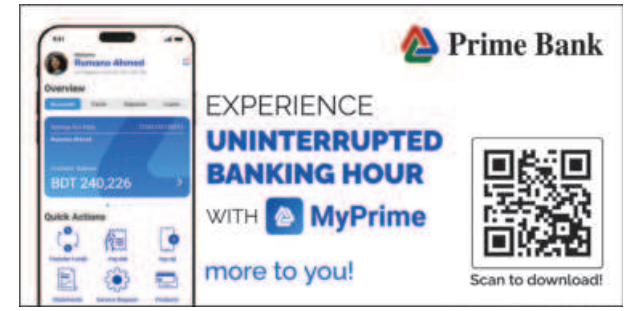


Star BUSINESS



Banks can now reschedule default loans of cold storages

STAR BUSINESS REPORT

Banks would be able to reschedule default loans of cold storages that preserve perishable crops, mainly potatoes, Bangladesh Bank (BB) said yesterday.

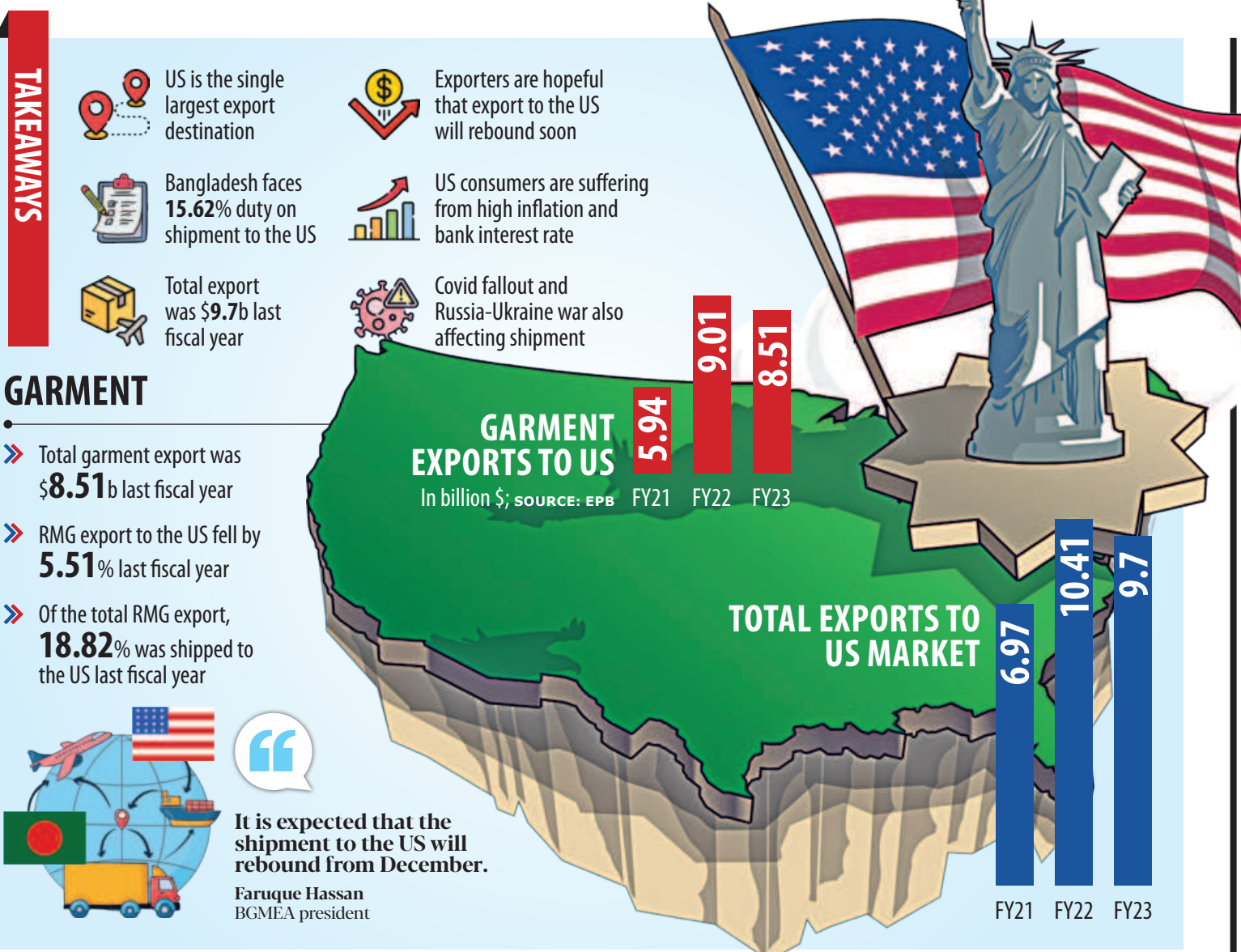
In a circular, the banking regulator said banks can allow cold storages to repay default loans in a maximum of 10 years with a year of grace period, a move that comes following demands from cold storages' association.

This can be done through bank-customer relationship, said the BB.

For rescheduling, banks will need to separate balance of classified loans as of June 30 this year to cold storages in two accounts -- principal amount in one account while the interest in a blocked account.

The BB said the interest will be charged on the principal amount as per the rule and the borrowers will have to clear an instalment in every six months.

READ MORE ON B3



Fu-Wang Foods' stock prices soar 83% riding on old news

AHSAN HABIB

Fu-Wang Foods Limited stocks surged 83 per cent in the span of nine trading days despite repeated warnings from the company that it has no undisclosed information that could contribute to such a jump.

Besides, the manufacturer of confectionery items is still struggling to make handsome profits and disburse dividends.

Still, the stock of Fu-Wang Foods soared to Tk 42.9 on the Dhaka Stock Exchange (DSE) yesterday from Tk 23.5 on July 2.

It came after its stocks had been stuck in the floor price for several months and no investor had placed any buy order before July 2. Suddenly, some speculations have changed the scenario, said a stockbroker, preferring anonymity.

The stocks are rising mainly on the back of rumours that Japanese firm Minori Bangladesh will buy stakes in the company.

Similarly, there is speculation among general investors that some large investors are buying the shares of the company and its price will go up, the broker said.

