



Two women are seen catching fish from the Sajira Canal in Dumuria upazila of Khulna. As they are unable to buy fish from local markets amid ongoing inflationary pressure, they have taken to foraging from nearby waterbodies, where native breeds are available. PHOTO: HABIBUR RAHMAN

Demand for electric bikes gaining momentum

SUKANTA HALDER

The demand for electric motorbikes is increasing in Bangladesh for being an eco-friendly and cost-effective mode of transport.

In 2020, the Bangladesh Road Transport Authority issued a policy for registering electric vehicles.

The use of electric motorbikes has increased since then, with the biggest spike seen in 2022, according to industry people.

The adoption of electric two-wheelers has ramped up as they are more environmentally friendly and cost-effective than those powered by fossil fuel, they said. Besides, advancements in the required components, such as quickly rechargeable batteries and lightweight motors, are also driving demand.

Just six or seven years ago, up to 10 electric motorbikes were sold each month compared to more than 50 units at present, said Iftakher Hossain, a system analyst of Akij Motors.

Similarly, up to seven electric bikes



that run on three wheels are now being sold each month compared to just three units previously.

But the popularity of electric vehicles has not reached a high level in the country due to complications in access to charging facilities alongside hikes in the price of electricity.

"Still, the market has been growing for the past few years and so, it has a good prospect," Hossain said.

"Earlier, electric vehicles such as these were only sold in areas outside Dhaka, but a new dimension was added after issuance of the registration policy," he added.

With this backdrop, Komaki, an electric two-wheeler brand of India, announced on Friday that it has entered the local market by opening an outlet in Dhaka, as per a report by the Economic Times of India.

Gunjan Malhotra, director of the electric division at Komaki, said the company received a good response in India and expects the same from other countries in the South Asian Association for Regional Cooperation (SAARC).

This is because SAARC nations share similar geographical attributes and economic conditions that foster a pro-

bike culture, she added.

Malhotra also said that with a diverse product portfolio, Komaki is poised to serve an extensive customer base, driving the rapid adoption of electric vehicles in the SAARC region.

"The company offers a wide range of electric two-wheelers, including nine low-speed models and eight high-speed ones," she added.

According to a report published by Next Move Strategy Consulting, a US-based market intelligence provider, the global electric motorbike market generated \$45.75 billion in 2021.

The market is estimated to generate a total of \$109.53 billion by 2030, posting annual growth of 10.21 per cent in the current decade, it said.

Walton Digi-Tech Industries Ltd, a concern of Walton Group, launched the first locally made electric bike by the end of 2022, jumping on the bandwagon of a global shift towards eco-friendly transportation. Walton recently said it has the capacity to manufacture 2.5 lakh units of electric bikes each year.



Artificially high growth predicted for China in Q2

Survey finds

AFP, Beijing

China's economic growth is expected to have surged in the second quarter, an AFP survey has forecast, but analysts say Monday's figures will be misleadingly inflated given the low base of comparison with pandemic-ravaged 2022.

A year ago, with restrictions such as sudden lockdowns, travel curbs and factory shutdowns the norm, China posted 0.4 per cent on-year growth, one of its lowest quarterly readings in recent years.

This year, an average of predictions from a group of 13 experts interviewed by AFP suggested the economy expanded 7.1 per cent in April-June.

But this figure is "artificially high because of the low base" in 2022, said Gene Ma from the Institute of International Finance.

The same period last year notably included a lockdown in Shanghai that saw the financial capital of 25

million people completely closed off for two months.

The quarter-on-quarter growth figures, which will also be released on Monday, should give a more realistic view of the world's second largest economy.

In the first three months of this year, it grew 4.5 per cent on-year, reflecting a resurgence in activity after the abrupt end of the zero-Covid policy in December.

But the recovery, which has been slow to take hold in some sectors, appears to already be running out of steam.

Despite the post-pandemic reopening, a sluggish job market and general uncertainty over the future mean consumer confidence is at a low.

