

# Star BUSINESS

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## Banks' forex balances on the rise

MD FAZLUR RAHMAN

Gross foreign exchange balances held by commercial banks in Bangladesh rose to a 19-month high of \$5.53 billion in June, owing to lower imports and higher export and remittance earnings, central bank data showed.

The previous high of \$5.58 billion was registered in November last year.

June's holdings were up 6.23 per cent from the \$5.21 billion held at the end of 2021-22 and an increase of 8 per cent from May this year when it stood at \$5.12 billion.

July's figure was not immediately available.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank Limited, said since remittance and export earnings were in the positive territory and imports



Food grain bought from farmers queued for storage outside a government warehouse in Gaibandha yesterday. PHOTO: MOSTAFA SHABUJ

## Public food stock surges to 18-month high

SOHEL PARVEZ

Public food stocks in Bangladesh rocketed to an 18-month high in July thanks to higher procurement, imports of grains and reduced distribution, official figures showed.

Analysts described the stock as good since it would allow the government to tackle any untoward situation and intervene in the market to foil any attempts aimed at manipulation by middlemen.

On July 23, the stock of rice and wheat at public storage facilities stood at 19.53 lakh tonnes, the highest since January 2022, according to data from the food ministry.

In January last year, Bangladesh's public food stock was 19.85 lakh tonnes, the highest on record.

"We have a good production of Aman and Boro paddies. Our domestic procurement has been good so far as well," said Md Shakhawat Hossain, director-general of the Directorate General of Food.

The rice production estimate for the full fiscal year of 2022-23 is yet to be released by the Bangladesh Bureau of Statistics. Total production might rise 5 per cent to 4 crore tonnes for the year if estimates of the dry Boro season rice made by the Department of Agricultural Extension (DAE) are materialised.

The DAE estimates the Boro production to be 2.18 crore tonnes, the highest in history, up 8 per cent year on year.

The food office began to

purchase Boro paddy and rice from local farmers in the first week of May and it has procured 10.13 lakh tonnes of rice from the domestic market so far.

The food directorate will continue buying the grains until August to achieve its procurement target of 15.10 lakh tonnes. Boro is the largest crop in Bangladesh, accounting for more than half of annual rice production.

Hossain said they are on track to achieve the Boro purchase goal but space constraint has become a matter of concern.

The food directorate has the capacity to store 21 lakh tonnes of foodgrain. The food ministry has asked law-enforcing agencies to take the delivery of cereal under

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## TRADE DEAL STUDY More talks with Japan today

REFAYET ULLAH MIRDHA

A second round of discussions between Bangladesh and Japan starts in Dhaka today to finalise negotiations focusing a joint study, which would act as a guideline principle for signing an economic partnership agreement (EPA).

The first round of discussions on the study was held in Tokyo in April during a visit of Prime Minister Sheikh Hasina, said Yuji Ando, country representative of Japan External Trade Organisation (JETRO) in Bangladesh.

He, however, did not state where the discussions would take place.

A 10-member delegation of the Ministry of Economy, Trade and Industry of Japan has already arrived in Dhaka to hold discussions on the study.

Yasutoshi Nishimura, minister for economy, trade and industry of Japan, arrived in Dhaka

A 10-member delegation of the Ministry of Economy, Trade and Industry of Japan has already arrived in Dhaka to hold discussions on the study.

on Sunday and participated in a summit on Bangladesh and Japan economic relationship for the next 50 years.

At the summit, Nishimura said the joint study for signing an EPA would be finalised within this week so that formal negotiations could be launched as soon as possible.

Senior Commerce Secretary of Bangladesh Tapan Kanti Ghosh could not be reached over the phone to know about the second round of discussions.

Those joining the discussion from the Bangladesh side include senior officials from the commerce, foreign and other ministries, National Board of Revenue and tariff commission, said Ando.

The joint study was launched by the two countries last December for increasing trade and investment through an EPA, which would cover not only tariff issues but also investment.

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fell in the last financial year of 2022-23, the forex holdings at commercial banks rose.

"Letters of credits related to large-scale imports have already been settled."

Despite the turmoil in the global economy, earnings from merchandise shipment rose 6.67 per cent to \$55.55 billion in FY23, while remittance inflow grew 2.75 per cent to \$21.61 billion.

Imports declined 14.15 per cent to \$69.97 billion in the July-May period of FY23. The data for the entire financial year has not been released yet.

Rahman, however, said the positive growth of the forex holdings does not mean the US dollar crisis in Bangladesh is over and banks are sitting on a huge volume of international currencies.

"Still, there is a scarcity of US dollars. As a result, we are not being able to open LCs in line with demand."

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## ICC Bangladesh organises workshop

STAR BUSINESS DESK

The International Chamber of Commerce (ICC) Bangladesh organised a daylong workshop on "Managing Trade Payment and Trade Finance Risk- Operations, Compliance & Legal Analysis" in Dhaka on Saturday.