Following queries from the DSE, Fu-Wang Foods has informed the DSE twice -- on July 9 and July 10 -- that it had no undisclosed information, but general investors are not paying any heed.

Listed with the DSE in 2000, three years after

READ MORE ON B3

DBL to open Nike store in Dhaka

STAR BUSINESS REPORT

DBL Lifestyles, a concern of DBL Group, will open a Nike store in Road 11 of Banani, Dhaka offering a wide range of footwear, apparel and accessories.

"DBL Group's expertise in collaborating with international sportswear brands ensures a seamless shopping experience, reinforcing Dhaka's position as a hub for fashion-forward and sports lifestyle enthusiasts," the group said in a statement.

The new store aims to meet the growing demand for global sportswear products, generate enthusiasm among consumers and elevate Dhaka's status as a fashion and sports lifestyle destination, it said.

DBL Lifestyles earlier

READ MORE ON B3

Exports to US slide

Exporters expect faster recovery as American economy improves

REFAYET ULLAH MIRDHA

The slowdown in the global economy stemming from the fallout of Covid-19 and the Russia-Ukraine war sent merchandise shipment to the United States from Bangladesh lower in the just-concluded fiscal year.

The shipment to the largest export destination for the country was down 6.82 per cent at \$9.70 billion in 2022-23. It was \$10.41 billion in 2021-22, according to data from the Export Promotion Bureau.

Local exporters are, however, hopeful that the export will make a comeback after a few months thanks to the rebounding economy and falling consumer prices.

Bangladesh is not the only country that witnessed a slower export to the US. In fact, the overall import by the country declined owing to higher inflationary pressure, stockpiling

of unsold goods, and slower job growth.

Local exporters had performed strongly in American markets before the last financial year as

item of Bangladesh to the US despite a 15.62 per cent duty, accounting for more than 90 per cent of earnings from the country.

and the economy is still moving in the right direction.

"While its rhythm, tone and pattern have slowed, it has not stalled, and recently revised data shows underlying strength that seems to be rolling forward."

There was clearly better momentum in the first half of 2023 than was recognised at first.

Based on more complete data now available, the Bureau of Economic Analysis says the first-quarter gross domestic product grew at an annualised rate of 2 per cent adjusted for inflation, rather than the 1.1 per cent previously reported.

The upward revision was driven, in part, by stronger consumer spending, which accounts for 70 per cent of the GDP and grew at a 4.2 per cent annual rate despite the strong headwinds of high-interest rates and elevated inflation, the NRF said.

READ MORE ON B3



demand rose after the economy rebounded from the pandemic. Receipts jumped more than 50 per cent year-on-year in 2021-22.

Bangladesh also performed better than other exporting nations such as China, Vietnam and India.

Garments are the main export

US imports of textiles and apparel fell 22.05 per cent to \$33.78 billion in the first four months of 2023. It was \$43.33 billion during the same period in 2022.

In a statement on July 6, the National Retail Federation (NRF) of the US said the year is half over

POTENTIAL INDIAN RICE EXPORT BAN Domestic market may not be affected Say food ministry officials, an importer

SOHEL PARVEZ

It is unlikely for Bangladesh to face any immediate problem if India bans rice exports thanks to ample food stocks in public storages and good harvests in immediate past two crop seasons, said food ministry officials and a rice importer yesterday.

The reaction comes as India, the world's biggest rice shipper, is considering banning exports of most varieties, Reuters reported citing Bloomberg News yesterday.

The government is discussing a plan to ban exports of all non-Basmati rice, the report said, citing people familiar with the matter, according to Reuters.

"We do not see any challenge for the time being. Up until now we have a good stock and domestic production was good," said Md Shakhawat Hossain, director general of the Directorate General of Food.

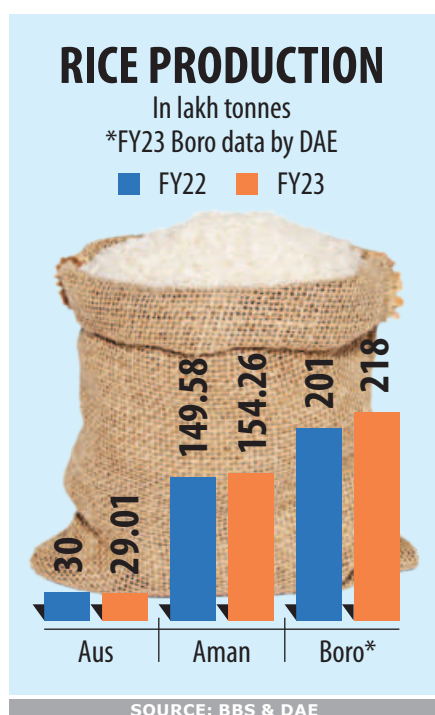
The food directorate had a stock of 19 lakh tonnes of foodgrains in its storage as of July 12.

It is the highest amount of food stock till date, said another food official.

Rice production estimate for the full fiscal year (FY) of 2022-23 is yet to be released by the Bangladesh Bureau of Statistics (BBS).

Total production might rise 5 per cent to 4 crore tonnes in fiscal year 2022-23 if estimates of the dry Boro season rice by the Department of Agricultural Extension is taken into account.

The DAE estimates Bangladesh's production of Boro, which account for



most of the output of rice, to be 2.18 crore tonnes, the highest in history, up 8 per cent year-on-year.

Chitta Majumder, managing director of the Majumder Group of Industries, which imports rice from India apart from procuring paddy from the domestic market, said farmers had a good harvest.

And along with imports, there is enough availability of the cereal in the domestic market, he said.

READ MORE ON B3

"The country is booming with the advancement of development, let us sustain the continuity of development under the leadership of our Honorable Prime Minister"
– Tarique Afzal, President and Managing Director

2000 marginal farmers get 'AB Smart Agri Loan' at Borhanuddin, Bhola

AB Bank
স্মার্ট কার্ডের মাধ্যমে কৃষি ঋণ বিতরণ

439 unions
25,000 farmers
12,500 smart cards
25,000 acres cultivated land
24,000 metric ton grains are produced
Our path towards that continues

AB Bank

AB Bank Limited disbursed agricultural loans to 2000 small and marginal farmers through smart cards in the presence of Barrister Khairul Alam Choudhury, Chairman, AB Bank Limited at Borhanuddin, Bhola.

