

Textile Talent Hunt's eighth edition launched

STAR BUSINESS REPORT

The eighth edition of a talent grooming competition titled Textile Talent Hunt was launched yesterday by Textile Today Innovation Hub, a platform of a textile industry-based magazine Textile Today.

The organiser is expecting over 2,000 applicants for this year's contest, who will work on different sectors of the garment and textile industry throughout the year to innovate new products.

Finally, 100 will be selected as winners of the 2023 edition and they will be called Innovation Masterminds, according to the Textile Today Innovation Hub, which has been organising the contest since 2008.

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The organiser opened the door for application submissions today at the contest's launch at Pan Pacific Sonargaon in Dhaka.

Innovation and sustainability are no more optional issues in the 21st century, Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association, said at the event.

Now, it is necessary for the industry to continuously evolve with innovative products, he said.

The talent hunt competition is important for Bangladesh's apparel industry, which aims achieving the \$100 billion export target by 2030, said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association.

Textile Talent Hunt in its previous season was successful in bringing out the right talents for the industry, said Tareq Amin, founder and CEO of Textile Today Innovation Hub.



In order to sustain food security in the future, agricultural productivity must be increased by reducing production costs and developing crop varieties suitable for adverse environments, Agriculture Minister Muhammad Abdur Razzaque said.

PHOTO: MOSTAFA SHABUI

Govt working to double farm productivity by 2030: Razzaque

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The agriculture ministry is working to reduce production costs and increase the variety of crops being cultivated with the aim of doubling agricultural productivity by 2030, according to Agriculture Minister Muhammad Abdur Razzaque.

He made this comment while speaking as chief guest at a roundtable on "Climate Adaptation: Opportunities for Bangladesh in Development of Agro-based Industries", held at the Sheraton Dhaka in Banani yesterday.

The event was jointly organised by the International Chamber of Commerce (ICC) Bangladesh, Standard Chartered and the Food and Agriculture Organisation (FAO) of the United Nations.

"The country's agriculture is always at risk whether climate change is involved or not as crops are being grown in an adverse environment," Razzaque said.

"So, in order to sustain food security in the future, agricultural productivity must be increased by reducing production costs and developing crop varieties suitable for adverse environments," he added.

The minister commented that the country's agricultural sector has achieved amazing success due to the visionary leadership of Prime Minister Sheikh Hasina.

Citing how Bangladesh was once known as a country where persisting food shortages were met through imports and foreign aid, he said the country is now self-sufficient in food grains and many other crops.

Vegetable production has increased

exponentially in the past 15 years, with the cultivation of corn and onion having risen by eight times and five times respectively while rice acreage saw 30 percent growth. "This success in agricultural production is being appreciated worldwide today," Razzaque said.

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"This success was not achieved through Aladdin's magic, it was achieved through the magic of Prime Minister Sheikh Hasina's leadership. This was possible due to the Prime Minister's agri friendly policy of giving top priority to agriculture," he added.

While chairing the programme, ICC Bangladesh President Mahbubur Rahman emphasised on the dynamic expansion of a sustainable agro-processing industry to keep the economy and its agriculture sector vibrant amid changing climate conditions.

He said Bangladesh is responsible for only 0.4 percent of global greenhouse gas emissions, which is insignificant compared to other mega industrial economies. However, Bangladesh is high on the list of countries that are most vulnerable to climate change.

Given the current trajectory, Rahman said the rapidly changing climate conditions will

trigger annual GDP losses in the range of 1 to 2 percent.

Agricultural exports from Bangladesh have been growing by more than 18 percent for the past five years. Besides, global demand for agricultural products is expected to grow by 15 percent annually between 2019 and 2028, providing a great opportunity for local food processors to expand their exports and thereby help diversify the country's export basket.

Speaking as a special guest, Md Shahab Uddin, the minister for environment, forest and climate change, said agroforestry plays an essential role in climate adaptation by promoting biodiversity, enhancing soil health and reducing the impacts of natural disasters.

"Integrating agroforestry practices into our agricultural landscape can foster resilience and sustainability while addressing climate change challenges," he added.

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said that as per the government's National Adaptation Plan, the funding required in this area is \$230 billion.

"This investment cannot be done by the government and multilaterals alone," he added. Ruhul Amin Talukder, additional secretary to the agriculture ministry, presented the keynote paper.

AK Azad, vice-president of ICC Bangladesh, Md Khurshid Alam, executive director of Bangladesh Bank, TS Amjath Babu, agricultural economist of the International Maize and Wheat Improvement Centre, and FH Ansarey, managing director of ACI Agrolink Ltd, were among the panel discussants.