A total of 105 participants from 26 banks, 6 from Karnaphuli Fertiliser Company Ltd, and 17 officials of clients of Eastern Bank Ltd participated at the workshop. Muhammad A Rumeed Ali, chairman of banking commission at ICCB, attended the workshop as the chief guest and distributed certificates to the participants, said a press release.

ATM Nesarul Hoque, senior vice-president of Mutual Trust Bank Ltd, was present at the event as workshop resource person.

Among others, Md Ahsan Ullah, former executive director of Bangladesh Bank, Ataur Rahman, secretary general of ICCB, and Ajay B Saha, general manager, were present.



Muhammad A Rumeed Ali, chairman of banking commission at the International Chamber of Commerce (ICC) Bangladesh, attends a workshop on "Managing Trade Payment and Trade Finance Risk- Operations, Compliance & Legal Analysis" in Dhaka on Saturday.

PHOTO: ICC BANGLADESH

## bKash, DataSoft in microcredit instalment deal

STAR BUSINESS DESK

Mobile financial service provider bKash has signed an agreement with DataSoft Systems Bangladesh Ltd to facilitate instalment payments by customers who avail microcredit.

Customers of over 200 microfinance institutions that use DataSoft technology and software solutions will get the opportunity to pay instalments of microcredit timely through bKash.

Ali Ahmed, chief commercial officer of bKash, and M Manjur Mahmud, president of the software company, inked the deal at the former's head office in Dhaka yesterday, said a press release.

## SMC Enterprise launches SMC biscuits

STAR BUSINESS REPORT

SMC Enterprise Ltd launched a new kind of micronutrient-fortified food item SMC biscuits for the local market on July 19.

SMC biscuits contain seven vitamins and minerals (vitamin A, C, D, E, folic acid, calcium, zinc), the company said in a press release.

"As there are no artificial colours and preservatives in SMC biscuits, it is a healthy solution for people of all age groups."

Bangladesh produces about 475,000 tonnes of biscuits each year and the local biscuit industry has been growing at about 12-15 per cent annually, according to the Bangladesh Auto Biscuit and Bread Manufacturers Association.

Annually about Tk 5,000-6,000 crore worth of biscuits are sold in Bangladesh a year, according to the industry insiders.



Nazeem A Choudhury, deputy managing director of Prime Bank, and Sadiqur Rahman, vice-president of Portonics Ltd, exchanged signed documents of an agreement at the bank's head office in Dhaka recently over enabling customers to make merchant payments through internet banking.

PHOTO: PRIME BANK

## Prime Bank, Portonics sign deal over payments

STAR BUSINESS DESK

Prime Bank Ltd has signed an agreement with online payment aggregator Portonics Ltd enabling customers to make merchant payments through internet banking and credit cardholders to avail up to 36 monthly equal instalments.

Nazeem A Choudhury, deputy managing director of the bank, and Sadiqur Rahman, vice-president of Portonics Ltd, inked the deal at the bank's head office in Dhaka recently.

Masudul Haque Bhuiyan, head of cards, was present, says a press release.

## NRBC Bank's June deposits up 19% year-on-year

STAR BUSINESS DESK

Deposits at NRBC Bank at the end of last June stood at Tk 17,753 crore, which was a year-on-year increase of 19 per cent, as per a meeting of its board of directors.

Loan disbursements also increased to Tk 14,348 crore whereas a year ago it was Tk 12,416 crore.

Meanwhile, treasury investment stood at Tk 4,672 crore in contrast to Tk 3,502 crore in the previous year.

Total asset value amounted to Tk 1,312 crore whereas previously it was Tk 1,200 crore.

Chairman SM Parvez Tamal presided over the meeting, which was virtually held yesterday, said a press release.

Rafikul Islam Mia Arzoo, vice-chairman, Mohammed Adnan Imam, AM Saidur Rahman, Mohammed Oliur Rahman and Loquit Ullah, directors, and Khan Mohammad Abdul Mannan, Air Chief Marshal (retired) Abu Esrar and Raad Mozib Lalon, independent directors, were present.



SM Parvez Tamal, chairman of NRBC Bank, presided over a meeting of the board of directors, which was virtually held yesterday. The meeting informed that deposits at the end of last June stood at Tk 17,753 crore, which was a year-on-year increase of 19 per cent.

