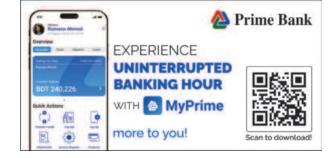
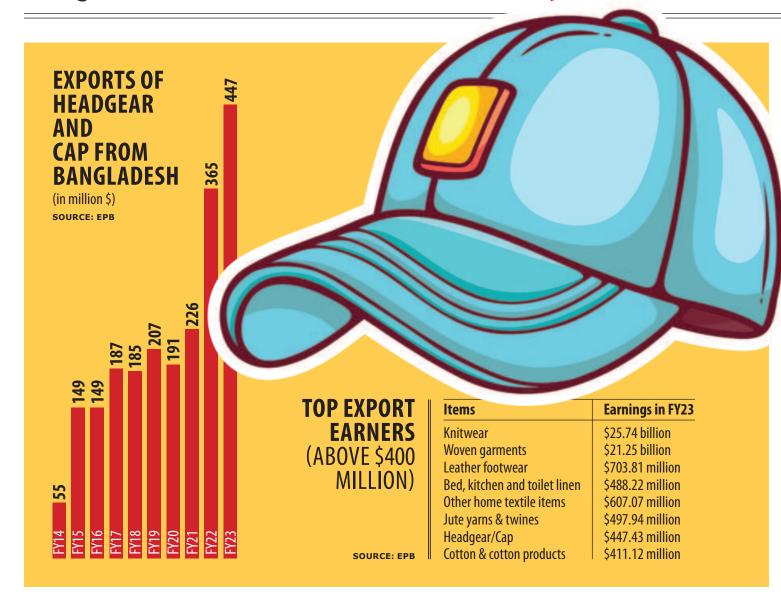
51/51/





Finalising study for EPA with Japan underway

REFAYET ULLAH MIRDHA

Bangladesh and Japan yesterday outlined areas of focus for a joint study that would act as a principal guideline for signing an partnership economic (EPA) to agreement increase bilateral trade and investment between the two countries.

Both sides discussed tariff and duty structures, goods and trade in services, investment, mutual recognition of certifications and the current market situation, said Noor Md Mahbubul Haq, additional secretary of the commerce ministry.

The discussions were undertaken by senior government officials of both countries at a hotel in Dhaka to prepare the study for launching formal negotiations on signing an EPA, he added.

Haq, who is engaged in the discussions, informed READ MORE ON B3

Banks raising interest rates

STAR BUSINESS REPORT

Banks in Bangladesh are raising the interest rate on deposits gradually in order to lure depositors and improve their liquidity situation amid a lack of appetite among savers because of the stubbornly high inflation.

Interest rates offered by banks vary. However, the weighted average rate on deposits offered by banks increased to 4.41 per cent, the highest in one year, in May.

A month ago, the weighted average interest rate on deposits was 4.38 per cent, according to the Bangladesh Bank data.

"Public sector borrowing and demand of loans from the private sector have increased and banks have to take deposits at a higher cost as there is a liquidity stress," said Mohammad Ali, managing director of Pubali Bank Ltd.

He said the availability of liquidity has reduced in the banking system owing to higher borrowing by the government to finance its expenditure.

"The overall interest rate on deposits is expected to increase further because of persistently higher

READ MORE ON B3

STOCKS DSEX CASPI 0.10% 0.06% 6,331.03 18,709.92



ASIAN MARKETS					
MUMBAI	ТОКУО	SINGAPORE	SHANGHAI		
0.04% 66,355.71	0.05% 32,682.51	▲ 0.64% 3,286.16	2.29% 3,231.52		
66,355.71	32,682.51	3,286.16	3,231.52		

Rising headgear, cap export gives diversification a leg-up

JAGARAN CHAKMA

by exporting headgear products such as hats and caps in the last financial year, a positive development for currencies.

Data from the Export Promotion Bureau (EPB) showed that the receipts were up 22.71 per cent in 2022-23 from a year earlier as Bangladesh has emerged as one of the key suppliers of headgear items in the growing segment of the global market.

Headwear include headbands, hats, beanies, An International (BD) Ltd, and two largest markets for the country. and caps, and in Bangladesh, their manufacturing began nearly two decades ago and is completely export-oriented.

shipment, however, accelerated in recent years rising from just \$55 million in 2013-14 to nearly \$450 million in 2022-23.

"It is amazing to see how much the headgear export from Bangladesh has advanced," said Nazmus Shakib,

According to the Bangladesh Bangladesh bagged \$447.43 million Exports Processing Zones Authority (Bepza), there are five headgearmaking factories in EPZs. Of them, Actor Sporting Ltd and Dhakarea a country that relies heavily on a Ltd are located in the Dhaka EPZ

to boost sales significant addition to Bangladesh's handful of products to earn foreign and Young An Hat (BD) Ltd, Young

Nearly 85 per cent of Bangladesh's export earnings come from shipping

apparel items. Other notable export-earning sectors include leather

in the western economies as retailers

and brands target the winter season

"The headgear segment is a

And less than 10 items brought home earnings more than million in FY23, EPB data showed.

Bangladesh products headgear largely to the United States and Europe, the

Industry people manufacturers can world-class headgear products at competitive prices thanks to cheap labour and the availability of a

skilled workforce. Nazma Binte Alamgir, executive director for public relations at the Bepza, said investors from many countries, including China (Hong Kong) and South Korea are READ MORE ON B2



The headgear segment is a significant addition to Bangladesh's export basket.

Shafiul Azam General manager of Actor Sporting

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Wink Company Ltd are based in the Chittagong EPZ.

Shafiul Azam, general manager of Actor Sporting, said there are a few headgear manufacturers in Bangladesh and they are largely based in the export processing zones. All manufacturers are from Hong Kong and South Korea.