"From holiday travel to shopping for cars and homes, the macroeconomic data shows Chinese people are now just afraid to open their wallets too widely," said the independent Hinrich Foundation's Stewart Paterson.



A worker is seen polishing a bicycle wheel at a factory producing bicycle parts for export, in Hangzhou, China's eastern Zhejiang province. PHOTO: AFP/FILE

Fareast Islami Life Ins facing Costly production

FROM PAGE B1

With about 3,000 of these clients' policies having matured, many of them flock to the company's local office every day in a bid to get back their deposit.

"However, the head office is not providing refunds," the official added.

Abdul Hai, head of Fareast Islami's Lalmonirhat branch, said policyholders are not getting their money back due to the company's lack of liquidity.

"It is not possible to say when the claims will be settled," Hai said, adding that he even stopped coming to office on a regular basis to avoid the mounting pressure from claimants.

Sheikh Kabir Hossain, chairman of Fareast Islami, said the company is "sick" as it owes a lot of money while its owners are in jail.

The government had set up a new board of directors to restore Fareast Islami to its previous position, but they have not made much progress so far.

"Due to this sickness, it is not possible to pay back debts at the required rate," said Hossain, who is also president of the Bangladesh Insurance Association.

Another reason is that new clients are not coming to open policies anymore as the company has gotten a bad reputation, meaning that there is a lack of incoming funds to clear the debt, he added.

Jahangir Alam, spokesperson of the Insurance Development and Regulatory Authority (Idra), said Fareast Islami was issued several directives to pay outstanding claims.

In addition, their activities are being monitored, he added.

As per unaudited data of the Idra for 2022, Fareast Islami currently owes Tk 4,559 crore in claims.

Of this amount, the company has settled just Tk 970 crore, or 21.29 per cent, of the total claims.

In April 2021, the Idra appointed Shiraz Khan Basak and Company,

a chartered accountant firm in Bangladesh, to conduct a special audit on Fareast Islami.

The auditor then submitted a report to the Idra in May 2022.

As per the report, Tk 2,367 crore has been embezzled from the company. Apart from this, accounting irregularities amounting to Tk 432 crore were detected.

Nazrul Islam and MA Khaleque, former chairmen of Fareast Islami, Hemayet Ullah, former chief executive officer, and former directors and senior officials were found involved in the embezzlement.

The money was embezzled in mainly two ways: purchase of land at prices higher than the market value and bank loans availed mortgaging the company's Mudaraba Term Deposit Receipt (MTDR).

The MTDR is a profit bearing account based on the Mudaraba concept that offers returns on money deposited for a fixed period of time.

In September 2021, the Bangladesh Securities and Exchange Commission dissolved the company's board of directors. That same month, the then chief executive officer, Hemayet Ullah, was sacked by the Idra.

At present, Fareast Islami operates through independent directors.

Md Main Uddin, a professor of banking and insurance at the University of Dhaka, said clients would not have suffered for claims had the regulator played its role properly and had the intention to protect the interests of people.

"In order to retain confidence and trust of people on the insurance sector, the government can create an emergency fund to settle claims of real policyholders of the company," he said.

"The government can later realise the fund by liquidating assets and investment of the insurers. Otherwise, people will lose confidence," added Main.

FROM PAGE B1

This also caused Pran's exports to decline by around 12 per cent last fiscal year, said Chowdhury.

"...if we fail to export our agricultural products, we will lag behind in earning foreign exchange," he said.

He hopes for the situation to change this fiscal year as prices of raw materials were coming down gradually in the international market.

The government is also likely to withdraw the ban on aromatic rice export, he said.

According to Chowdhury, any such ban has little effect on the growers but agriculture product exporters suffer immensely.

Panel to appoint developers

FROM PAGE B1

An executive member for planning and development of Bangladesh Economic Zones Authority will chair the eight-member body.