PHOTO: NRBC BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUL 24, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	-1.46 ↓
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	2.04 ↑
Loose flour (kg)	Tk 50-Tk 52	-4.67 ↓	20 ↑
Lentil (kg)	Tk 90-Tk 100	0	-9.52 ↓
Soybean (litre)	Tk 160-Tk 165	-4.39 ↓	-3.27 ↓
Potato (kg)	Tk 36-Tk 40	1.33 ↑	38.18 ↑
Onion (kg)	Tk 60-Tk 65	-16.67 ↓	47.06 ↑
Egg (4 pcs)	Tk 48-Tk 50	5.38 ↑	19.51 ↑

SOURCE: TCB



Kazi Mashiur Rahman Jayhad, additional managing director of Global Islami Bank, cuts a ribbon to inaugurate an ATM booth at Kamalapur Railway Station in Dhaka yesterday. Sami Karim, deputy managing director, Md Shamsur Rahman Majumder, manager of Motijheel branch, Zulfiqar Ali Khan, executive vice-president, Imtiaz Ahmed Siddiqui, head of marketing, ANM Ahsan Habib, head of cards, Shah Alam Kiron Shishir, divisional commercial officer for Dhaka division at Bangladesh Railway, and Mohammad Aminul Haque, deputy commercial officer-1, were present.

PHOTO: GLOBAL ISLAMI BANK

## Annual fish output to rise to 85 lakh

FROM PAGE B4

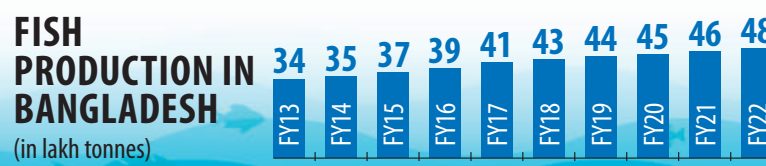
"The government has taken various steps to ensure that locally produced fishes are safe for human consumption," he said.

The government has set up laboratories of international standards in the country for the production and export of safe and healthy fish, he said.

Karim said the government is giving utmost importance to the multi-purpose use of fish along with increasing fish production.

"Making of chips, cakes and other products from fish will also increase fish consumption."

He said those who want to work on the versatile use of fish are being given agricultural loans on easy



SOURCE: DEPARTMENT OF FISHERIES

terms and low interest.

The minister said the government is working to increase the production of conventional and non-conventional fish in the country.

Scientists and researchers have brought back 39 species of native fish that were on the verge of extinction, he said.

The Bangladesh Fisheries Research Institute established a "live gene

bank" for the conservation of small indigenous fish in 2020 and so far over 100 species have been included, he added.

In 2022-23, Bangladesh earned more than Tk 4,790 crore through the export of around 70,000 tonnes of fish and fish products.

The country ships various types of fish to 52 countries, according to the fisheries ministry data.

## India's economy China's pitch to foreign

FROM PAGE B4

potential this decade...the biggest challenge before policymakers is to reallocate the surplus labour from agriculture to more productive sectors with gainful jobs in them," said Dhiraj Nim, economist at ANZ Research.

"If India's reform momentum is lacklustre, a less exciting picture is on the cards."

The latest Reuters poll of 53 economists taken between July 13 and 21 showed the Indian economy would grow 6.1 per cent this fiscal year, a respectable rate when other major economies are expected to slow, maintaining a conducive environment for job creation.

It was forecast to grow 6.5 per cent next fiscal year, with expectations of 6.2 per cent growth this quarter, followed by 6.0 per cent and 5.5 per cent. The outlook was largely unchanged from a June poll.

"I think 6.0 per cent to 6.5 per cent is a very achievable and a very conservative forecast for India's growth trajectory," Nim added.

World Bank President Ajay Banga recently said the key to India's growth story is through more jobs as he outlined the opportunity to cash in on the "China Plus One" strategy, a scheme adopted by many companies to build manufacturing units outside of the People's Republic.

Asked how the employment situation will change over the coming year, 17 of 25 economists said it will improve slightly.

"The unemployment situation hasn't improved yet...and the skilling to some extent is also missing. So, there is a gap in terms of the demand versus the supply," said Radhika Piplani, chief economist at DAM Capital Advisors.

Asked what impact the Production-Linked Incentive (PLI) scheme, designed to attract foreign manufacturers to set up factories in India, would have on the country's GDP this fiscal year, 21 of 27 economists said it will only increase it modestly.

FROM PAGE B4

Council. He cited five meetings between their London office and delegations from Chinese local governments in late June.

But "there's still a lot of work to do in terms of warming up or reheating interest in China," he warned.

The charm offensive contrasts with Beijing's more hawkish overtures about dominance in supply chains and President Xi Jinping's increased focus on national security.

Dollar-denominated foreign direct investment (FDI) fell 5.6 per cent in January-May from the same period last year, despite the end of strict Covid curbs, as the post-pandemic recovery in the world's second-largest economy faltered.

China's Ministry of Commerce did not respond to a request for comment.

Noah Fraser, managing director of the Canada China Business Council, said his organisation had also been on the receiving end of a "charm offensive" from municipal, provincial and regional authorities, but that his understanding from most of them was that cash would not be forthcoming and projects would need to be self-financed.