He said the demand is seasonal and orders for headgear items are a former senior official of a cap placed towards the end of summer

Alliance Finance PLC has successfully completed 15-Year Syndicated Loan of BDT 1.94 billion under IPFF II Project

Co-Funded By

Implemented By







Arranger



Facility & Security Agent





Participants









This is a matter of record only





Local handset making plunges

MAHMUDUL HASAN

The grim scenario of the mobile manufacturing industry Bangladesh continues to persist as local production plunged by half in the first six months of 2023, primarily due to the expanding grey market.

Local manufacturers produced 96 lakh handsets from January to June this year, down 48 per cent from 1.85 crore units in the same period a year earlier, according to the latest data of Bangladesh Telecommunication Regulatory Commission (BTRC). According to the Mobile Phone

Industry Owners' Association of Bangladesh, smartphone sales plunged by 42 per cent to 33 lakh in the first half of the current year compared to the same period of

Meanwhile, feature phone sales plummeted by 40 per cent year-onyear to 46 lakh.

Industry people said import costs have increased due to the taka's sharp depreciation against the US dollar. Moreover, there is a shortage of the greenback, making it challenging to open letters of credit.

At the same time, the government has substantially increased the VAT on local manufacturing. All these



of locally manufactured phones. Also, a section of unscrupulous businesspeople swarmed the market with phones imported through

unauthorised channels. And as they do not pay taxes for these devices, their devices are cheaper and thereby lure customers suffering from economic woes.

"The key factor in the downturn of the market is the expansion of factors together increased the price the grey market," Rizwanul Haque,

vice-president of the Mobile Phone Industry Owners' Association of Bangladesh, told The Daily Star.

He said they witnessed some sales during the last two months as it is peak season for handset sales. However, the sales were not substantial.

Handset purchases have become more infrequent in recent times as people only buy them when

BUSINES:

Brac Bank to finance research on tackling salinity

STAR BUSINESS DESK

Brac Bank signed a deal with Bangladesh Agricultural University (BAU) recently to finance a two-year project for conducting research and training coastal farmers, local government officials and community leaders to better deal with salinity in arable land and increase harvests.

Md Sabbir Hossain, deputy managing director and chief operating officer of the bank, and Khandaker Md Mostafizur Rahman, chairman and dean of the bureau of socioeconomic research and training at the BAU, inked the deal at the former's head office in Dhaka, said a press release.

Prof Ahmed Khairul Hasan of the agronomy department, Prof Md Salauddin Palash of the agri business and marketing department, Syed Abdul Momen, deputy managing director and head of SME banking, and Ekram Kabir, head of communications, were present.



Md Sabbir Hossain, deputy managing director and chief operating officer of Brac Bank, and Khandaker Md Mostafizur Rahman, chairman and dean of the bureau of socioeconomic research and training at Bangladesh Agricultural University, exchanged signed documents of an agreement at the bank's head office in Dhaka recently on conducting research to better deal with salinity in arable land and increase harvests.

FSIBL holds business review confce

STAR BUSINESS DESK

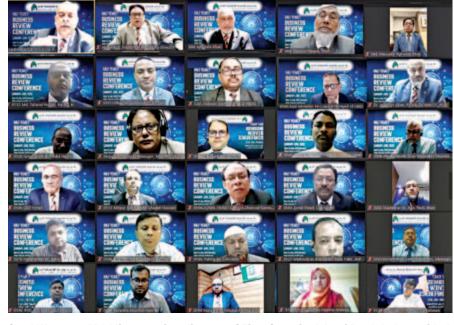
First Security Islami Bank Ltd organised a half-yearly "Business Review Conference" reviewing performances of branches in the last January-June period and providing directives on attaining the year's targets. Syed Waseque Md Ali, managing

a press release.

Abdul Aziz and Muhammad Mustafa Khair, additional managing directors, and Md Zahurul Haque and Md Masudur Rahman Shah, deputy managing directors, joined the conference.

director, presided over the conference,

which was virtually held on Monday, said



Syed Waseque Md Ali, managing director of First Security Islami Bank Ltd, presided over a virtual half-yearly "Business Review Conference" on Monday. PHOTO: FSIBL

Chevron Bangladesh MD joins US-Bangladesh **Business Council**

STAR BUSINESS DESK

US-Bangladesh Council has incorporated Eric M Walker, president and managing director of Chevron Bangladesh, as a board member. The business advocacy group advances the US

business community's policy priorities, said a press release. "Chevron is proud to

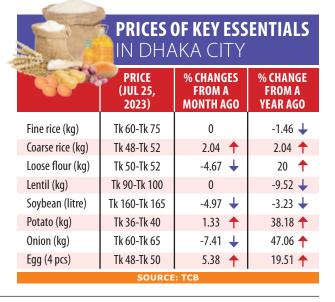
be a partner of choice by maintaining safe and reliable

operations, ensuring uninterrupted delivery of low-cost natural gas to support the increasing energy demand of Bangladesh over the last 28 years," said Walker regarding his joining.

"We aspire to fuel the growth of the Bangladesh economy with foreign direct investment and the utilisation of our cutting-edge technology," he

Chevron Bangladesh is a multinational energy company engaged in exploration and production of natural gas in Bangladesh. It operates three gas fields which produce over 60 per cent of the country's natural gas demand.

The company has invested over \$3.6 billion in foreign direct investment in Bangladesh, with over \$550 million in contracts awarded to local suppliers and contractors in the last 12 years.





GPH Ispat staff to get discounts at Evercare

STAR BUSINESS DESK

GPH Ispat Ltd signed a memorandum of understanding with Evercare Hospital Dhaka recently enabling employees and their dependents to avail privileges and discounts on medical services.

Sharmin Sultan, chief people officer of the Chattogram-based public limited manufacturing company, and Vinay Kaul, chief marketing officer of the hospital, inked the deal at the latter's Dhaka office, said a press release.