The committee will evaluate and scrutinise proposals of the developers, take opinion from experts if necessary, provide necessary suggestions, negotiate with the developers and take decision and send recommendations to the authorities concerned for

Regarding increasing agriculture product exports, Chowdhury suggested that the government at first enable make raw materials to be available at an affordable price so that production costs decline.

Then a solution should be provided over the difficulties faced when opening letters of credit for intermediate and raw materials, he said.

"If it takes time to collect raw materials, it increases the cost of production," he said.

Regarding allegations that a section of exporters was cooking the books to claim cash incentives, Chowdhury suggested strong monitoring by government agencies.

approval, according to the circular.

The committee will consist of representatives from the PMO, foreign ministry, legislative and parliamentary affairs division, Economic Relations Division, the Central Procurement Technical Unit of the Implementation Monitoring and Evaluation Division, Bangladesh Investment Development Authority and Public-Private Partnership Authority.

Political stability

FROM PAGE B1

including jute, textile, construction and ICT demanded that the government meet those.

A fair and competitive market system should be in place alongside government bodies such as the Japan External Trade Organisation (JETRO) and Korea Trade-Investment Promotion Agency (KOTRA), said the businesses.

"Smart" supply chains, transportation system and logistics services should also be ensured, they said.

Bangladesh is unable to increase export earnings from leather and leather goods for the absence of

Oil prices fall on profit-taking

REUTERS, Bengaluru

Oil prices fell more than a dollar a barrel on Friday as the dollar strengthened and oil traders booked profits from a strong rally, with crude benchmarks recording their third straight weekly gain.

Brent crude futures settled at \$79.87 per barrel, down \$1.49, or 1.8 per cent, while the US West Texas Intermediate crude futures fell \$1.47, or 1.9 per cent, to settle at \$75.42 a barrel.

"It just appears to be some profit taking, with some demand concerns coming back to the front and center as the dollar rebounds," said John Kilduff, partner at Again Capital.

The US dollar index edged higher after hitting a 15 month low during the session, as investors consolidated ahead of the weekend. A stronger greenback reduces oil demand, making crude more expensive for investors holding other currencies.

Next week, however, the rally could resume as easing inflation, plans to refill the US strategic reserve, supply cuts and disruptions could support the market, said Rob Haworth, senior investment strategist at US Bank Wealth Management.

"While oil prices are likely slightly overbought in the very near term, touching the highest levels since early May, the bias appears to be for a grind higher," Haworth said.

Oil prices gained nearly 2 per cent on a weekly basis, after supply disruptions in Libya and Nigeria heightened concerns that the markets will tighten in coming months.

US banks caution on economy

AFP, New York

Results of large US banks released Friday underscored the boon from higher interest rates, as executives described the world's biggest economy as "resilient" but facing risks.

JPMorgan Chase, Citi and Wells Fargo all enjoyed the benefits of being able to charge higher rates on credit cards and other loans, while not yet suffering as much of a hit from elevated interest payments to depositors.

JPMorgan and Wells Fargo both reported huge increases in second-quarter profits while Citi experienced a drop, citing an anemic investment banking market as a drag on revenues.

Executives for the banks – which have extensive retail operations throughout the United States – described American households as still fairly healthy. But there are more signs of strain after a lengthy period of elevated inflation and the erosion of savings from pandemic fiscal programmes.

"We have seen payment rates start to come down a bit," Citi chief financial officer Mark Mason said of credit card payments, adding that the hit is greatest among consumers with low credit scores.

Citi's base case is still for a "mild recession" in the US economy, Mason added.

At JPMorgan, profits for the quarter ending June 30 were \$14.5 billion, up 67 per cent from the year-ago period, while revenues were up 34 per cent to \$41.3 billion.

Net interest income (NII), which accounts for the gap between revenues for higher interest rate charges on clients minus the hit from higher interest payments to depositors, jumped 44 per cent to \$21.9 billion.