Honorable Member of the parliament Mr. Ali Azam Mukul, MP, Bhola-2 was present as chief guest and Mr. Swapan Kumar Das, Executive Director, Bangladesh Bank, Barishal was present as guest of honor. Mr. Tarique Afzal, President and Managing Director of AB Bank Limited presided over the program.

AIBL organises awareness event on sending remittance

STAR BUSINESS DESK

Al-Arafah Islami Bank Ltd (AIBL) yesterday organised a programme styled "Enhancing social awareness for sending remittance through legal channels" at the bank's head office in Dhaka.

Farman R Chowdhury, managing director and CEO of the bank, inaugurated the programme, said a press release.

Among others, Shabbir Ahmed, Md Shafiqur Rahman, Md Mahmudur Rahman, Muhammed Nadim, Abed Ahmed Khan, Md Abdullah Al Mamun, and Md Fazlur Rahman Chowdhury, deputy managing directors, Kazi Mahmood Karim and Monjur Hasan, senior executive vice-presidents, Jalal Ahmed, senior vice-president, and Sheikh Asadul Haque, head of the financial inclusion department, were present.



Farman R Chowdhury, managing director of Al-Arafah Islami Bank, inaugurates a programme styled "Enhancing Social Awareness for Sending Remittance through Legal Channels" at the bank's head office in Dhaka yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

UK economy set to dodge recession for now

REUTERS, London

Britain's economy shrank by less than expected in May despite a bank holiday to mark King Charles' coronation and strikes, suggesting a widely forecast recession caused by high inflation and surging interest rates was not already under way.

Economic output fell 0.1 per cent in May from April, the Office for National Statistics (ONS) said, after growth of 0.2 per cent in the previous month. A Reuters poll of economists had pointed to a contraction of 0.3 per cent in May.

All sectors of the economy contracted with the exception of services, which showed no growth. The pound rose modestly against the dollar on the back of the data.

Business groups said the big picture of a tepid economy remained, albeit one with stubborn inflationary pressures that means the Bank of England is likely to raise interest rates further in early August.

Britain's economic recovery from the Covid-19 pandemic has lagged most of its peers among major advanced economies, with only recession-hit Germany having fared as badly as of the first quarter of this year.

Economic output fell 0.1 per cent in May from April, the Office for National Statistics (ONS) said, after growth of 0.2 per cent in the previous month.

"Our sense is that underlying activity is still growing, albeit at a snail's pace," Paul Dales, chief UK economist with Capital Economics, said.

The economy was on track to expand by around 0.1 per cent in the second quarter, a touch stronger than the BoE's forecast of no change but it was likely to suffer a mild recession later in the year, Dales said.

Next Wednesday's inflation release would probably determine whether the BoE raises rates by another half percentage point or slows down the pace to a quarter-point hike, Dales added.

Finance minister Jeremy Hunt said high inflation continued to hamper the economy and he called for patience in bringing it down. "Our plan will work, but we must stick to it," he said.

Some companies in the arts, entertainment and recreation sector said they had benefited from the extra bank holiday, as well as hotels and restaurants, the ONS said.

But there were signs that strikes in the health, rail and education sectors had dragged on output.

The ONS said anything better than a 0.1 per cent drop in economic output for June would put the economy on track to avoid a contraction for the second quarter as a whole.

Britain's economy often shows some rebound in subsequent months when output is temporarily dented by extra bank holidays.

Separate ONS data showed Britain's trade-in-goods deficit widened by more than expected to 18.7 billion pounds in May, with exports to the European Union falling to their lowest level since January 2022.



HBM Iqbal, founder chairman of Premier Bank Ltd, and Moin Iqbal, vice-chairman, pose for photographs after receiving awards at the "20th Edition Asia-Africa Business and Social Forum: Greatest Brands & Leaders 2023" event organised by AsiaOne magazine at JW Marriott Marquis Hotel in Dubai on Monday.

PHOTO: PREMIER BANK



Mohammed Yunus, chairman of Shahjalal Islami Bank, presides over the bank's 361st meeting of the board of directors, which was held virtually on Wednesday. Mohiuddin Ahmed and Abdul Karim Nazim, vice-chairmen, Anwer Hossain Khan, Md Sanaulah Shahid, Md Abdul Barez, Akkas Uddin Mollah, Khandaker Shakib Ahmed, AK Azad, Mohammed Nasir Uddin Khan, Fakir Akhtaruzzaman, Tahera Faruque, Jabun Nahar and Fakir Mashrikuzzaman, directors, Ekramul Haque, KAM Majedur Rahman and Nasir Uddin Ahmed, independent directors, Mosleh Uddin Ahmed, managing director, and Md Abul Bashar, company secretary, were present.

PHOTO: SHAHJALAL ISLAMI BANK

HBM Iqbal wins AsiaOne award

STAR BUSINESS DESK

HBM Iqbal, founder chairman of Premier Bank Ltd, won the "Bangladesh's Best Bank Chairman 2022" award by AsiaOne, a Singapore-based international business magazine.

Premier Bank Ltd also won the "Bangladesh's Best Bank 2022" award in the same event for its contribution to the banking sector of the country.

Iqbal received the award at the "20th Edition Asia-Africa Business and Social Forum: Greatest Brands & Leaders 2023" event at JW Marriott Marquis Hotel in Dubai on Monday, said a press release.

Moin Iqbal, vice-chairman of the bank, received the "Bangladesh's Best Bank 2022" award on behalf of the bank.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, attends the bank's half-yearly "Business Development Conference", which was held virtually for its Chattogram, Cumilla, Noakhali, Mymensingh and Sylhet zones on Tuesday.

PHOTO: ISLAMI BANK BANGLADESH

IBBL holds business development confce

STAR BUSINESS DESK

Islami Bank Bangladesh Ltd (IBBL) virtually organised a half-yearly "Business Development Conference" for its Chattogram, Cumilla, Noakhali, Mymensingh and Sylhet zones on Tuesday, said a press release.

Mohammed Monirul Moula, managing director and CEO, addressed the conference as chief guest.

