



Jute plants harvested from croplands being taken away for retting, a process involving submerging them in stagnant or slow-moving waters for about 8 to 14 days. This lets bacteria and moisture rot away much of the cellular tissues, facilitating separation of the fibre from the stem. Around 7,725,083 bales (1 bale equals 180 kilogrammes) of jute were produced around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. Currently jute is selling for Tk 2,500 to Tk 2,600 a maund in local markets. The photo was taken at Bogura's Shariakandi upazila on Monday.

PHOTO: MOSTAFA SHABUJ

## Nike outlet to open doors today

STAR BUSINESS REPORT

People in Bangladesh no longer need to travel abroad for purchasing Nike products as the US-based athletic footwear and apparel corporation is opening its first showroom in the country today.

DBL Lifestyles, a franchisee of Nike, will launch the store at Road 11 of Banani, Dhaka. It will offer a wide range of sportswear and footwear products, including apparels and accessories for golf and swimming, according to DBL officials.

The 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, they said.

DBL Lifestyles is a concern of DBL Group, a leading apparel exporter in the country. DBL Lifestyles introduced Puma, a Germany-based athletic and casual footwear, apparel and accessories brand, in 2019.

The company operates five stores of Puma, with four in Dhaka and one in Chattogram.

## BGMEA holds Bangladesh Apparel Summit in Australia

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) organised daylong Bangladesh Apparel Summit at Melbourne in Australia on July 18 to widen the market of the locally produced apparel items in the Pacific region.

The BGMEA organised the summit in collaboration with the HSBC supported by the High Commission of Bangladesh to

## Huge investment needed in power for higher growth

Says state minister Nasrul Hamid

STAR BUSINESS REPORT

Bangladesh needs a huge amount of investment in the energy sector to meet demand for its economic growth as a developing country, said Nasrul Hamid, state minister for power, energy and mineral resources, yesterday.

"We adopted policies to ensure the business of investors in the power and energy sector," he told a conference session on "Powering progress: Overcoming challenges and driving innovation in Bangladesh's energy sector".

He also assured that the government would guarantee proper safeguarding of such investments.

The conference on "Sustainable Growth and Climate Change" was organised by International Growth Centre (IGC) and the Research and Policy Integration for Development (RAPID) at InterContinental Dhaka.

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the effort, he said.

Regarding use of substandard batteries in electric motor-run rickshaws, he acknowledged that it very much posed a serious threat to the environment. But he did not further elaborate on government plans regarding the issue.

There are around four million electric motor-run rickshaws in Bangladesh that consume a huge amount of electricity, said Amrita Kundu, assistant professor, Operations and Information

Management, McDonough School of Business, Georgetown University, in a presentation.

With no easy access to finance, these vehicles owners use low-priced substandard lead acid batteries with short economic lifespans which can damage the environment and human health if not properly disposed, she said.

Of the batteries used by such vehicles, around 80 per cent are informally recycled, she said.

Bangladesh as a developing country needs a huge amount of electricity for sustainable development, said Atonu Rabbani, an assistant professor of the University of Dhaka.

Shefali Khanna, a research associate of Imperial College London, suggested adoption of effective policies for promoting solar powered irrigation pumps which would reduce irrigation costs and benefit farmers.

Shahid Vaziralli, head of the research programme at the IGC, moderated the session.

## Formal remittance outflow

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One of them is the Bangladesh Investment Development Authority, which approved 15,128 applications seeking work permits in 2021-22, up 87.32 per cent from the previous year.

The applicants came from 106 countries. The permits are for foreign nationals who are engaged in Bida-registered industrial projects, commercial offices, and other organisations.

In 2020, the Transparency International Bangladesh (TIB) said an estimated \$3.1 billion was siphoned away every year by foreign nationals employed in the country.

Iftekharuzzaman, executive director of the TIB, said KNOMAD data is just a peanut compared to the financial outflow from Bangladesh, especially if illicit financial transfers are taken into consideration.