TMohan Babu, chief operating officer of the GPH, Mohammad Mamun Kabir, head of sales and marketing, AM Abul Kashem Rony, deputy general manager and head of corporate marketing, and Md Iftekhar Hossain, corporate marketing executive of the hospital, were also present.

PHOTO: MUTUAL TRUST BANK

Sved Mahbubur Rahman, managing director of Mutual Trust Bank, cuts a cake at its corporate head office in Gulshan recently to inaugurate the use of MTB Smart Banking app free of data charges on Grameenphone, Airtel, Banglalink and Robi networks.

MTB app free of data charges

STAR BUSINESS DESK

Mutual Trust Bank Ltd (MTB) recently enabled use of its MTB Smart Banking app free of data charges on Frameenphone, Airtel, Banglalink and Robi networks.

Sved Mahbubur Rahman, managing director and CEO, inaugurated the service at the bank's corporate head office in Gulshan, said a press release.

of digital banking division, and Azam Khan, head of communications department, were present.

Chowdhury Akhtar Asif, additional managing director, Md Khalid Mahmood Khan, deputy managing director and chief business officer, Khalid Hossin, head

IMF raises 2023 global economic Industrial production

technologies could boost productivity in coming years, but that in turn shocks.' could be disruptive to labor

stable" in emerging market and developing economies for 2023-2024, with growth financial sector turbulence of 4.0 per cent expected in 2023 and 4.1 per cent in 2024, the IMF said. But it noted that credit availability is tight and there was a risk that debt distress could spread to a wider group of economies.

place now, the IMF said, a result, output losses noting the World Health Organization's decision to end the global health surrounding Covid-19, and with shipping costs and delivery times now back to prepandemic levels.

"But forces hindered growth in 2022 persist," the IMF said, citing still-high inflation that was eroding household buying power, higher interest rates that have raised the cost of borrowing and tighter access to credit as a result of the banking strains that emerged in March.

"International production further weakness," the IMF said, noting that excess savings built up during the

and Japan, he said. New especially in the United States, implying "a slimmer buffer to protect against

While immediate concerns about the health The outlook is "broadly of the banking sector which were more acute in April - had subsided, could resume as markets adjust to further tightening by central banks, it said. The impact of higher

interest rates was especially evident in poorer countries, driving debt costs higher and limiting room for The world is in a better priority investments. As compared pandemic forecasts remain economy, large, especially for the world's poorest nations, the IMF said.

The IMF forecast that remained strong. global headline inflation in 2023 from 8.7 per cent world's in 2022, dropping to 5.2 inflation would decline more gradually, reaching easing to 4.7 per cent in

Gourinchas told Reuters central bankers' targets monetary tightening would

pandemic are declining inflation could rise if the forecast in April.

in advanced economies, war in Ukraine intensified, citing concern withdrawal Russia's from the Black Sea grain initiative, or if more extreme temperature increases caused by the El Nino weather pattern pushed up commodity prices. That in turn could trigger further rate hikes.

The IMF said world trade growth is declining and will reach just 2.0 per cent in 2023 before rising to 3.7 per cent in 2024, but both growth rates are well below the 5.2 per cent clocked in

The IMF raised its outlook for the United States, the world's largest forecasting growth of 1.8 per cent in 2023 versus 1.6 per cent in April as labour markets

It left its forecast for would fall to 6.8 per cent growth in China, the second-largest economy, unchanged at 5.2 per cent in 2024, but core per cent in 2023 and 4.5 per cent in 2024. But it warned that China's recovery was 6.0 per cent in 2023 from underperforming, and a 6.5 per cent in 2022 and deeper contraction in the real estate sector remained

The fund cut its outlook it could take until the end for Germany, now forecast of 2024 or early 2025 until to contract 0.3 per cent in and indicators of demand inflation came down to 2023 versus a 0.1 per cent contraction in April, but manufacturing all point to and the current cycle of sharply upgraded its forecast for the UK, now expected to grow 0.4 per cent versus The IMF warned that a 0.3 per cent contraction

'Vietnam and Bangladesh have been cited as the biggest beneficiary of this trend, which is a plus factor for Bangladesh going forward. We need to make the most of it," Sattar added.

Khondaker Moazzem, research director of the Centre for Policy Dialogue, said the slower growth in factory output indicates Bangladesh's performance in the export material imports might have contributed to lower production."

However. he believes export-oriented production may increase by the end of the current fiscal

"It appears the demand for domestic marketoriented products has declined. It may be that the buying power of people has not increased while production costs have risen.'

China state banks selling USD

FROM PAGE B4

stable at reasonable and balanced levels, and vowed to invigorate the capital market and restore investor confidence.

"It is interesting that the Politburo mentioned FX stability in the statement, for the first time in recent years," analysts at HSBC said in a note.

"This means smoothing vuan depreciation pressure may become more of a policy priority from now on. This is in line with the People's Bank of China's (PBOC) further tightening of FX policy recently."

China's monetary authorities have ramped up efforts recently to defend a

weakening currency. Last week, regulators relaxed rules to allow companies to borrow more overseas while the PBOC has been persistently setting daily midpoint guidance rate firmer than market projections.

The onshore yuan strengthened more than 0.6 per cent to a high of 7.1411 per dollar and was fetching 7.1541 as of 0314 GMT. It is still down 3.5 per cent against the greenback so far this year - one of the worst performing Asian currencies.

Its offshore counterpart followed the strengthening trend and surged to a week high of 7.1475 before being last traded at 7.1542.

Rising headgear, cap export gives diversification

FROM PAGE B1 producing headgear items at the EPZs.

The factories based the advantage. in the EPZs exported products such as caps worth \$126 million in 2022-23, she said.

Nazma said the Bepza is

giving the highest priority to product diversification and now 70 per cent of active industries at the EPZs produce diversified products rather than readymade garments.

Shakib Nazmus garment said local manufacturers have no idea about this segment although headgear is part

although external. they benefits to the economy.

