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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.

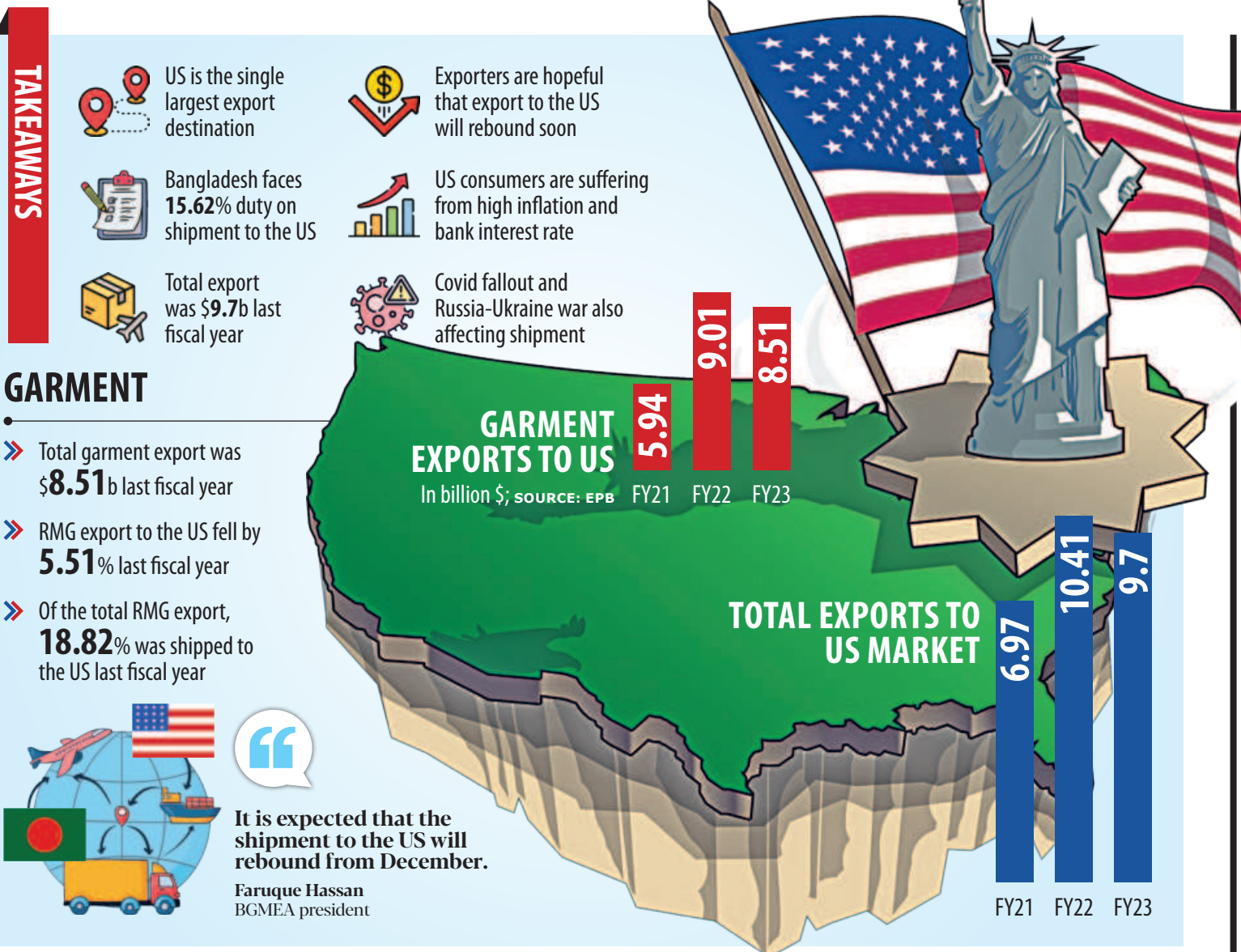
In a circular, the banking regulator said banks can allow cold storages to repay default loans in a maximum of 10 years with a year of grace period, a move that comes following demands from cold storages' association.

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.

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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 MIRDDHA

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.

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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

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COMMODITIES	
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\$1,959.74 (per ounce)	\$75.79 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.25%	▲ 0.49%	▲ 1.99%	▲ 1.26%
65,558.89	32,419.33	3,238.97	3,236.48

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.

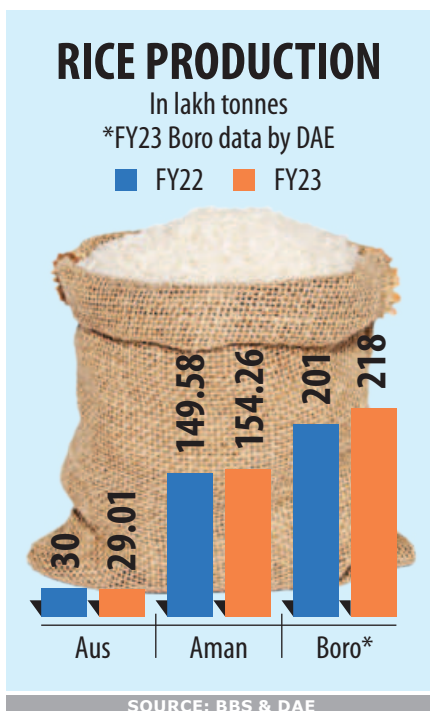
The food directorate had a stock of 19 lakh tonnes of foodgrains in its storage as of July 12.

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.

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"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 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.