Referring to the TIB study, he said the overwhelming majority of about 250,000 expatriates working mostly in various private sector entities were employed without mandatory appropriate visas and work permits.

"Collusive non-compliance and corrupt practices taking advantage of procedural loopholes and complications, deficits of coordination, and lack of capacity and commitment of a section of the relevant stakeholders have institutionalised illegality in the sector."

Mamun Rashid, an economic analyst, says against the popular belief or unsupported media reports of \$10 billion being remitted on account of foreign professional payments, \$137 million seems to be low.

"This tells us money may be going through informal channels," he said, adding that the ratio of foreigners working without required permits might be higher in the manufacturing sector compared to

the service sector.

In 2017, Washington-based think-tank Pew Research Center said \$992 million was estimated to have remitted from Bangladesh to China, \$276 million to Indonesia, \$202 million to Malaysia, and \$126 million to India.

Other notable recipients were Vietnam, the United States, Nepal, Thailand, Japan, Norway, Myanmar, the United Kingdom, and Brazil.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, described the outbound remittance estimated by the KNOMAD as the "misrepresentation of fact".

He said this is bound to happen whenever there is any restrictions, whether it is for trade payments or service payments.

"This has become an underground system and it is flourishing since there is a demand for skilled professionals and managers."

Mansur, also a former official of the International Monetary Fund, said salaries and other benefits paid to foreign workers are current account convertibility payments and Bangladesh agreed to allow it nearly two decades ago.

But the country is trying to rein in the flow of outbound remittance through work permission mechanism, he said.

The transfer of a huge amount of money through unofficial channels carries a cost for the economy.

One is the revenue loss that the government could have been earned in the form of income taxes. Similarly, Bangladesh does not know the size of the net remittance, the gap between funds coming in and going out.

"If we don't have the right number, we will not be able to take the right policy decision on how to raise remittance inflows to Bangladesh," said Mansur.

Last year, Bangladesh received \$21.50 billion in remittances, down more than 3 per cent from \$22.21 billion a year ago, KNOMAD data showed.

Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry, said companies that are hiring foreign workers should do so in compliance with laws, while regulators may think of beefing up enforcement.

At the same time, the process to avail work permits should be simplified so that foreigners feel encouraged to seek the approval, he said.

## ADB cuts inflation forecast

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"If inflation is tamed more quickly than currently expected in the advanced economies, the authorities there would likely adopt a more dovish monetary policy, which would support growth in the region," ADB said.

At the same time, the lender warned an escalation in Russia's invasion of Ukraine could fuel price hikes, while the return of the El Nino weather phenomenon this year could hurt economies.

The tide was also turning on interest rates, the bank noted.

"With lower inflation in developing Asia and more moderate monetary tightening in the United States, most central banks in the region have kept policy rates steady this year, with signs emerging of a shift toward easier money," it said.

China, the world's second-largest economy, is still expected to grow at five percent this year and 4.5 percent in 2024, the bank said, citing supportive monetary and fiscal policies.

## How new banks are faring

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Meghna Bank's advance deposit ratio is 72 per cent, so the liquidity position is in good shape, Hussain said, adding that the bank has concentrated on governance and prudent management of business challenges.

Hussain cited that Meghna Bank has not delayed in making payments against letters of credit whereas many banks suffered in recent months owing to the US dollar shortage.

"Our LC confirmation ability has enhanced significantly."

Midland Bank has the lowest NPL ratio of 2.78 per cent.

Salahuddin Ahmed, a former governor of the Bangladesh Bank, alleged that the new banks were given licences on political consideration, so

a lack of professionalism can be seen in some of them.

He said almost all of the new banks are running their business like their predecessors and are not going to rural areas and unbanked people.

"Then what new things are they adding? The central bank should work with them so that they can contribute differently."

According to Ahmed, Padma Bank was granted an additional waiver from the central bank and was allowed to keep a lower amount of mandatory liquid assets.

"It has a domino effect."