The global headwear market is projected to register significant growth in the coming decade, exhibiting an annual growth of 6.6 per cent from to research firm Future

Market Insights. The global

of the broader readymade is predicted to stand at apparel sector. As a result, \$28.24 billion in 2023 and foreign investors are taking is expected to be worth \$53.5Î billion by 2033.

The growing adoption investors in the headgear of headwear as a style segment are currently statement among the have millennial and Gen Z employed thousands of demographics is expected people, bringing indirect to foster the market growth in coming years, said the firm in a report in April.

"Younger generations are increasingly wearing headgear like headbands, beanies and caps as a fashion statement.Prominentbrands 2023 to 2033, according are launching headbands in modern patterns to grab the attention of consumers," it said.

Government of the People's Republic of Bangladesh **District Primary Education Office**

Patuakhali https://dpe.patuakhali.gov.bd/



Memo No: dpeo/patua/284

e-Tender Notice No. 03/2022-23

Date: 18 July 2023

SL 10	Name of Scheme	Tender ID No	Package No	Tender/Proposal Document Last Selling/downloadi ng Date & Time	Tender/Propos al closing Date & Time	Remarks
1	Goods, Procurement of Furniture supply for 91 classroom and 8 teachers room of selected 20 Nos. of Govt. Primary Schools Constructed under NBIDGPS-1 project of Galachipa and Rangabali Upazilla in Patuakhali District FY-2022-2023	847847	NBIDGPS- 1/G1.0389	13-Aug-2023 16:00	14-Aug- 2023 14:00	OTM
2	Goods, Procurement of Furniture supply for 68 classroom and 6 teachers room of selected 17 Nos. of Govt. Primary Schools Constructed under NBIDGPS-1 project of, Bumphal and Dumki Upazilla in Panaskhali District FY-2022-2023	850955	NBIDGPS- 1/G1.0390	13-Aug-2023 16:00	14-Aug- 2023 14:00	ОТМ
3	Goods, Furniture supply for 52 classroom and 6 teachers room of selected 13Nos. of Selected 15 Nos. of Govt. Primary Schools Constructed under NBIDGPS-1 project of, Dashmina Upazilla in Patuakhali District FY-2022-2023	851201	NBIDGPS- 1/G1.0391	13-Aug-2023 16:00	14-Aug- 2023 14:00	OTM
4	Goods, Procurement of Furniture supply for 70 classroom and 4 teachers room of selected 16 Nos of Govt. Primary Schools Constructed under NBIDGPS-1 project of Mirzaganj Upazilla in Patuakhali District. FY-2022-2023	851327	NBIDGPS- 1/G1.0392	13-Aug-2023 16:00	14-Aug- 2023 14:00	OTM
5	Goods, Procurement of Furniture supply for 70 classrooms and 9 teachers' room of selected 17 Nos of Govt. Primary Schools Constructed under NBIDGPS-1 project of, Kolapara and Patuakhali Sadar Unazilla in Patuakhali District. FV-2022-2023	851328	NBIDGPS- 1/G1.0393	13-Aug-2023 16:00	14-Aug- 2023 14:00	OTM

This is an online tender, where only e-Tender will be accepted in the National e-GP portal and no of line/hard copies will be accepted. To submit e-Tender, reg in the national e-GP system portal (https://eprocure.gov.bd/ is required. The fees for Tender/Proposal Document to be deposited Online through any registere branches. Further information and guidelines are available in the national e-GP system portal and from e-GP help desk (helpdesk@eprocure.gov.bd/)



GD- 1152



Yussuf Abdullah Harun

Asia Insurance reelects chairman

STAR BUSINESS DESK

Asia Insurance Ltd has reelected its chairman Yussuf Abdullah Harun at a meeting of its board of directors on

Harun is a former chairman of Southeast Bank Ltd, former president of the Federation of Bangladesh Chambers of Commerce and Industry, and former director of Infrastructure Development Company Ltd.

He obtained his bachelor's degree from the University of Dhaka and qualified as a chartered accountant from the Institute of Chartered Accountants in England and Wales, said a press release.

Jahangir Mohammed chairman of MI Cement Factory Ltd, and Abul Bashar Chowdhury have been reelected vice-chairman and chairman of the insurer's executive committee

Oil prices rise

REUTERS, New York

Oil prices rose to fresh three-month highs on Tuesday, as signs of tighter supplies and pledges by Chinese authorities to shore up the world's second-biggest economy lifted sentiment.

Brent futures gained 31 cents at \$83.05 a barrel by 11:03 am EDT, after hitting \$83.30 earlier, the highest since April 19. US West Texas Intermediate (WTI) crude rose 35 cents at \$79.09. The contract earlier rose to \$79.34 a barrel, the highest since April 19.



A farmer inspects his dried-out vegetable patch on which he had intended to grow sponge gourd. Though the monsoon is just two months in, there has been lesser rainfall than usual this year while a mild heatwave is sweeping over the districts of Dhaka, Tangail, Rajshahi, Pabna, Rangpur, Dinajpur, Nilphamari and Moulvibazar, according to Bangladesh Meteorological Department. Dhaka division is expected to receive around 330mm to 405mm of rainfall in July whereas the average is around 376mm. The photo was taken at Gazaria Chawk in Dighi union under Manikganj sadar upazila yesterday. PHOTO: ZAHANGIR SHAH

Govt names 73 firms for FY21 export trophy

STAR BUSINESS REPORT

A total of 73 exporters have been named as the winners of "National Export Trophy" for fiscal year 2020-21 for earning the highest amounts of foreign currencies.

Of the recipients which represent 32 sectors, 28 won the award in gold category, 25 in silver category and 19 in bronze category, according to a gazette issued by the commerce ministry yesterday.

Rifat Garments Limited, a concern of Ha-Meem Group, received the top accolade, "Bangabandhu Sheikh Mujib Export Trophy".