"They'll be friendly, they'll be open minded, but I don't suspect that they have a great deal of financial capital to move with," he said. "So, I think any equity or any assets will be...in the relationships and permissions that get rid of the red tape."

Senior executives from three large Western companies that Reuters spoke to on the condition of anonymity said they were similarly unconvinced after discussing prospective investment with local authorities.

"(The incentives) are not worth engaging our finance team over, it's public affairs work, as it's a conversation we're having with the local government, but it's not going to affect the company's investment or operational decisions," said one of

the executives.

He added that while in the past his company had been offered enterprise tax waivers and deals on land to put in fresh investment, an eastern Chinese government had recently only offered him a deal on personal income tax for their top executives amounting to 6 million yuan.

"I wouldn't say it's an incentive. It's a benefit. But would our company stay in China forever for these 6 million yuan? No."

Local authorities carry out a delicate balancing act when courting foreign investment and dealing with critical questions about Xi's security policies.

Many foreign companies have expressed concerns over the changing business environment in China, which in recent years has been marked by a crackdown on consultancies affecting how investors can perform due diligence, as well as new data and anti-espionage laws.

Analysts say there is now very little tolerance for deviation from Chinese Communist Party thinking on business, which has forced many foreign firms to rethink their approach to China.

"I do think (Li Qiang) wants and intends to bring inbound investment back, but he's someone who's loyal and so should he be asked to lock down Shanghai again or do anything that isn't business friendly, he would," said Agatha Kratz, director at Rhodium Group, a China focused consultancy.

One of the three executives, whose employer is a foreign automaker, said he had been surprised by how officials had repeatedly raised Xi's policies on self-reliance and self-strengthening in a recent meeting in a southern Chinese city.

"As far as the macro situation is concerned, local governments can't do anything to reassure foreign investors. Actually, they are part of the system," he said.





Sugarcane being unloaded in Mahilara area of Barishal's Gournadi upazila. Cultivated in nearby villages, the produce will be sold to retailers and wholesalers at Tk 2,000 to Tk 2,500 per 100 pieces. Some 3,332,546 tonnes were produced on 192,310 acres of land around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken last Saturday.

PHOTO: TITU DAS

# Financial reforms going in right direction: IFC

STAR BUSINESS REPORT

Initiatives to bring about reforms in the financial sector of Bangladesh have been moving in the right direction, according to Martin Holtmann, country manager of International Finance Corporation (IFC) for Bangladesh, Nepal and Bhutan. And while the reforms may take time, they are at least on the move, Holtmann said at a regular luncheon meeting of the American Chamber of Commerce (AmCham) in Bangladesh yesterday. Bearing the topic "Role of IFC as a development partner in Bangladesh", the meeting at Sheraton Dhaka was participated by businesspeople from both Bangladesh and the US. Citing the need to urgently bring about the reforms, Holtmann said they were a fundamental need as it was customers who ultimately suffered. For example, customers are the ones that pay for bank inefficiencies as they lead to much higher interest rates than

what is necessary, he said. Holtmann then pointed out that Bangladesh's tax collection ratio, which stands at just 7 per cent of the country's GDP, is one of the lowest worldwide. However, he lauded the private sector's involvement in developing domestic infrastructure, stating that it was praiseworthy for entrepreneurs to have invested in power generation as well. The IFC country manager also said government initiatives to bring normalcy to the country's forex rate amid volatility stemming from the Russia-Ukraine war were also heading in the right direction. Another advantage for Bangladesh is that workers in the country seemingly work harder and longer, he said. Some countries do not have much national resource, but still they are performing well, and Bangladesh is such a country, he added. Holtmann also said Bangladesh had a lot of entrepreneurs and that hospital and medical services was a sector

awaiting massive investments from the private sector. Besides, Bangladesh has the opportunity to participate in the global food processing value chain as the country is trying for export diversification, he added. AmCham President Syed Ershad Ahmed said while the local economy was eyeing double-digit growth and joining the journey of developing nations, the whole world was hit hard by Covid-19. Global economic sanctions and war-induced disruptions to the supply chain quickly followed, leading to financial instability, inflationary pressure and lower forex reserves worldwide, he said. "You may all agree that the significance of Bangladesh's private sector lies in its ability to drive economic growth, create employment opportunities, attract investment and foster innovation," Ahmed added. This competitive advantage leads to increased foreign direct investment (FDI) by offering profitable business

opportunities; and, in creating a favourable investment climate, putting the economy on a path to cross the \$1 trillion mark by 2040, according to the World Bank and BCG Analysis. In today's globalised world, the IFC as a member of the World Bank Group, focuses on promoting sustainable economic growth and poverty reduction through investments in the private sector, which plays a crucial role in supporting the development of countries on the path to progress. Bangladesh is making its way to becoming a developing nation with an impressive steady annual GDP growth rate, unique geopolitical location, and solid and skilled workforce that is attracting global attention, labelling itself as an FDI-friendly country. The "poster boy" of Bangladesh's economy, namely garments, and foreign remittance earnings shielded the country despite all these unforeseen challenges in the pre-coronavirus era, Ahmed said.