AB Mirza Azizul Islam, a finance adviser to a former caretaker government, said he has been always against giving licences to new banks

since a large number of banks are already operating in the country.

At present, there are 61 scheduled banks in Bangladesh. In the last few years, People's Bank, Citizen Bank, Bengal Commercial Bank and Community Bank have also received licences to operate banking businesses.

"When the number of banks rises, some face problems in attracting deposits and the volume of business also shrinks," Islam said.

"It is a positive sign that some new banks are doing well by making profits and keeping the NPL ratio low."

"If they can keep the NPL ratio in check and provide handsome dividends to shareholders, it will be a huge success for the banks."

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## Pran-RFL first company

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common helmet outer shell material in the world thanks to its affordability, ease of manufacturing, its strength and reliability.

Polycarbonate is a transparent plastic used in making shatter windows, lightweight eyeglass lenses, packaging, interior cladding, outdoor glazing, roofing designs, automotive, electrical and electronics, and

personal security applications.

"Most imported helmets are not up to the standard. Our helmets are certified by the Bangladesh Standards and Testing Institution," said Kamruzzaman Kamal, director for marketing at Pran-RFL Group.

Over 50 models of about 20 brands of helmets are available in the country, said traders.

Initially the company will sell two

types of helmets -- a half-face one at Tk 1,400 and a full-face one for Tk 2,250, according to the company.

Durable Plastic Limited also plans to export helmets and some foreign buyers have already visited the factory, added the company. Global motorcycle helmet sales stood at around \$7.25 billion in 2020 and is projected to grow to \$20.09 billion by 2028, according to Fortune Business Insights.

## UNILEVER FUTURE LEADERS' LEAGUE

# Bangladesh team secures 3rd position

STAR BUSINESS REPORT

A three-member team from Bangladesh has secured the third position among 17 other competing countries in the final rounds of the Unilever Future Leaders' League (UFLL) competition.

The team, consisting of Abdullah Azwad Raifeed, Afnan Faruk Aninda, and Ferdous Hasan, showcased their remarkable skills and expertise, ultimately securing the second runner-up position, Unilever said in a press release.

All three team members, graduated from IBA at University of Dhaka, are currently employed at Unilever Bangladesh and are alumni of BizMaestros 2022.

The UFLL is a renowned global business competition which provides young talents with a unique opportunity to experience the essence of Unilever, including its brands, culture, and people, the Unilever said.

This competition comprises of two stages, beginning with local competitions. For example, in Bangladesh, this contest is named BizMaestros. This year, UFLL received over 34,000 applications from different universities worldwide. Among the top-performing countries, Team Bangladesh demonstrated exceptional talent and dedication.

Zaved Akhtar, chief executive officer and managing director of Unilever Bangladesh, congratulated the talented team that achieved the top three positions in the UFLL Competition.

## Stock indices up but turnover falls

STAR BUSINESS REPORT

Prime indices of the Dhaka and Chattogram bourses yesterday rose despite a fall in turnover.

The DSE, the benchmark index of the Dhaka Stock Exchange (DSE), gained 15 points, or 0.23 per cent, to close the session at 6,366 points.

The DS30, which represents blue-chip stocks, increased 0.11 per cent to 2,200 points while the DSES, an index comprised of sharia-compliant companies, edged down 0.03 per cent to 1,387 points. On the other hand, turnover, another key indicator of the market, slipped 19 per cent to Tk 877 crore.

Of the securities traded, 116 advanced, 65 declined and 185 did not show any price movement.

Crystal Insurance Company made the highest gain, increasing 9.9 per cent.

Yekin Polymer, Bengal Windsor Thermoplastics, Janata Insurance Company, and Continental Insurance were among the top gainers as well.

Meanwhile, Rupali Life Insurance Company saw the highest loss, shedding 9.7 per cent.

Rangpur Dairy and Food Products, Aziz Pipes, Meghna Pet Industries, and Khan Brothers PP Woven Bag Industries also featured on the list of significant losers.