Snowtex Outerwear Ltd, Flamingo Fashions Ltd, Badsha Textiles Ltd, Ha-Meem Denim Ltd, Zaber & Zubair Fabrics Limited, Noman Terry Towel Mills Ltd, Mills Ltd, Picard Bangladesh Limited and Bay Footwear Ltd were among those in the gold category.

The others in the category are Indigo Corporation, Pran Dairy, Rajdhani Enterprise. Karupannya Rangpur, Durable Plastic, Bengal Plastics (Unit 3), Shinepukur Ceramics, Meghna Bangladesh, Energypac Engineering, Safety System, Marine Beximco Pharmaceuticals, ServicEngine, Universal Jeans, Padma Spinning & Composite, Montrims, NR Trade International, Mir Telecom and Pioneer Knitwears (BD).

The silver category includes AKM Knit Wear Ltd, GMS Composite Knitting Ind Ltd, Square Textiles Ltd (oven), Envoy Textiles Ltd (textile fabrics), Momtex Expo Ltd (home and specialised textile),

International Jute Traders, Akij Jute Sartaj Trade International (raw jute), Janata Jute Mills (jute), ABC Footwear Ind Ltd and Shoeniverse Footwear Ltd (leather goods), Monsur General Trading Co Ltd (agricultural products, excluding tobacco), Habiganj Agro (agroprocessing, except tobacco), Alin Food (flower and foliage) and BD Creation (handicraft).

The bronze category Tarasima Apparels and Liberty Knitwear Ltd, NZ Textile Ltd, Akij Textile Mills Ltd (textile fabrics), Jobaida Karim Spinners Ltd (jute), Alliance Leather Goods & Footwear Ltd (leather goods), Heritage Enterprise (agricultural products, excluding tobacco), Alin Food Products Ltd (agro-processing, except tobacco) and Classical Handmade Products BD (handicraft).

Burimari land port misses revenue target again

The revenue collection target set for the Burimari land port by the National Board of Revenue has remained unmet for the last couple of years.

Businesses and customs authorities blame the dollar crisis, a ban on the import of some goods on which high taxes are imposed, and poor infrastructure in and adjoining the port.

Around Tk 94.60 crore was collected in the fiscal year of 2022-23, which is 28.23 per cent lower than the target.

In 2021-22, Tk 91.92 crore was collected against a target of Tk 137.93 crore.

The collection was Tk 111.11 crore in 2020-21 against the target of Tk 113.80 crore while it was Tk 56.72 crore against the target of Tk 104.8 crore in 2019-20, according to the port authority.

> Importers are unwilling to use the port as the Lalmonirhat-Burimari highway is in a very bad state

Importers are unwilling to use the port as the Lalmonirhat-Burimari highway is in a very bad state, said Sayeduzzaman Sayeed, president of the port's clearing and forwarding agents' association.

The port also has multiple infrastructural problems, he said, adding that trade would get a boost if the two issues were addressed.

Imports have gone down for the dollar crisis and other global issues induced by the Russia-Ukraine war, said Ruhul Amin Babul, president of the port's group for importers and exporter.

A ban prevailing for the past 20 years on the import of 20 goods, which face higher duties, needs to be lifted, he said.

The fall in import is also taking a toll on the income of about 3,000 workers involved in loading and unloading of goods.

"The workers are mostly passing idle times," said Safar Uddin, president of the port's workers'

Revenue collection has dipped over the last couple of years for a fall in the export volume, said Abdul Alim, deputy commissioner of customs at

"We are giving all-out efforts to boost revenue collection in order to meet the target set by the NBR in the current fiscal year."

Banks raising interest rates

Bangladesh's average inflation rose to a 12-year high of 9.02 per cent in cent a month before. The the last fiscal year of 2022the Bangladesh Bureau of from 8.42 per cent.

This means the real return Rahman, on deposits has remained negative, a situation that savers in Bangladesh have been facing since consumer prices have stayed at elevated levels for more than a year.

BB data showed that the overall interest rate on loans as well as treasury bills and bonds edged up in June from the previous

month. In June, the average

day treasury bill rose to 7.90 per cent from 6.63 per interest rate of the 5-year

мапоиоиг managing Bank Ltd, said there is liquidity tightness in the banking sector and many banks are offering higher rates to attract deposits to maintain business.

He said the central bank is extending liquidity through the repurchase rate and the assured liquidity support.

"Still, there

interest rate on the 364- requirement for funds and one of the reasons is the rising volume of forced He said the deposit rate

2023, up from 6.15 per cent Bangladesh Treasury Bond is increasing at a faster a year ago, according to increased to 8.71 per cent pace than the lending rate.

not being able to raise the lending rate as expected director of Mutual Trust following the introduction of the reference lending rate, known as the SMART (six-month moving average rate of Treasury bill), as borrowers are against any upward revision, he said.

> "But in some cases, depositors are asking for up to 9 per cent interest on deposits. We are repricing the interest rate on deposits every day.'

The former chairman of the Association of Bankers Bangladesh said the net interest margin (NIM) of banks will remain under pressure.

NIM is the amount of This is because banks are money that a bank earns in interest on loans compared to the amount it pays on deposits. BB data showed that

the spread between the weighted average lending rate and the deposit rate remained unchanged at 2.91 per cent in May.

Md Ahsan Shah Habib, a professor at the Bangladesh Institute of Bank Management, said depositors had been under pressure because of the imposition of an interest rate cap by the central bank in April 2020, although it was acceptable considering the overall impact on investment and on the economy. "The real return from

deposits became negative in view of higher inflation. From the viewpoint, the increase in the deposit rate is expected." According to Prof Habib,

the removal of the ceiling on interest rates is positive from the perspective of ensuring fairness in the market.

"The spike in the lending rate will pile up pressure on private investment but depositors will benefit."