Muhammad Qaisar Ali, JQM Habibullah and Md Altaf Hossain, additional managing directors, Md Nayer Azam, Mohammad Jamal Uddin Mazumder, AFM Kamaluddin, Mohammed Shabbir, Md Akiz Uddin, Kazi Md Rezaul Karim and Miftah Uddin, deputy managing directors, and Md Mostafizur Rahman Siddiquee, chief human resources officer, joined the conference.

IMF sees slowing momentum in global economy

REUTERS, Washington

The International Monetary Fund said on Thursday that first quarter global growth slightly outpaced projections in its April forecasts, but data since then has shown a mixed picture, with "pockets of resilience" alongside signs of slowing momentum.

The IMF said in a briefing note for a G20 finance leaders meeting in India next week that manufacturing is showing weakness across G20 economies and global trade remains weak, but the demand for services is strong, particularly where tourism is recovering.

The IMF did not indicate any changes to its April 2023 global GDP growth forecast of 2.8 per cent - down from 3.4 per cent in 2022 - but said that risks were "mostly" tilted to the downside. These include the potential for Russia's war in Ukraine to intensify, stubborn inflation and more financial sector stress that could disrupt markets.

But the Fund said that inflation "seems to have peaked" in 2022, and core inflation, while also easing, remains above targets in most G20 countries.

Reduced supply chain disruptions and lower goods demand means likely disinflationary pressures from goods, the IMF said.

"However, services inflation - which is now the major driver of core inflation - is expected to take longer to decline," the IMF said.

Strong consumer demand for services, buoyed by demand, buoyed by strong labor markets and the post-pandemic shift in spending from goods to services, is likely to sustain these price pressures, the IMF said.

"On the upside, a softer-than-projected landing for output and

labor markets is possible, with activity remaining resilient, inflation falling faster than anticipated and labor markets cooling through fewer vacancies rather than more unemployment," the Fund added.

G20 policymakers should continue their fight against inflation, tightening monetary policy in many economies and maintaining real rates above neutral until "tangible signs of inflation returning to target emerge."

But the IMF said policymakers will need to be vigilant for signs of financial sector stress, especially those brought about by interest rate risk and property sector stresses, and may need to deploy financial policy tools to contain them. It called for "granular stress tests" for financial firms.

G20 countries also need to tighten fiscal policy to ensure debt sustainability, create fiscal space

and to help support disinflation by reducing aggregate demand, the Fund said.

IMF Managing Director Kristalina Georgieva said in an accompanying blog post that her "overriding priority" was to complete a review of the IMF's quota resources that would increase their overall size, "with mindfulness of how the global economy has evolved", a signal that major emerging markets like China should see increased shareholding.

The Fund last adjusted its shareholding in 2010, and is working to complete a review by December 15. The IMF also warned G20 countries about the dangers that industrial policy can have in creating distortions in trade and investment, citing China's industrial subsidies and those for green energy investment in the United States and the European Union.



A man walks past a model of G20 logo outside the finance ministry office in New Delhi. G20 countries need to tighten fiscal policy to ensure debt sustainability, create fiscal space and to help support disinflation by reducing aggregate demand, the IMF said.

PHOTO: REUTERS/FILE

China publishes interim rules on generative AI

REUTERS, Hong Kong

China issued interim measures on Thursday to manage its booming generative artificial intelligence (AI) industry, saying they would apply only to services offered to the public as regulators seek to support development of the technology.

The rules, set to take effect on August 15, come after Beijing signalled the end of its years-long crackdown on the tech industry, whose help it seeks to spur an economy recovering more slowly than expected after the scrapping of Covid-19 curbs.

Thursday's rules clarified the scope of what regulators will target, following draft rules published in April that required firms to

submit security assessments before launching their offerings to the public.

"The current version is very much in line with market expectations," said Kai Wang, an analyst with Morningstar.

"It sends the positive signal that the regulators are paving the way for companies in China to launch their products on a large scale."

China sees AI as an area in which it wants to rival the United States, and on which it has set its sights on becoming a world leader by 2030.

It is seen to be ahead of the regulatory curve as countries globally grapple with setting guardrails for the technology popularised by

the success of OpenAI's ChatGPT chatbot.

Such efforts must weigh up safety concerns and copyright protections against ensuring an environment beneficial to innovation.

Investment has poured into China's generative AI scene and its firms have launched dozens of AI models, companies had held back from rolling out chatbots to the public until Beijing finalised rules for the technology and approved their products.

On Thursday, the regulator, the Cyberspace Administration of China (CAC) reiterated that content generated by generative AI had to be in line with China's core socialist values.

US consumer inflation

FROM PAGE B4

According to the latest Labor Department data, the index for shelter remained the "largest contributor" to the overall monthly CPI increase and the index for car insurance also contributed - but other areas saw declines including airfares and used vehicles.

"We know rents are going to roll over, over the next several months, so we're going to see a lot of disinflation coming through the rest of this year," said Ryan Sweet, chief US economist at Oxford Economics.

"That's good news for consumers," he told AFP, adding that he expects the Fed could end its tightening cycle in July.

"The labor market is showing signs of softening, inflation is coming down, we're still on that path to a soft landing, but it's a very narrow path," Sweet said.

The easing of underlying inflation was driven by a "plunge in airline fares"

and dip in hotel room rates, along with a drop in used vehicle prices, said Ian Shepherdson, chief economist at Pantheon Macroeconomics.

Although insurance and repair costs have rocketed over the past year, "flattening demand and rising inventory are now pushing new vehicle prices down" after a surge, he said. Insurance and repair inflation will follow, he added.

Key parts of inflation highlighted by Fed Chair Jerome Powell, including the core readings for goods and services, have "slowed to end the second quarter," said Rubela Farooqi, chief US economist at High Frequency Economics.

"While inflation remains elevated, the deceleration will be welcome news to policymakers," she added in a note. But these data are not likely to change the outcome of a Fed officials' meeting later this month, with a rate hike of 25 basis points the most likely outcome, Farooqi said.

China, Asean

FROM PAGE B4

"We will continue to deepen the comprehensive strategic partnership with Asean," Wang said.