## First project approved through planning ministry software

STAR BUSINESS REPORT

The planning ministry yesterday approved a project through the Project Processing, Appraisal and Management System (PPS), which aims to ensure transparency and accountability in the formulation and approval of various initiatives. Proposed by the fisheries ministry, the "Community-based Fishing Wealth Management in Nimgachhi" project aims to improve aquaculture in Pabna and Sirajganj by providing farmers with the required support, such as training. This is the first time that a project has been approved through the PPS, which is a software that was introduced in April last year to digitalise the overall project formation and monitoring process. Planning Minister MA Mannan yesterday announced the project's approval through an event held at the National Economic Council auditorium, where State Minister for Planning Shamsul Alam was present. Through the use of software services, the time, costs and visits required to prepare a project will reduce, and this will ensure transparency and accountability, said Nurun Nahar, project director of the automation system. "A central database for projects will be created so that the planning ministry and other related agencies can be integrated with the database," she added. Currently, a total of 33 projects have been included in the PPS software. Mannan also said the government has successfully taken a new step in the digitalisation process, making project formation, evaluation and monitoring much easier. "This [the PPS] will help us speed up project implementation, ensure proper monitoring and avoid overlaps," he added. Mannan informed that it was forgivable if there are human errors in any official work. "But if the intention is to sabotage, then the government will not let it go and the case will be handled firmly," he added.

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(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.45%	▲ 1.23%	▼ 0.4%	▼ 0.11%
66,384.78	32,700.94	3,265.14	3,164.16

## Euro zone business downturn reignites recession fears

REUTERS, London

Euro zone business activity shrank much more than expected in July as demand in the bloc's dominant services industry declined while factory output fell at the fastest pace since Covid-19 first took hold, a survey showed. The decline was broad-based with the euro zone's two biggest economies - Germany and France - both in contractionary territory and will likely add to fears the bloc will slip back into recession. The survey also indicated the European Central Bank's sustained campaign of interest rate rises is starting to take its toll on consumers and denting the services sector. This will pose questions for the bank, which meets on Thursday, as it weighs its fight against record inflation against the economic damage it could cause. HCOB's flash Composite Purchasing Managers' Index (PMI) for the euro area, compiled by S&P Global and seen as a good gauge of overall economic health, dropped to an eight-month low of 48.9 in July from June's 49.9. That was below the 50 mark separating growth from contraction and lower than all expectations in a Reuters poll which had predicted a modest dip to 49.7. "The weakness was widespread across all sectors, but it was the manufacturing sector that posted another bad reading," said Paolo Grignani at Oxford Economics. "Today's print confirms the deterioration in macroeconomic conditions is well underway and spreading from manufacturing to other sectors. In our baseline case

we expect subdued growth for the second half of the year, but today's data suggest the risk of a small contraction in euro zone GDP in Q3 is increasing." Activity in Germany, Europe's largest economy, contracted in July, increasing the likelihood of a recession in the second half. In France a downturn extended into July as both the services and manufacturing sectors did worse than expected. The euro slid and the bloc's government bond yields fell after the softer than expected data. The private sector in Britain, outside the euro zone, is growing at its weakest pace in six months in July as orders for businesses stagnate in the face of rising interest rates and still-high inflation. The euro zone services PMI fell to 51.1 from 52.0, its lowest since January and shy of the Reuters poll forecast for 51.5. Indebted consumers feeling the pinch from rising borrowing costs and prices cut back on spending, and the services new business index went below breakeven for the first time in seven months. A PMI covering the bloc's manufacturing sector dropped to 42.7 from 43.4. The Reuters poll had forecast a slight rise to 43.5. An index measuring output, which feeds into the composite PMI, fell to its lowest in over three years. The decline came despite manufacturers running down backlogs of work and cutting their prices. Factories benefited from a sharp drop in input costs due to falling demand for materials and improved supply.