Saudi oil exports down 40%

Government of the People's Republic of Bangladesh

Office of the Executive Engineer

Department of Public Health Engineering Rangamati Division, Rangamati

Invitation e-Tender

Saudi oil exports fell almost 40 per cent in May from the same period a year production cuts and lower oil prices.

The value of oil exports declined to 72 month. billion riyals (\$19.20 billion) in May from 115.5 billion rivals last year, the General Authority for Statistics said, down 37.7 per cent, with the share of oil exports in total exports down to 74.1 per cent from 80.8 per cent in May 2022.

Overall merchandise exports fell 32.1 earlier.

Tender Notice Memo No. 46.03.2200.061.14.026.23-88

pump in Rangamati District. FY: 2023-2024

Interested persons/firms can see details in the: www.eprocure.gov.bd

per cent in May this year to 97.1 billion riyals from 143 billion riyals in May 2022.

Amid softer oil prices, Saudi Arabia said earlier this month it would prolong ago, latest government data released on an extra production output cut on Tuesday showed, weighing on overall total top of a broader Opec+ deal and has exports, amid an extension of voluntary raised prices for most of its crude to Asian customers in August for a second

Recent data from the Organizations Data Initiative (JODI) showed Saudi crude oil exports in May fell to a 19-month low.

Non-oil exports - excluding re-exports fell 19.2 in May this year from a year

উন্নয়নের গণতন্ত্র

শেখ হাসিনার মূলমন্ত্র

Date: 25/07/2023

Finalising study for EPA

that both sides are still taking stock of existing issues and nothing is final yet.

"The study will be finalised after another a free trade agreement and founder of the Policy round of discussions, (FTA) as it includes not only Exchange of Bangladesh, a which may take place either in Dhaka or Tokyo," he said, adding that the ongoing discussions would continue today.

"Our target is to start Japan from December makes the United Nations' and we are hopeful that country status graduation regarded as one of the most we can reach the final from least developed to stable ones in the world, Reaz

signing an EPA well before November 2026. 2026," Senior Commerce Secretary Tapan Kanti

tariff structures, but also investment and services.

trading partners for signing trade deals to

Bangladesh immensely benefited if an Ghosh said over the phone. EPA can be signed with Japan, The EPA is broader than said Masrur Reaz, chairman private think-tank.

The benefits will come in Bangladesh has been three areas, one of which is negotiating with major increased inflow of foreign direct investment (FDI).

Japan is a developed formal negotiations with retain duty facilities once it country and a member of the G-7, and its economy is stage of negotiations for a developing nation in said. So, grabbing a bigger

share of the high valueadded markets of Japan will brighten the image and credibility of Bangladesh, he added.

Reaz also said an EPA with Japan would inspire other countries to do the same with Bangladesh, if not at least increase trade.

Japan has Bangladesh observing over the past decade for signing an EPA for greater economic engagement, and both countries are sincere in this regard, he

Besides, Bangladesh will also benefit through the transfer of technological knowledge from Japan as the country is advanced in this regard.

Bangladesh should target attracting more FDI from Japan while also diversifying its export products as the country's export basket is still low compared to that of Japan, Reaz said.

Japan can readily offer at least 15 products for export as it has a diversified product basket, he added.

GD-1156

1 Ministry/Division

Project name e-Tender ID

Description of works:

Agency

Janata Bank Limited

Head Office

Installation of Deep Tubewell (100 X 38) mm with submersible Pump & Deep Tubewell (100 X 38) mm with 6 No. hand

This is online tender, where only e-Tender will be accepted in the National e-GP Portal and on offline/hard copies will be

Executive Engineer
Department of Public Health Engineering

Rangamati Division, Rangamati

Local Government Division
Department of Public Health Engineering
Project for Safe Water Supply Throughout the Country
ID No. 854583, 854552, 854541, 854530, 854588, 854561, 854516

Engr. Parag Barua, Executive Engineer, DPHE, Rangamati Division

Information & Communications Technology Department-System 110, Motijheel C/A, Dhaka-1000 Tel: +02223356514, Fax: 88-02-9564644, Telex: 675840 JBD BJ Website: www.jb.com.bd

Invitation for e-Tender

e-Tender is invited in the National e-GP System Portal (https://www.eprocure.gov.bd) for the procurement of following goods:

5.000.000.000.000								
Tender	Invitation	Tender description	Tender publish	Tender closing				
ID	Reference No.	-	date & time	date & time				
856094	JBL/ICTD-	Tender for Procurement of off-	25/07/2023	As per Tender				
	S/Proc-278/e-	line UPS (650 VA) (Supply,	04:00pm	Notice				
	GP/OTM/UPS-	Installation of Commissioning) for		(Published in e-				
	400/2023	Janata Bank Limited following		GP Portal)				
		open tendering method using e-						
		GP System.						

This is an online tender, where only e-Tenders will be accepted in the National e-GP Portal and no

offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (https://www.eprocure.gov.bd) is

Further information and guidelines are available in the National e-GP Portal and e-GP help desk (Email: helpdesk@eprocure.gov.bd). CAN ASS

Md. Abu Hena Mostofa Zamal Deputy General Manager

Local handset making plunges Since then, 15 plants imposing more VAT at the

compelled to do so economic situation, he

Previously, consumers were more inclined to make phone purchases on a regular basis.

inflationary increased pressure, which is running at a decade high, has led individuals to prioritise essential needs over discretionary spending.

in Bangladesh has made impressive strides recent years, aided by the government's huge tax benefits unveiled in fiscal year 2017-18.

have been set up, creating production stage. considering the worsening jobs for around 15,000 people.