He said that would create "a more powerful strategic environment for both side's development and revitalisation as well as for the long-term peace and stability of the region."

Earlier at a China customs press briefing, spokesperson Lv Daliang said: "China and Asean are each other's largest trading partners, with a solid foundation of cooperation and huge development potential, with the deepening of regional economic integration, the continuous expansion of cooperation fields, and the continuous smooth trade exchanges, bilateral trade is expected to continue to maintain a good trend."

According to customs data on Thursday, the value of China-Asean two-way trade hit \$447.3 billion in January-June, down 1.5 per cent year-on-year.

Oil price hovers above \$80

REUTERS, London

Global oil benchmark Brent hovered above \$80 a barrel on Thursday after US inflation data implied interest rates in the world's biggest economy are close to their peak.

Data released on Wednesday showed US consumer prices rose modestly in June and registered their smallest annual increase in more than two years as inflation continued to subside.

Markets expect one more interest rate rise before the US rate-hiking cycle has likely peaked. Higher rates can slow economic growth and reduce oil demand.

Oil prices have rallied by around 12 per cent in two weeks, primarily in response to supply cuts from top producers Saudi Arabia and Russia, Craig Erlam, senior market analyst at OANDA, said.

"Some profit-taking at these levels wouldn't be hugely surprising and may have come sooner if not for the US consumer price inflation data," he said.

Brent crude futures were up 25 cents to \$80.36 per barrel by 0923 GMT, while US West Texas Intermediate crude futures were up 17 cents at \$75.92.



Panchanan Mallik, a dairy farmer from Latakhamar village in Dumuria upazila of Khulna, is seen using a bicycle to carry pails of milk for sale in local markets. He collects about 60 to 70 litres of milk from his six cows each day and sells it for Tk 60 per litre. The picture was taken from Khulna Abu Naser Bypass Link Road recently.

PHOTO: HABIBUR RAHMAN

BSRM opens LC in Indian rupee to import spare parts

STAR BUSINESS REPORT

BSRM, the largest steel manufacturer in Bangladesh, has opened its first letter of credit (LC) in the Indian rupee (INR) to import spare parts of machinery, a day after the launch of trade settlements using the currency of the neighbouring country.

The LC, worth 4.84 lakh rupees, was opened with the State Bank of India (SBI) on Tuesday and was the first in Chattogram.

To mark the occasion, an event was organised at the BSRM headquarters in the port city on Wednesday. Some top officials of the SBI joined the event, where BSRM Chairman Alihussain Akberali and other high officials were present.

On July 11, Bangladesh and India rolled out the cross-border trade settlement mechanism involving the INR to cut over-dependence on the US dollar.

"We have opened the LC in the INR on a trial basis. It appears that the scope for opening LCs in the INR amid the dollar crisis will be beneficial for us," said Tapan Sengupta, deputy managing director of BSRM.

He said businesses might benefit in terms of the conversion rate but it will be clear after the settlement of the transaction.

BSRM imports a lot of raw materials and spare parts from India for its mills.

Stocks edge up for 3rd day

STAR BUSINESS REPORT

The indices of Dhaka Stock Exchange (DSE) continued to rise for a third consecutive day yesterday thanks to some investors being slightly upbeat in making purchases.

The DSEX, the benchmark index of the top bourse in Bangladesh, edged up 4 points, or 0.13 per cent, from that on the preceding day to close at 6,341.

The DS30, the blue-chip index, increased 0.12 per cent to 2,197 while the DSES, the Shariah-compliant index, went up 0.34 per cent to 1,379.

However, turnover, a key indicator of the market, slipped 12 per cent to Tk 750 crore.

Among the major sectors jute, cement and travel and leisure closed in the positive while life insurance, general insurance and IT sectors faced corrections.

Trading in the market is now based on rumours and concentrated mostly on some stocks of companies exhibiting poor performances. There is a scarcity of buyers for stocks of companies

staging a good performance, said a stock broker.

Meanwhile, trading is also concentrated to some brokerage houses. As a result, most of the other stock brokers are facing a serious challenging situation to meet their demands, he said.

The market became illiquid due to the floor price and such an illiquid stock market is unique in the world, he said. Due to the absence of buyers, many investors can not sell their shares and it is causing a problem for them, he added.

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.

Of the securities, 80 advanced, 106 declined and 185 did not show any price movement yesterday.

Fu Wang Foods Limited made the highest gain of 10 per cent.

Lub-ref (Bangladesh) Ltd, Rupali Bank Limited, Olympic Accessories Limited and Khan Brothers PP Woven Bag Limited were among the top gainers.

Progressive Life Insurance Company Ltd lost the most, 9.9 per cent.

Rupali Life Insurance Company Limited, Prime Islami Life Insurance Limited, Meghna Insurance Company Ltd and Shyampur Sugar Mills Ltd were also on the list of those suffering significant losses.

Fu-Wang Foods Limited was the most-traded stock on the day with issues worth Tk 64 crore changing hands.

Delta Life Insurance Company Limited, Square Pharmaceuticals PLC, Lub-ref (Bangladesh) Ltd and Associated Oxygen Ltd also registered significant turnovers.

Caspi, the all-share price index of Chittagong Stock Exchange, gained 13 points, or 0.07 per cent, to close at 18,731.

Of the issues, 69 rose, 60 retreated and 83 did not see any price swing.

Turnover of the port city bourse rose 9 per cent to Tk 15.73 crore.

Valor of Bangladesh to form knowledge-sharing platform

STAR BUSINESS REPORT, Ctg

The Valor of Bangladesh (VoB) will form a knowledge-based platform by collaborating with policymakers, business leaders and economists who will help local stakeholders through knowledge and experience sharing.

The VoB is the first Bangladeshi social knowledge-sharing and management hub, which aims to build a sustainable and resilient economic environment.

The announcement came from a programme titled "Mission Chattogram of VoB" organised by the Valor of Bangladesh (VoB) at a hotel in Chattogram on Wednesday.

The entrepreneurs said the platform will help in ensuring sustainable development of Chattogram.

"There were many big business establishments in Chittagong, which have disappeared in the second or third generations. In my opinion, leadership should also be sustained besides making business sustainable," said Tanvir Shahriar Rimon, chief executive officer of Rancon FC Properties Ltd.