Unilever cuts prices of toiletries

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Unilever Bangladesh Ltd has reduced prices of its soaps, shampoos and handwash, attributing it to a recent reduction in prices of some of raw materials in the global commodity market.

The price of a 150gm Lux soap has been reduced to Tk 70 from Tk 80 and a 100gm one to Tk 48 from Tk 60 while a 150gm Lifebuoy soap to Tk 50 from Tk 60, said a press release yesterday.

Similarly, the price of an 80ml Clear Cool Sport Menthol has been cut to Tk 90 from Tk 120, 80ml Sunsilk Black to Tk 80 from Tk 110, 80ml Clear Complete Active Care to Tk 90 from Tk 120 and 80ml Dove Intensive Repair to Tk 90 from Tk 120.

The fast-moving consumer goods company also reduced the price of a 200ml Lifebuoy handwash pack to Tk 80 from Tk 105 and offered a 10 percent free grammage in Lifebuoy handwash refill packs from 170ml to 187ml.

Fitch downgrades US credit rating

AFP, Washington

Fitch downgraded the United States' top-notch credit rating by a step on Tuesday, citing a growing federal debt burden and an "erosion of governance" that has manifested in debt limit standoffs.

The decision to downgrade the US from AAA to AA+ sparked a fiery rebuttal from the White House, with press secretary Karine Jean-Pierre saying the move "defies reality."

Treasury Secretary Janet Yellen said in a separate statement that she "strongly" disagreed with Fitch as well, calling the change "arbitrary and based on outdated data."

It is the first such downgrade by a major ratings company in more than a decade. A debt ceiling impasse in 2011 saw S&P lower Washington's AAA rating, drawing bipartisan outrage.

"The rating downgrade of the United States reflects the expected fiscal deterioration over the next three years, a high and growing general government debt burden, and the erosion of governance" relative to peers, said Fitch Ratings on Tuesday.

It added that there was a stable outlook assigned. Yellen said Fitch's quantitative ratings model declined between 2018 and 2020, but the agency was only announcing its change now despite progress seen in indicators.

She argued that US "Treasury securities remain the world's preeminent safe and liquid asset, and that the American economy is fundamentally strong."

While the lifting of the US debt ceiling -- a limit on government borrowing to pay for bills already incurred -- was often routine, it has for several years become a contentious partisan issue.

There is a "clear short-run implication" of the downgrade involving higher bond yields and a potential sell-off in the stock market and the dollar, said Mickey Levy of Berenberg Capital Markets.



Rajeev Gopalakrishnan, president for Asia Pacific at Bata Ltd, cuts a ribbon to inaugurate a revamped store at Jamuna Future Park. Both in-house brands like Bata, Red Label, Bata Comfit, Power, North Star, Weinbrenner, Bubblegummers and international brands like Hush Puppies, Scholl, Nike and Adidas are available in the store. Top officials of Bata Bangladesh were present.

PHOTO: BATA

Rupee drops

REUTERS, Mumbai

The Indian rupee declined on Wednesday on risk aversion fuelled by the US credit rating downgrade, putting the currency at risk of slipping below a key level.

The rupee was at 82.47 to the US dollar by 10.54 am IST, down from 82.2550 on Tuesday. US equity futures and Asian shares declined following the US credit rating downgrade, boosting demand for safe-haven dollar. Asian currencies were down up to 0.8 percent while the dollar index inched up.

"Do not think the dollar's move higher is sufficient to take it (USD/INR) to near 82.50, a level which is important in the current narrow range market," an FX salesperson at a bank said.

"I suspect that there are importers who have been caught napping and possibly a bit of short positions exiting."

Thumbprints now mandatory

FROM PAGE B1

To address the complexity, the central bank directed banks to make sure that loan-related documents, termed as charge documents, were read out to borrowers, guarantors and related third persons or parties.

At the same time, banks will have to take signatures on loan documents along with thumbprints of both hands of borrowers and guarantors, said the BB.

Banks will need to accept the thump impressions by verifying those with national identification number database, said the central bank.

"This will be needed for all types of loans. Once it is done, none will be able to refute.

We have introduced this as a due diligence for banks and this will confirm identity of borrowers," said a senior BB official.

"It is a very good idea. It will ensure that they (borrowers and guarantors) cannot refuse to take liability. This

will help bankers," said Selim RF Hussain, chairman of the Association of Bankers, Bangladesh (ABB).

