vary from sector to sector, but the average will be 45 per cent. It should be 50 per cent at least," he told The Daily Star during an interview on Thursday.

There are nearly 78 lakh SME units in Bangladesh, contributing about 25 per cent to the country's GDP and employing around 30 per cent of the workforce.

Access to financing for them has increased in the past one decade, thanks to initiatives from the government and the Bangladesh Bank.

The central bank has set up a separate SME department while banks have opened dedicated SME desks and branches.

Currently, lending to micro, small and medium enterprises (MSMEs) must account for 25 per cent of financial institutions' loan portfolios.

"The setting of the quota on lending has been a big help for the MSME sector," said Prof Ahmed.

Hespend his entire academic life studying, researching, and teaching SMEs and is the first PhD-holder among the Bangladeshis in the area.

When the government set up the SME Foundation in 2007, he was one of the directors of the board of the agency working to promote the enterprises in the sector.

Despite recent developments, MSMEs have always faced challenges in Bangladesh, owing to inadequate access to finance, absence of collaterals needed to secure a loan, and lack of marketing, among other factors.

The coronavirus pandemic dealt a massive blow to them as lockdowns and other restrictions forced them to close completely at the peak of the health crisis.

Prof Ahmed said the SMEs that continued their operations saw their market shrink and sales revenue, cash flow and profitability drop.

"They were on the verge of going out of business. Fortunately, MSMEs did not see any serious damage from the pandemic-related crisis. I think they have survived and prospered after successfully navigating through the temporary difficulties."

He also said the current wave of higher inflation, driven by external and internal factors, came as a fresh blow for MSMEs as their sales have declined as people tightened their belts amid a considerable erosion of the purchasing power of consumers.

Prof Ahmed, a former research director of the Centre for Integrated Rural Development in Asia and the Pacific, said the government unveiled a stimulus package for the MSME sector.

"It has been a positive step in the right direction."

The BB has formed a refinance scheme of Tk 25,000 crore for the CMSME sector.

The former member of the planning commission thinks SME financing is a perennial problem and will never go.

SMEs will continue to be financially constrained all over the world, not just in Bangladesh for

READ MORE ON B2



World job market on brink of 'AI revolution': OECD

AFP, Paris

The world's wealthiest nations must urgently prepare for the impact of an imminent "AI revolution" that will change jobs, create new ones and make others disappear, the OECD said Tuesday.

The rapid development of artificial intelligence – with tools that can generate essays, create images and even pass medical exams – have raised concerns that it could replace whole sectors of the workforce through automation.

In its 2023 Employment Outlook, the OECD said there was little evidence of significant negative effects on employment from AI "so far".

"While the adoption of AI still remains relatively low, rapid progress, falling costs and the increasing availability of workers with AI skills indicate that OECD economies might be on the brink of an AI revolution," the report said.

"While there are many potential benefits from AI, there are also significant risks that need to be urgently addressed," according to the Organisation for Economic Co-operation and Development.

The international and influential organisation has 38 member countries

ranging from Australia to Britain, Canada, Germany, Japan, Mexico and the United States.

The OECD said it was "vital" to gather better data on AI uptake and use in the workplace, "including which jobs will change, be created or disappear, and how skills needs are shifting".

AI use is generally concentrated in large firms that are still experimenting with the new technology, and many appear reluctant to replace staff, said Stefano Scarpetta, OECD director for employment, labour and social affairs.

"However, it is also clear that the potential for substitution remains

significant, raising fears of decreasing wages and job losses," he wrote in an editorial.

AI has the potential to improve workplace safety by reducing "tedious or dangerous tasks" and lead to higher wages for workers whose skills complement the technology, the OECD report said.

But it could also "leave workers with a higher-paced work environment" and reduce wages for those "who find themselves squeezed into a diminished share of tasks due to automation".

When taking AI into consideration, jobs at the highest risk of automation account for 27 per cent of employment, according to the OECD.

"The use of AI also comes with serious ethical challenges around data protection and privacy, transparency and explainability, bias and discrimination, automatic decision making and accountability," Scarpetta said.

"Urgent action is required to make sure AI is used responsibly and in a trustworthy way in the workplace," he said.

"On the one hand, there is a need to enable workers and employers in reaping the benefits of AI while adapting to it, notably through training and social dialogue."



People work at Saitex's factory, which experiments with new robots to cut the cost of making blue jeans, in Los Angeles, California in the US. PHOTO: REUTERS/FILE