"We believe this platform of VoB will help us create sustainable leadership."

"The VoB has set a plan to organise four programmes in Chattogram and our next summit will be held in this city at the end of this year," said Najmus Ahmed Albab, executive director of VoB.

"We have over 120 members, including successful businessmen, economists, and policymakers across the country. They always share their opinion and experience with local entrepreneurs for developing their business," said AZM Saifuddin Saif, a trustee of VoB.

Farah Shahrookh Reza, head of marketing and branding of BSRM Group; Mahfuzul Haque Shah, former director of Chattogram Chamber of commerce and Industry; Wasfi Tamim, CEO of Bangladesh Center of Excellence; Imran Khan, managing director of PNL Holding Ltd, and Shah Moinuddin Ahmed, general manager of Ispahani Tea Limited, also attended the event.

IMF board approves \$3b Pakistan deal

AFP, Washington

The International Monetary Fund (IMF) said Wednesday that it has approved a \$3 billion loan agreement for Pakistan, unlocking crucial funding for the troubled South Asian economy.

In a statement, the IMF said its executive board gave the green light to the nine-month standby arrangement, in order "to support the authorities' economic stabilisation programme."

This follows a staff-level agreement between the fund and Pakistan announced last month, and the latest approval allows an immediate disbursement of around \$1.2 billion.

Pakistan has suffered from a balance-of-payments crisis as it attempts to service crippling external debt amid a fraught political environment – following the removal of the country's former prime minister Imran Khan.

Dollar falls

REUTERS, London

A sliding dollar came under more pressure on Thursday, as traders took surprisingly slow US inflation as a signal US interest rate rises will be all but finished by month's end.

US data on Wednesday showed inflation slowed a lot faster than expected last month. That gave rise to the biggest one-day dollar sell-off in five months and left the greenback at its lowest in over a year against the euro and sterling, and at its lowest in over eight years against the Swiss franc.

US core inflation came in at 0.2 per cent in June against market expectations for 0.3 per cent. Headline annual CPI fell to 3 per cent and has been dropping since hitting a peak at 9.6 per cent a year earlier.

Banks can

FROM PAGE B1

The central bank has directed the borrowers to realise the principal amount after the end of the one-year grace period and later the interest kept in the blocked accounts.

"But a borrower can repay loans during grace period if he or she wants," according to the circular.

"We have allowed the rescheduling of loans to cold storages considering the importance of agriculture and necessity of cold storage. Overall, we think this will be beneficial for farmers," said a senior official of the BB.

DBL to open

FROM PAGE B1

introduced Puma in Bangladesh in 2019, said the statement.

MA Jabbar, managing director of DBL Group, said his company has signed an agreement with Nike.

Business is good in Bangladesh, especially for branded fashion items, he told The Daily Star over the phone.

Currently all the Puma products are imported and the same will be for Nike, he said. In the future the company will try to make the goods in the local factories for sale in the domestic markets, he said.



Garments are the main export item of Bangladesh to the US despite a 15.62 per cent duty, accounting for more than 90 per cent of earnings from the country.

PHOTO: STAR/FILE

Exports to US slide

FROM PAGE B1

Inflation, however, rose 3 per cent in the year to June, the slowest price growth in more than two years. It was 9 per cent in June last year. However, analysts still expected the US Federal Reserve to raise rates again this month, according to the BBC.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said although inflation is declining in the US, the interest rate is still higher there which is impacting consumers. "It is expected that the shipment to the US will rebound from December."

Asif Ashraf, managing director of Urmi Group, describes the current shipment slowdown to the US as

temporary.

"The export prospect will be brighter soon as American retailers and brands are sitting on unsold goods," said Kutub Uddin Ahmed, chairman of Envoy Legacy.

Anwar ul Alam Chowdhury Parvez, a former president of the BGMEA, says Bangladesh has performed comparatively well in the US markets.

"The lower import by the US is not a problem for just Bangladesh. This is because America has cut imports from all over the world."

MA Jabbar, managing director of DBL Group, one of the top garment exporters in Bangladesh, said American clothing retailers and brands are slow in confirming orders.

MA Razaque, research director of the Policy Research Institute, says Bangladesh is benefiting from the dragging trade war between the US and China and it will continue in the near future.

"The gas and power supply situation at home should be better so that exporters can make the most of the trade potential in the US."

He said the depreciation of the local currency against the US dollar has made Bangladesh's exports to the country competitive to some extent.

The taka has lost its value by about 25 per cent against the American greenback in the past one year owing to the depletion of the foreign currency reserves.

Fu-Wang Foods' stock prices

FROM PAGE B1

it was founded by Taiwanese investors, Fu Wang Foods makes and markets cakes, breads, biscuits, toasts, snacks and instant noodles. Its paid-up capital is Tk 110 crore.

Md Sharif Al Mahmood, company secretary of Fu Wang Foods, says he is surprised to see such a price hike within a short period of time.

"We don't know why the stock is rising at such a pace. We are getting phone calls about whether Minori will buy any stake but it is an old piece of news. The company bought a 7.85 per cent stake in January 2022."

"We don't know why people are not trying to know the truth just by looking at the news that has already been published."

Fu-Wang Foods suffered a huge loss in the fiscal year of 2021-22.

Mahmood says the company is trying to make a turnaround and has added pulfed rice and new types of biscuits to its product portfolio.

Earnings per share of the company were Tk 0.17 in the first nine months of the last financial year of 2022-23, up from Tk 0.11 during the same period a year earlier.

A merchant banker said when investors hear a rumour that a

foreign company will buy stakes in a company and see that the stock price rise, they also believe the speculation and rush to buy the share.

"The people who spread the rumour then get the chance to offload shares, leaving the securities in the hand of general investors. It is the general investors who suffer the loss ultimately."

The merchant banker said by paying heed to rumours, general investors are taking a chance to earn some money. As a result, only the stocks of low-performing companies have been rising while those of the sound and good-performing companies have been struggling amid ongoing economic uncertainty and since the launch of the floor price.

The Bangladesh Securities and Exchange Commission set the floor price of every stock to halt the free fall of the market indices in July last year.