## India rate cut bets pushed to mid-2024

REUTERS, Mumbai

The recent rise in inflation has prompted Indian investors to push back rate cut expectations by at least a quarter to the middle of 2024, with a sustained rise in prices likely to prompt a further repricing, traders and analysts said on Monday. Surging food prices accelerated India's annual retail inflation rate in June to 4.81 per cent, above the polled estimate of 4.58 per cent, snapping four months of easing. "Rate cut bets are getting repriced as markets are now expecting inflation to overshoot above 6 per cent in July and upward pressure in the coming quarter," said Madhavi Arora, lead economist at financial services firm Emkay Global. "The bet for the first cut has been shifted by at least one quarter to June 2024," she added. Three senior traders at private and foreign banks agreed. Bangladesh has been looking forward to signing free trade agreements (FTAs), preferential trade agreements (PTAs), comprehensive economic partnership agreements (CEPA) and economic partnership agreements (EPAs) with major trading partners. This is aimed at retaining zero-duty benefits once Bangladesh makes the United Nations country status graduation from a least developed to a developing nation in November 2026. Being a least developed country at present, Bangladesh enjoys preferential duty benefits, including duty free access, to 38 countries, including Japan. Of the country's annual export earnings, 71 per cent is concerned with Generalised System of Preferences. Different studies suggest that once Bangladesh becomes a developing nation, it will lose business worth \$7 billion a year because of the erosion of the preferential duty benefits. Bangladesh will face between 8 per cent and 10 per cent duty on shipment of goods to Japan after the graduation if an EPA cannot be signed to retain existing zero-duty benefits to Japanese markets. Japan is the first country in Asian

where Bangladesh's export earnings crossed \$1 billion in fiscal year 2014-15, according to data from the Export Promotion Bureau (EPB). Last fiscal year, Bangladesh exported goods worth \$2 billion to Japan, securing a year-on-year growth of more than 40 per cent. Here the garment sector staged a strong performance, as it accounted for more than 95 per cent of the overall exports. Garment export to Japan grew by over 45 per cent year-on-year to reach \$1.59 billion in fiscal year 2022-23, said the EPB data. Bangladesh's exports to Japan started climbing since 2008, when the Japanese government adopted a China Plus One Strategy to reduce overreliance on China. A lot of Japanese companies, especially clothing retailers and brands, have started coming to Bangladesh with a lot of work orders. In April 2011 the Japanese government also relaxed a Rules of Origin for the knitwear sector which eventually helped raise garment shipments to Japan. Earlier, the Japan government had imposed a 17 per cent duty on import of knitwear items, mainly to protect the age-old domestic Japanese knitwear industry.

## Public food stock surges

FROM PAGE B1

the Public Food Distribution Programmes (PFDS) equivalent to three months. "This will free up some space in the government warehouses," Hossain said. The reduction in the distribution of grains is another reason for the pile-up of stocks. The food ministry distributed 30.08 lakh tonnes of cereal in the fiscal year of 2022-23, almost unchanged from the previous year. As of July 13 of the current fiscal year, the total distribution of grain was 33,105 tonnes, which was more than three and a half times the 1.12 lakh tonnes distributed during the same period a year ago. Md Jamal Hossain, director of the movement, storage and silo division at the food directorate, said apart from other food distribution programmes, the Food-Friendly Programme under the fair price card will start in September for three months. A total of 4.5 lakh tonnes of the grain will be distributed at nominal prices during the three-month period, he said. "The current stock of foodgrain will give some comfort." The current level of food stocks at public warehouses is higher than the government-fixed security stock of 13 lakh tonnes, said Hossain, adding that his office plans to maintain a stock that is higher than that level. Quazi Shahabuddin, a former director-general of the Bangladesh Institute of Development Studies, said the current foodgrain stock is good for distribution under various social safety schemes. However, following the ban slapped by India on the export of non-basmati white rice, the government should explore alternative external sources so that it can purchase if the Aman rice production faces any disruption from any natural calamities or unfavourable weather. Mohammad Jahangir Alam, a professor of agribusiness and marketing at the Bangladesh Agricultural University, said

Bangladesh's import dependence on rice is low compared to its overall production. "So, the latest ban on export by India is unlikely to create any effect on the domestic rice market." He, however, added that measures should be taken to attain self-reliance in staple food production. "We are on the safe side in terms of public food stocks. We will also get another crop in the next three months. However, the government should monitor the market intensively to prevent any attempt to manipulate prices by market actors." Prof Ismat Ara Begum, director of the Institute of Agribusiness and Development Studies at the BAU, said the existing foodgrain stock is enough and the government is distributing the grains under PFDS. "I don't see any reason to be worried," she said. **Banks' forex** FROM PAGE B1 Outstanding forex reserves in the banking sector were \$4.58 billion in 2019-20, \$5.52 billion in 2020-21, and \$5.2 billion in 2021-22, according to the Bangladesh Bank. Owing to persistently high import payments, gross foreign exchange reserves in Bangladesh declined to \$31.20 billion at the end of FY23 from \$41.82 billion in FY22. Meanwhile, the country's forex reserves have slipped as per the definition of the International Monetary Fund's balance of payments and investment position manual. The central bank began publishing the gross international reserves (GIR) in line with the manual on July 12 to ensure that the country's dollar stockpile is reported accurately. On the day, it stood at \$23.58 billion. On July 19, the GIR fell to \$23.45 billion. The GIR includes gold, cash US dollar, bonds and treasury bills, reserve position at the IMF and special drawing rights holdings, a form of international money created by the global lender.