The idea of verifying thumbprints with national identification data preserved with the Election Commission is conceptually okay, said Hussain, also managing director and CEO of Brac Bank Ltd.

"But it remains to be seen how this will be implemented. If there is a good process to ensure verifications within a short time, it will be good," he said.

This is likely to have a positive impact on the reduction non-performing loans, he said.

The share of classified loans or NPLs rose to 8.8 percent of total loans outstanding as of March this year from 8.16 percent at the end of December last year.

Until March 2023, banks' outstanding credit to the private sector amounted to Tk 1,446,800 crore, according to the BB data.

BB gets down Banks' Tk 16,000cr to rolling out Taka Pay card

FROM PAGE B1

with the growing number of cards issued by international payment systems such as VISA, Mastercard, Amex, JCB, Discover and UnionPay, said industry people, adding that the expenses will come down if the national card can be launched.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the national card will be like RuPay, a multinational financial service platform in India.

"If we can introduce the card, transaction charges and fees paid by customers will reduce."

He said security is a major factor. "When the card is controlled by the central bank instead of an international payment platform, we can ensure security."

Countries in the region have launched national cards. Apart from India's RuPay, Pakistan has rolled out PakPay, Sri Lanka introduced LankaPay, and Saudi Arabia launched Mada.

Selim RF Hussain, managing director of Brac Bank, said an independent and sovereign card is essential in the current geopolitical situation.

"Now we have to pay fees and charges to international payments platforms for settling transactions. As a result, a large volume of foreign currencies goes to them. If we can introduce the card, that foreign currency will be saved."

In Bangladesh, the number of debit, credit and prepaid cards stood at 3.17 crore, 22.16 lakh and 40.37 lakh in May, BB data showed.

In the month, debit card transactions involved Tk 39,014 crore while it was Tk 2,592 crore for credit cards and Tk 353.32 crore for prepaid cards.

Banks' Tk 16,000cr

FROM PAGE B1

stock market fell for many banks. For instance, Sonali Bank's investment income nosedived 86 percent to Tk 72 crore, IFIC Bank's earnings plunged 99 percent to Tk 1 crore, and National Bank's income plummeted 71 percent to Tk 10 crore.

A lower profit for banks means lower dividends for investors. For example, City Bank announced a 10 percent dividend for 2022, which was 12.50 percent in 2021.

A merchant banker said there is apprehension among general investors that if the floor price, which is almost unprecedented in most stock markets across the world, is withdrawn, foreign investors and many other investors would sell off, bringing the market down. But the market would ultimately rebound as being seen in other countries.

Moniruzzaman said even blue-chip stocks, which are typically large, well-established, financially-sound companies with an excellent reputation, are not sought after by investors since institutional investors and high-net-worth individuals are not coming up with large volumes of funds in the market.

Selim RF Hussain, chairman of the Association of Bankers, Bangladesh, a platform of the chief executive officers of banks in the country, terms the floor price a restriction.

"No restrictions are expected in the stock market."

He said the restriction has turned the market almost immovable and is not benefitting any party in the market.

"Artificial pricing cannot be lucrative for anyone. We urge the BSEC to lift the floor price fast."

All stakeholders from brokers and merchant bankers to asset management companies have long opposed the floor price mechanism as their business has been seriously affected.

But BSEC Chairman Shibli

Rubayet-Ul-Islam last month said the stock market regulator would withdraw the floor price as soon as the economy returns to normalcy.

Bangladesh's economy is going through a difficult situation owing to the volatility in the foreign exchange market, driven largely by the Ukraine war, and the conflict shows no sign of coming to an end anytime soon.

This means banks might continue to see a large volume of their funds, which are basically depositors' money, remain stuck in the stock market in the coming months, yielding insignificant returns, which will ultimately hit their bottom line.

BGMEA misses

FROM PAGE B1

election board as soon as possible.

Hassan was elected as the BGMEA chief from the Sammilita Parishad in the biennial election that took place in April 2021.

Faisal Samad, leader of the Forum, another panel of the association, said the Forum had reminded the president several times of forming the election board since time was running out, but he had not paid any heed.

As per the charter of the association and the conditions of the extension, the last date for the formation of the board was July 10, but the deadline was missed, the BGMEA director said.

So, the BGMEA might face a constitutional challenge as the election might not be held on time, he said, adding that the president did not uphold the constitution of the association by not setting up the board.

In January this year, the incumbent board decided to extend the tenure of the current board for six months, citing bad business conditions following the Russia-Ukraine war, the severe fallout of Covid-19 and a lower inflow of work orders from international buyers.