"The floor price is a unique situation for the market and investors are not making a huge profit by trading stocks. That does not mean that they should invest by paying attention to speculations," the merchant banker added.

Domestic market

FROM PAGE B1

"So, prices are unlikely to increase here now," he said.

Besides, the import tariff is around 62 per cent now. At this rate, none will import rice as imported rice will not be competitive at this tariff, he said.

Bangladesh's private sector mainly imports rice from India.

Majumder said prices of rice which they had imported earlier grew in India in the recent period.

In Dhaka city, retail prices of the grain remained unchanged for the last one month, according to market prices data compiled by the state-run Trading Corporation of

Bangladesh.

Bangladesh imported 7 per cent more rice year-on-year, totalling 10.55 lakh tonnes, in fiscal year 2022-23, according to food ministry data.

Private importers brought 421,000 tonnes and the government the rest to build up food stocks to carry out various public food distribution programmes.

A senior food ministry official said they have no contract with India now regarding supply of rice and wheat.

The Directorate General of Food imported 100,000 tonnes of rice from the neighbouring country, the official added.



A farmer is seen spraying pesticides on his green chili plants at a farm in Shibganj upazila of Bogura. Green chili yields have reduced significantly this year despite efforts by farmers to prevent their plants from withering amid the adverse weather. The picture was taken yesterday.

PHOTO: MOSTAFA SHABUJ

PKSF gets \$80m of Green Climate Fund

STAR BUSINESS DESK

The Green Climate Fund (GCF) has approved two project proposals of Palli Karma Sahayak Foundation (PKSF) involving \$80 million to combat the adverse impacts of climate change.

In a meeting in South Korea yesterday, the GCF board approved a \$50 million allocation for a "Resilient Homestead and Livelihood Support to the Vulnerable Coastal People of Bangladesh" project, says a press release.

The five-year project will finance the development of climate-resilient housing and salinity-resilient livelihood technologies while raising awareness about the impacts of climate change among over 3,62,475 vulnerable people in seven coastal districts.

The remaining \$30 million will be provided for an "Extended Community Climate Change Project-Drought" project to increase the resilience of people living in drought-prone areas.

The four-year project will assist in installing water infrastructure, re-excavating existing ponds and canals, following drought-adaptive cropping patterns and planting drought-tolerant crop varieties, directly benefiting over 2,15,000 people in three drought-prone northwestern districts.

The GCF was established by 194 countries party to the UN Framework Convention on Climate Change in 2010. It allocates its resources to low-emission and climate-resilient projects and programmes in developing countries.

The PKSF earlier implemented two projects financed by the GCF.

Chili production low for unfriendly weather

MOSTAFA SHABUJ

Syndication by market players is not the only reason for the elevated price of green chili in Bangladesh as changing weather patterns has led to reduced supply, according to experts.

The retail price of green chili hit a record high of Tk 700 per kilogramme (kg) on July 1 but almost immediately dropped by Tk 100 to Tk 120 per kg a day later.

The price reached about Tk 280 per kg that same week before eventually settling at Tk 250 per kg at present.

Earlier on June 25, the government started allowing imports of green chili for a limited period in a bid to tame its soaring price.

However, lower production at home as well as India, the country's biggest source for green chili, has kept the price at an elevated level even in the neighbouring market, where it sold for as much as Rs 400 per kg a week ago.

Agricultural experts in India found that a major reason for lower production is adverse weather as green chili grows under specific conditions or controlled temperatures. Meanwhile, agricultural experts in Bangladesh echoed the same.

During a field visit, this correspondent found that green chili plants have been severely affected by decreased rainfall coupled with the recent heat waves.

Asif Ahmed, a farmer in Gobindaganj upazila of Gaibandha, said he cultivated green chili on three bighas of land this year at a cost of more than Tk 50,000.

Last year, he cultivated the same space of land to get more than 180 maunds (one maund equals 37 kgs) of the crop, which



sold for some Tk 4 lakh in total.

"But I only got up to 10 maunds of chili so far this season," Ahmed added.

Ferdous Alam, a chili farmer in Shibganj upazila of Bogura, said the leaves of his plants are curling up and dying before bearing fruit due to less rain and hot weather.

"Last year, I got around 100 maunds of chili from my 1.5 bighas of land, but this time I only got up to 5 maunds," he added.

Alam also said the high price of green chili is of little benefit to farmers like him in absence of proper yields.

Khaja Shekh, another farmer in the same upazila, said he spent as much Tk 4,000 extra this year in order to prevent his plants from withering, but to no avail.

"No one, including the local agricultural officer, gave us proper advice on how to

save our crops. The hot weather destroyed us [farmers] this year," he added.

According to sources at the Department of Agricultural Extension in Meherpur, the biggest green chili producing district in Bangladesh, the crop was cultivated on some 3,960 hectares this year, down by 150 hectares compared to last season.

Shankar Kumar Mozumder, deputy director of the Meherpur DAE, said farmers are unable to reach their production target as both cultivation and yields have decreased due to droughts.

Similarly, farmers in Bogura cultivated green chili on a total of 720 hectares this year, down by 120 hectares from last season.

However, the situation is reverse in Rangpur, where cultivation has expanded to 1,740 hectares at present from 1,725 hectares previously.

Motubar Rahman, deputy director of the Bogura DAE, said farmers normally get 12 tonnes of green chili from each hectare but production is lower this time due to bad weather.

"We will calculate just how much production has dropped this season," he added.

Shailendranath Majumder, principal scientific officer of the Bogura Spice Research Centre, said the main reason for reduced supply is that green chili plants cannot tolerate high temperatures.

If the temperature goes higher than 33 degree Celsius, then pollination of the flower is greatly hampered.

"This season, the temperature exceeded 35 degrees for many days on end. Therefore, production decreased alarmingly," he added.

Ethical data management in an unethical world

MAHTAB UDDIN AHMED

In the world that we live in, data is gold, as the saying goes.

In 2021, a lawsuit was filed against Cambridge Analytica because of its interception of millions of Facebook users' data without consent. David Carroll, the man who filed the suit, wished to access the personal data that was collected and used for political purposes.