## Annual fish output to rise to 85 lakh tonnes by 2041

Says fisheries minister

### STAR BUSINESS REPORT

Bangladesh has targeted to raise annual fish production to 85 lakh tonnes by 2041, said Fisheries and Livestock Minister SM Rezaul Karim yesterday.

The target is 1.8 times higher than the 2021-22 fiscal year's production of 47.59 lakh tonnes, he said.

The minister shared the information at a press conference, organised to mark to National Fisheries Week 2023, at the conference room of the Department of Fisheries in the capital.

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Small fishing trawlers preparing to set off from Cox's Bazar yesterday following the lifting of a 65-day fishing ban. However, they will cast their nets near the coast as cautionary signal number 3 was in place for rough seas. Fishermen operating bigger vessels informed that they would wait till the end of July for the Bay of Bengal to calm down so that it becomes safer for them to venture out to the deep sea.

PHOTO: MOKAMMEL SHUVU

## SIBL makes Tk 36.92cr profit in Q2

### STAR BUSINESS REPORT

Social Islami Bank Limited made a Tk 36.92 crore profit in the second quarter of 2023, an increase of more than 3 per cent year-on-year.

The profit stood at Tk 35.83 crore in April-June of 2022.

Thus, the consolidated earnings per share improved to Tk 0.34 in the three months to June this year against Tk 0.33 in the identical quarter in 2022, according to the un-audited financial statements.

The profit rose 6.52 per cent year-on-year to Tk 53.21 crore in January-June from Tk 49.94 crore during the first half of 2022. So, the consolidated EPS was up to Tk 0.49 from Tk 0.46.

The consolidated net operating cash flow per share turned negative at Tk 2.28 for the first half of 2023 against a positive Tk 3.75 during the same period last year.

The NOCFPS decreased due to a cash outflow in respect of deposits and investments, said the Shariah-based bank in a filing on the Dhaka Stock Exchange.

The consolidated net asset value per share rose to Tk 20.68 on June 30 this year from Tk 18.74 on the same day last year.

Shares of SIBL traded at Tk 11.70 on the DSE yesterday, unchanged from a day earlier.

# Cement makers call for cutting assessment value at import stage

MOHAMMAD SUMAN, Ctg

The Bangladesh Cement Manufacturers Association (BCMA) has urged the Chattogram Custom House to cut the assessment value of three raw materials as their prices have fallen in international markets.

Cement producers say the production cost has increased as the assessment value of cement clinker, granulated slag and gypsum is higher than their prices in the international market.

They demanded that the assessment value of cement clinker be reduced from \$60 to \$50 per tonne, granulated slag from \$30 to \$26 and gypsum from \$35 to \$30, the BCMA said in a letter to the Chattogram Custom



PHOTO: PALASH KHAN

Sacks of cement being unloaded from vessels in Dhaka.

House recently.

The country's cement industry entirely depends on imports for raw materials as producers buy clinker, granulated slag, limestone flux, gypsum and fly ash from Thailand, Vietnam and China with a view to making finished products.

According to the National Board of Revenue (NBR), 24.15 million tonnes of cement raw materials worth Tk 13,878 crore were imported in the last fiscal year of 2022-23. About 22.47 million tonnes of raw materials worth Tk 10,760 crore were purchased from the global markets in 2021-22.

"We have to pay more taxes because the customs value of these products is higher than the import prices," said Md Alamgir Kabir, president of the BCMA, in the letter.

He said the country's ongoing

US dollar crisis, the complexity in opening letters of credit and the higher dollar rate have put producers in a tight spot.

"Therefore, we have requested the National Board of Revenue and the Custom House to take a decision to this effect as soon as possible."

Mohammad Fyzur Rahman, commissioner of the Chattogram Customs House, told The Daily Star that after receiving the letter, they have collected data from international markets and found that the prices of the raw materials have come down.

"The matter is being seriously scrutinised by our assessment committee. A proposal in this regard will be sent to the NBR very soon."

According to Rahman, the custom house determines the assessment value of some products

to prevent revenue evasion and ensure equal opportunities for all traders.

"We try to ensure that it is not more than the actual cost."

The assessment value is an average import price for the last 90 days.

Cement manufacturers also said that they are facing five to seven days of additional delays to have limestone released from ports. The extra time is needed since chemical reports have to be collected.

They urged the commissioner to quickly release the goods after securing an undertaking from importers.

"In the undertaking, importers will pledge that they will pay duty and penalties if any mis-declaration is found."

In this regard, Rahman said many traders brought in stone in the name of limestone. So, chemical tests have been made mandatory before releasing limestone to prevent revenue evasion.

"However, we will consider their proposal after analysing the risk about revenue evasion."

In Bangladesh, there are 37 active cement factories. They have collectively invested around Tk 35,000 crore and generated direct jobs for around 60,000 people.