Prior to the last fiscal year that began on July 1, 2022, there was about a 58 per cent tax on smartphone imports whereas the tax This shift comes as on locally assembled and manufactured handsets was 15 per cent to 20 per

But now, it stands at 30 per cent to 35 per cent Production of handsets of 5 per cent VAT on each of the three stages of sales -- from the factory to

distributors and retailers. And in a further blow to authority has proposed unfeasible,

From the upcoming fiscal year, 2 per cent VAT will be applicable for the first time on production making use of wholly locally made components.

Moreover, the VAT applicable on handsets produced with at least two components made locally has been increased from 3 per cent to 5 per cent.

Similarly, the VAT on because of the imposition handsets assembled wholly with imported components has been increased from 5 per cent to 7.5 per cent.

Industry people have appealed to the government manufacturers, the revenue that if reducing taxes seems cloned handsets in the

measures should implemented to eradicate the grey market. The solution is to launch

the National Equipment Identity Register (NEIR) safeguard local smartphone manufacturing sector.

Set up by the BTRC in 2021, the NEIR is a system to ensure the use of valid mobile devices in the country through the incorporation of their IMEI with the customer's national identification and SIM numbers.

its main However, functions, such as blocking fake, unauthorised or alternative network, are not yet Earlier,

running.

Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics, Samsung's local assembly partner, said although Bangladesh was a pioneer in setting up the NEIR, other countries are implementing it before Bangladesh. For example, Pakistan

manufacturing "The government has invested in the NEIR infrastructure but has not started blocking

illegal trade and promote local opportunities. already

illegally imported mobile

phones," he added.

and Nepal are running

NEIR to prevent

BUSINESS

AB Bank's profit surges over 34%

STAR BUSINESS REPORT

AB Bank Ltd posted a 34.75 per cent year-onyear growth in profit in the April-June quarter of 2023.

Thus, the earnings per share rose to Tk 0.31 in the second quarter of the year from Tk 0.23 in the same quarter of 2022.

The private commercial bank registered a 4 per cent year-on-year jump in profit in the first half of 2023 as its EPS rose to Tk 0.43 from Tk 0.41, according to a posting on the Dhaka Stock Exchange.

AB Bank shares closed at Tk 9.7 on the DSE yesterday, unchanged from a day earlier.

The bank's paid-up capital is Tk 878 crore and it provided 2 per cent stock dividend to shareholders in

India to face apple crunch as heavy rain hits production

REUTERS, New Delhi/Srinagar

India's apple production is expected to nearly halve this year after heavy rains and flash floods wiped out about \$122 million worth of fruit in the main producing Himalayan region, officials and farmer unions said.

The mountainous territory and Kashmir Himachal Pradesh produce nearly all of India's apples, which are largely consumed domestically. Less than 2 per cent of the country's apples are exported, mostly to Bangladesh and Nepal.

Heavy rains have not only damaged farms, but also destroyed roads, power lines and infrastructure worth \$550 million in Himachal Pradesh, while bad weather at the same time has hit India's crucial rice crop, which led to an export ban last week.

Fruits including apples have been left rotting in farms after a fungus farmer unions.

"About 10 per cent of Himachal's apple orchards have been washed away, which is a major loss as it takes around 15 years for the tree to give fruit," said Harish Chauhan, the state convener of farmers union Samyukta Kisan Manch.

The Apple Growers Association of India and Kashmir Valley Fruit Growers estimate output in Kashmir, the largest apple grower in the country, will drop 50 per cent this year from 1.87 million metric tons a year ago.



Though average production of large and medium manufacturing units grew 9.02 per cent in the July-March period of fiscal year 2022-23, it is lesser than the 16.5 per cent growth recorded in the same period of the previous year, according to the Bangladesh Bureau of Statistics. The BBS assessment utilised data from 2,040 public and private factories producing apparel, textile, food products, leather and leather goods, basic metals, chemicals and chemical products, fabricated metal products sans machinery, pharmaceuticals, and non-metallic mineral products. PHOTO: SOURAV HOSSAIN SIAM

Industrial production growth almost halves

Industry people blame reduced export demand, inadequate gas and power

MD ASADUZ ZAMAN

Production growth in Bangladesh slowed significantly in the July-March period of 2022-23 due to the global economic slowdown and gas and electricity shortages at home, according to the Bangladesh Bureau of Statistics (BBS).

The average production of large and medium manufacturing units grew 9.02 per cent in the first nine months of the previous fiscal year, down from 16.5 per cent in FY22, shows BBS data compiled by the Bangladesh

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said their production levels have fallen due to slower export demand and some domestic issues.

"Currently, our export orders have declined and it may decline further in the coming suffering from it."

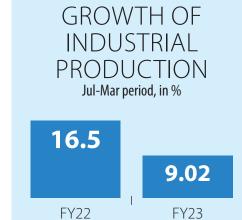
For example, the ongoing recession in Germany, a major export market for Bangladesh, recently became acute.

"So, we do not have a ray of hope for increasing sales in the coming days," Hatem The entrepreneur also mentioned that the

domestic gas and power crisis contributed to slower production growth in knitwear industries. Anwar-ul Alam Chowdhury, president of the Bangladesh Chamber of Industries,

said the global market situation has affected domestic industrial production. Following the fallout of Covid-19 and the Russia-Ukraine War, the global market

has become unstable and sales dropped significantly. "As a result, the domestic market is



Chowdhury pointed out that the US and the EU have lowered their imports away from import control measures, such as by more than 13 per cent and 15 per cent, respectively.

"So, the reduced growth in factory output is not so bad considering the decreased demand from these two major markets. Besides, existing problems in backward linkage in the manufacturing sector are continuously contributing to low productivity."

The BBS collects production data from 2,040 factories, both public and private, on a monthly basis to assess the movement of factory output.

The sectors include wearing apparel, textiles, food products, leather and leather goods, basic metals, chemicals and chemical products, fabricated metal products sans machinery, pharmaceuticals, and non-

metallic mineral products.

Talking to The Daily Star, Zaidi Sattar, chairman and chief executive of the Policy Research Institute of Bangladesh, said production growth has slowed due to compressed imports.