At his request, the company sent him his data in a USB stick that contained only two files: a PDF document with his name, email address, and some basic demographic information, and an MP3 file with Rick Astley's "Never Gonna Give You Up", which left him totally shocked.

The reason why data and analytics are so treasured by companies is that they give better-informed answers to customer preferences and behaviour, how competitors react to them, and how markets and whole economies create commercial advantages or threats. But the need for data also opens the door to abuse, as proved by many local and global incidents.

In recent years, the EU has fined companies more than 1,400 times, for a total of nearly 3 billion euros, for violations of the General Data Protection Regulation. Stories abound over how AI-driven decisions discriminate against women and minority members in job recruitment, credit approval, health care diagnoses, and even criminal sentencing, stoking unease about how data is collected, used, and analysed.

Such fears will only intensify with the use of chatbots, which acquire their "intelligence" from data fed to them by their creators and users. What they do with that intelligence can be scary.

The reasons behind ethical data failures are many, including those in data sourcing, storing security and data leakage of 5 crore people, using data for the wrong purpose, and data preparation before using.

In a recent article in Harvard Business Review titled "The Ethics of Managing People's Data", the author recommends five Ps of ethical data handling:

Provenance: Where does the data come from? Was it legally acquired?

Purpose: Is the data being repurposed? It should not be collected for purposes that are not disclosed to individuals.

Protection: How is the data being protected? How long will it be available and who is responsible for destroying it?

Privacy: Who will have access to data that can be used to identify a person? How will individual observations in the data set be anonymised, and who will have access to it?

Preparation: How was the data cleaned and are they being combined to preserve anonymity?

These principles are not only ethical but also practical. They can help companies avoid legal troubles, reputational damage, and public backlash.

Where is Bangladesh on this front? So much is being said about data leakage of citizens, banks etc., while ethical practices of companies on data are being overlooked both in the public and private sectors due to a lack of awareness of its importance.

In a country like Bangladesh, obtaining the personal data of employees, elite club members, and bank clients should be a piece of cake! But where ethical practice is a rare commodity, expecting ethics in managing data is a far cry.

Skilled teams should be created to ensure ethical use of data. It must also be remembered that too little control over data privacy is not accepted in most government regulations. Conversely, too much control can make the data useless.

While the ethics of managing people's data is a challenge, it is an opportunity to build trust, loyalty and reputation. It is also an opportunity to create value and a positive impact in the country.

The author is founder and managing director of BuildCon Consultancies Ltd



Tesla in talks with India to set up factory

REUTERS, Bengaluru

Tesla is discussing an investment proposal with the Indian government to set up a factory with an annual capacity to produce about half a million electric vehicles, the Times of India reported on Thursday, citing government sources.

The company, led by billionaire Elon Musk, is also looking at using India as an export base to ship cars to countries in the Indo-Pacific region, the report said.

The starting price for the vehicles will be 2 million rupees (\$24,400.66), the report added, which is more than double of India's cheapest EV, MG Comet, and half a million costlier than Tata Nexon EV, the top-selling electric car in the country.

Last year, Tesla's India entry plans were stalled after the country's government refused to lower import taxes on its cars. The country levies as much as 100 per cent import tax on electric vehicles.

India was keen for Tesla to manufacture vehicles locally, but the company said it wanted to export its cars first to the country so that it could test the strength of demand.

In renewed efforts to enter the domestic market with a change of stance, Tesla held discussions in May with officials about incentives being offered by the government for its cars and battery manufacturing, Reuters had reported.

The Indian commerce and industry ministry is leading the talks this time and hopes to put together a "good deal", while maintaining a level-playing field as talks now involve both local manufacturing and exports, the local media report added.

In a meeting with Musk last month, Indian Prime Minister Narendra Modi pushed the car maker to make a "significant investment" in the country. The commerce and industry ministry, Tesla and Musk did not immediately respond to Reuters' requests for comments.

US consumer inflation cools to lowest since early 2021

AFP, Washington

US consumer inflation cooled in June to its lowest rate since early 2021, according to government data released Wednesday — an encouraging sign for policymakers battling cost-of-living pressures.

The key inflation gauge, the consumer price index (CPI), rose 3.0 per cent from a year ago last month, the smallest increase since March 2021 and down from 4.0 per cent in May, said the Labor Department.

The US Federal Reserve has raised interest rates rapidly over the last year to ease demand and bring down price growth.

While Fed officials have signaled that further rate hikes are likely needed to bring inflation back to their two percent target, the June CPI report will heighten market doubts about the number of

additional increases needed down the line.

"Today's report brings new and encouraging evidence that inflation is falling while our economy remains strong," President Joe Biden said in a statement,



A shopper is seen at a grocery store in Miami, Florida. The US consumer price index report showed that inflation fell to its lowest annual rate in more than two years during June.

PHOTO: AFP

lauding the progress made while maintaining low unemployment.

In a further positive sign, Labor Department data showed that the monthly "core" rate — excluding the volatile food and energy

components — came to its lowest reading since late 2021, at 0.2 per cent.

Wall Street stocks surged after the report, closing higher on hopes that inflation can come down without the world's biggest economy tipping into a recession.

"The economy is defying predictions that inflation would not fall absent significant job destruction," Lael Brainard, director of the National Economic Council, said in remarks to the Economic Club of New York.

While "too many Fed officials have made it clear that they think further hikes are needed," suggesting another bump this month, a good CPI reading could change prospects as to whether a rise in September is still needed, Pantheon Macroeconomics said in a report.

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China, Asean pushing ahead with free trade area talks

REUTERS, Beijing

China and the Association of Southeast Asian Nations (Asean) are pushing ahead with talks on a third version of a free trade agreement at an Asean summit in the Indonesian capital of Jakarta, China's top diplomat Wang Yi said on Thursday.

Wang, who was attending the forum with foreign ministers from several countries said, "the two sides are actively promoting the negotiation of the free trade area version 3.0, and pushing for the full implementation of the RCEP."

The Regional Comprehensive Economic Partnership (RCEP) is the world's largest trade bloc backed by China. It took effect on January 1, 2022 and groups 15 Asia-Pacific economies including Australia and Japan, as well as all 10 member-states of Asean.

The RCEP, seen as an alternative to the US-led Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), covers nearly a third of the world's population.

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