Their combined annual production capacity has reached 65 million tonnes against a domestic demand of 35 million tonnes. The sector's annual sales are worth more than Tk 30,000 crore.

## BAT Bangladesh's profit rises on higher sales

### STAR BUSINESS REPORT

British American Tobacco (BAT) Bangladesh Company Ltd's profit grew 4 per cent in the first six months of 2023, driven by higher sales and leaf exports although it recorded a marginal decline in earnings in the second quarter.

The market leader in the cigarette business in the country registered a Tk 493 crore income in April-June this year, down from Tk 496 crore a year ago.

However, including the second quarter earnings, BAT Bangladesh's earnings stood at Tk 949 crore in January-June, up from Tk 913 crore in the same period a year ago.

Accordingly, the earnings per share of the tobacco products maker rose 4 per cent to Tk 17.59 in the first half.

The EPS increased from the same period last year driven by volume growth and higher leaf export, according to a disclosure on the Dhaka Stock Exchange.

Shares of BAT Bangladesh remained unchanged at Tk 518.7 on the DSE yesterday.

BAT Bangladesh said it recorded Tk 21,229 crore in sales in the first half of 2023, clocking a 14 per cent year-on-year growth, according to the un-audited financial statement published.

The multinational company registered a 15 per cent higher sales to Tk 11,329 crore in April-June.

## Agrani Insurance posts over 20% higher profit

### STAR BUSINESS REPORT

Agrani Insurance Co Ltd posted a 20.68 per cent year-on-year increase in profit to Tk 1.11 crore in the second quarter of 2023.

The profit stood at Tk 92.09 lakh in the identical April-June quarter of 2022.

Thus, the consolidated earnings per share rose to Tk 0.35 in April-June of 2023 from Tk 0.29 in the same quarter of 2022.

The profit rose to Tk 2.76 crore in the January-June half of the current financial year from Tk 2.29 crore in the same period a year ago, an increase of 20.5 per cent year-on-year. So, the consolidated EPS grew to Tk 0.87 from Tk 0.72 during the period.

The consolidated net operating cash flow per share was Tk 0.78 in January-June against a negative Tk 0.02 in the same half of 2022.

The consolidated NOCFPS increased due to a decrease in expenses and an increase in total revenue, said the insurer in a filing on the Dhaka Stock Exchange.

The consolidated net asset value per share rose to Tk 20.98 on June 30 this year from Tk 20.17 on December 31 last year. Shares of Agrani Insurance rose 2.58 per cent to Tk 43.80 yesterday.

## Oil prices rise

### REUTERS, London

Oil prices rose on Monday as tightening supply and hopes for Chinese stimulus measures underpinned Brent at well above \$80 a barrel, even as traders expected more rate hikes from US and European central banks.

Brent crude futures were up 91 cents, or 1.1 per cent, at \$81.98 a barrel by 1415 GMT. US West Texas Intermediate (WTI) crude was at \$78.12 a barrel, also up \$1.05, or 1.3 per cent.

The benchmarks rose 1.5 per cent and 2.2 per cent respectively last week, their fourth straight week of gains, as supply is expected to tighten following Opec+ cuts.

Fighting also escalated last week in Ukraine after Russia withdrew from a UN-brokered safe sea corridor agreement for grain exports.

## China's pitch to foreign investors falls flat

### REUTERS, Beijing

China is struggling to revive foreign investment in its financially battered cities and provinces as foreign firms remain wary of political risks and new incentives fall far short of sweeteners once used to attract overseas money.

With their coffers depleted after an economically bruising pandemic and property crisis, local authorities have been racing to find new revenue sources, with foreign investment particularly coveted.



Premier Li Qiang in March declared China open for business again, and since then provinces and cities from Sichuan to Chaozhou have sent delegations across the globe to pitch and invited investors to rare symposiums.

However, foreign industry executives and lobbyists say the incentives many local governments now offer are far less attractive than they were a decade ago, when companies could easily win subsidies or free land use and the regulatory environment seemed more predictable.

"Clearly the China side is very much getting on the front foot with international engagement," said Kiran Patel, senior director at the China Britain Business

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Residential buildings are pictured near a construction site in Beijing, China on April 14, 2022.

PHOTO: REUTERS

## India's economy to hold top spot for GDP

### REUTERS, Bengaluru

India's economy will grow at a solid pace for the rest of this fiscal year and next but well below its potential rate, according to a Reuters poll of economists who also said the employment situation will improve only slightly.

The world's most populous country aspires to leapfrog to the status of a developed nation, riding on the unprecedented demographic dividend, which demands an annual gross domestic product (GDP) growth rate of around 8 per cent for the next 25 years.

But reaching this milestone hinges on implementing key reforms in education, infrastructure, healthcare and technology.

"If we want to realise that 8 per cent growth

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