Imports declined by about 12 per cent in the July-March period of FY23.

Sattar said that the country's exports, which are primarily manufactured goods,

"So, import compression will have a dilatory impact on production and consequently, on GDP growth."

The slower manufacturing growth is also reflected in the GDP growth estimate of 6.03 per cent for the previous fiscal year compared

to 7.1 per cent in FY22. The economist said 2021-22 was a record year in terms of exports as well as factory

Sattar suggested the government move limiting or delaying opening letters of credit,

and selecting import products. "These were correct as emergency measures to bring the current account deficit to a sustainable level, and that has been achieved. Now, it is time to let the market mechanism take care of trade and the current account

The former World Bank economist said the taka's depreciation against the US dollar by 25 per cent over the past year should be enough to restrain imports and drive appropriate resource allocation.

Moreover, the depreciation has provided a boost to exports that still have good potential as the "China Plus One" geo-economic strategy is taking deeper roots.

READ MORE ON B2

UCB's profit falls 43.50% in April-June

STAR BUSINESS REPORT

United Commercial Bank PLC suffered a 43.50 per cent year-on-year decline in profit in April-June of 2023 owing to a significant decrease in operating profit stemming from a spike in interest expenses on deposits and borrowings and operating

The profit stood at Tk 51.68 crore in the second quarter of the financial year, down from Tk 91.55 crore during the identical period a year ago, according to the unaudited financial statements of the private commercial lender.

Thus, the consolidated earnings per share were Tk 0.35 in April-June of 2023 against Tk 0.62 in the same three-month period a year ago.

UCB posted a Tk 100.41 crore profit in January June, a year-on-year decrease of 20 per cent from Tk 125.51 crore in the first half of 2022. As a result, the consolidated EPS fell to Tk 0.68 from Tk 0.85. The EPS fell owing to a significant decrease in

the operating profit caused by a spike in interest expenses on deposits and borrowings and the hike in the operating expenses, said UCB in a filing on the Dhaka Stock Exchange. However, the consolidated net operating cash

flow per share returned to the positive territory to stand at Tk 28.95 in the first half from a negative Tk 8.77 a year ago.

The growth in the disbursement of loans was lower than that of deposits, resulting in the increase in the NOCFPS, the filing said.

The consolidated net asset value per share rose to Tk 29.09 on June 30 this year from Tk 27.32 on the same day in 2022.

UCB shares closed unchanged at Tk 12.40 on the DSE yesterday.

Uttara Bank's profit declines

STAR BUSINESS REPORT

Uttara Bank's profits fell 18 per cent year-on-year in the first six months of 2023.

The bank's earnings per share (EPS) stood at Tk 1.64 in the January to June period of the current financial year, down from Tk 2 in the same period of the previous year.

Despite the profit fall, the bank's stock price remained unchanged at Tk 22 for consecutive two days at the Dhaka Stock Exchange (DSE).

According to a posting on the DSE website, the bank's EPS dropped to Tk 0.9 in the second quarter of 2023 from Tk 1.38 in the same period

Uttara Bank's paid-up capital is Tk 733 crore. It provided a 14 per cent stock and a 14 per cent cash dividend for its shareholders in 2022.

NRB Commercial Bank's losses widen

STAR BUSINESS REPORT

NRB Commercial Bank's losses widened in the April-June quarter of 2023.

The fourth-generation bank's earnings per share hit Tk 0.51 in the negative in the second quarter of 2023, against Tk 0.065 in the negative in the same period of 2022.

The bank's EPS also declined in the January June period: it was Tk 0.51 in the first half of 2023, down from Tk 0.73 in the same period the previous year, according to a filing on the Dhaka Stock Exchange.

The bank's paid-up capital is Tk 828 crore. It provided 7.5 per cent cash and 4.50 per cent stock dividends to shareholders in 2022. NRB Commercial Bank's shares closed

unchanged at Tk 16.8 on the DSE vesterday.

IMF raises 2023 global economic growth forecast

RETUERS, Washington

The International Monetary Fund on Tuesday raised its 2023 global growth estimates slightly given resilient economic activity in the first quarter, but warned that persistent challenges were dampening the medium-term

The IMF in its latest World Economic Outlook said inflation was coming down and acute stress in the banking sector had receded, but the balance of risks facing the global economy remained tilted to the downside and

The global lender said it now projected global real GDP growth of 3.0 per cent in 2023, up 0.2 percentage point from its April forecast, but left its outlook for 2024 unchanged, also at 3.0 per cent.

The 2023-2024 growth forecast remains weak by historical standards, well below the annual average of 3.8 per cent seen in 2000-2019, largely due to weaker manufacturing in advanced economies, and it could stay

at that level for years. "We're on track, but we're not out of the woods," IMF chief economist Pierre-Olivier Gourinchas told Reuters in an interview, noting that the upgrade was driven largely by first-quarter results. "What we are seeing when we look five years out is actually close to 3.0 per cent, maybe a little bit above 3.0 per cent. This is a significant slowdown compared to what we had pre-Covid."

This was also related to the aging of the global population, especially in countries like China, Germany



Coins and banknotes of China's yuan are seen in this illustration picture taken on February 24, 2022.

China state banks selling USD to prop up yuan

REUTERS, Shanghai

China's major state-owned banks were seen selling US dollars to buy yuan in both onshore and offshore spot markets in early Asian trade on Tuesday, three people with direct knowledge of the matter said, moves aimed at supporting the Chinese currency.

China's state banks usually trade on behalf of the central bank in the country's foreign exchange market, but they could also trade on their own behalf.

The dollar sales come after China's top leaders pledged on Monday to step up policy support for the economy amid a tortuous post-Covid-19 recovery, focusing on boosting domestic demand and signalling more stimulus Policymakers also said

China will keep the yuan exchange rate basically

PHOTO: REUTERS

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