





Star BUSINESS



Prime Bank



EXPERIENCE
**UNINTERRUPTED
BANKING HOUR**
WITH  **MyPrime**
more to you!



Scan to download!



PHOTO: MOSTAFA SHABUJ

Horse-drawn carts are still in use in chars in Gaibandha's Phulchari upazila, situated over 250 kilometres north of the capital. Goods from the upazila have to be brought on boats some 20 kilometres upstream of the Jamuna river to reach the chars before they can be transported on carts. The photo was taken at Kalurpara Char on Sunday.

Bangladesh's share in global RMG trade trebles in 17 years

REFAYET ULLAH MIRDHA

Bangladesh's share in the global readymade garment trade more than tripled in the past 17 years as the country cements its position as one of the largest suppliers internationally.

In 2005, the country's share was 2.5 percent but it rocketed to 7.9 percent last year, data from the World Trade Statistical Review 2023 showed.

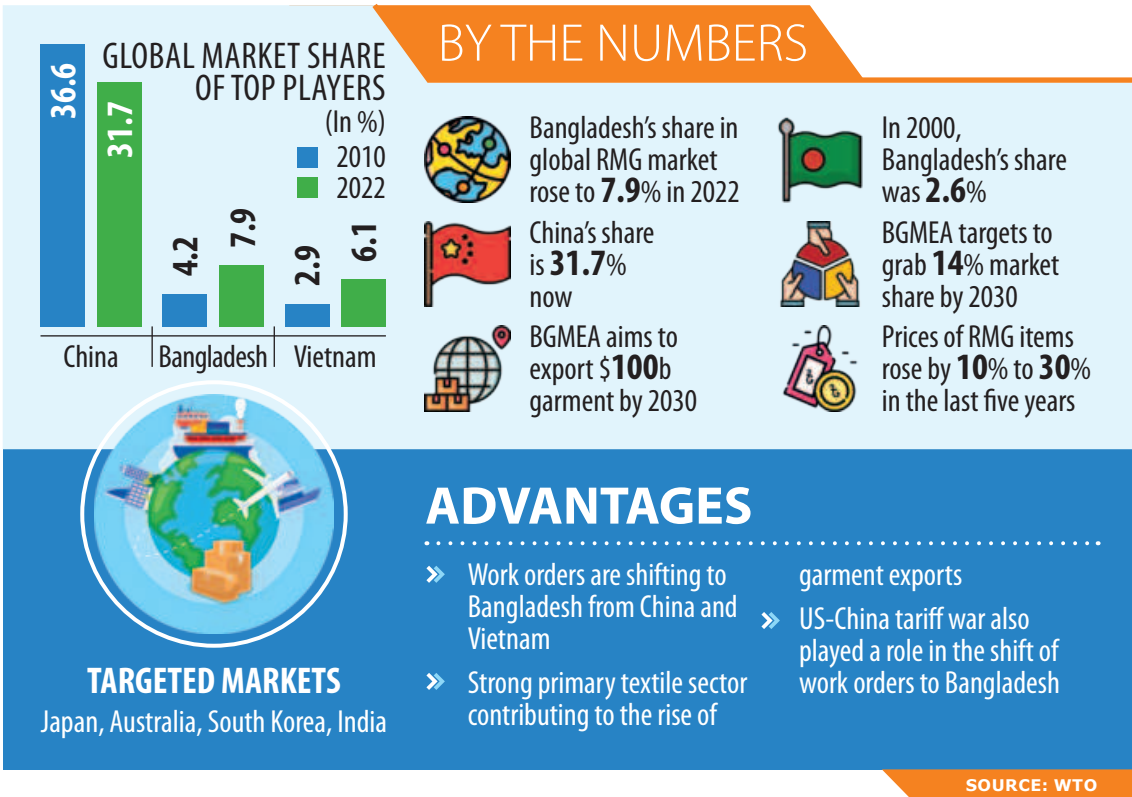
In 2000, Bangladesh shipped garment items worth \$4.82 billion. It posted a meteoric rise in the past 22 years, elevating earnings to \$45 billion last year.

A number of factors have driven the expansion in the past two decades as the country solidified its place as the second-largest apparel supplier in the world after China and raised its market share.

One of the strengths has been the expanding primary textile sector, which has already invested more than \$23 billion.

As a result, the knitwear segment currently can avail more than 90 percent of fabrics and yarn from domestic markets, which have cut the lead time by four weeks.

Similarly, woven exporters can procure more than 40 percent of fabrics locally. Equally, the



accessories sector meets 90 percent of the demand.

The China-US trade tension has worked in Bangladesh's favour.

For example, China's share in the global apparel business was

18.2 percent in 2000, 26.6 percent in 2005, and 36.6 percent in 2010. But it declined to 31.7 percent in 2022, owing largely to the rift that began in 2018.

So, while Bangladesh's share has continued to widen, China is losing its grip.

What is even more extraordinary for Bangladesh is that it has been capturing more market share despite the shortage of raw materials such as cotton and capital machinery and recurrent challenges such as energy.

Still, Bangladesh is also the largest apparel supplier to the European Union in terms of

volume and the largest denim supplier worldwide.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said exporters are also getting better prices.

He said exporters are receiving 10 percent to 30 percent higher prices per unit garment item. In the case of high-end value-added items, the price has gone up by a similar rate.

Md Fazlul Hoque, managing director of Plummy Fashions Ltd, thinks apart from the trade war and the backward linkage integration, Bangladesh has developed a lot

READ MORE ON B3

SUSTAINABILITY RATING

Brac, City Bank, IDLC Finance retain top spots

STAR BUSINESS REPORT

Brac Bank, The City Bank and IDLC Finance Ltd were named as the top banks and non-banks for the third consecutive year in the central bank's Sustainability Rating for 2022.

Other banks included in the list are Jamuna Bank, Prime Bank, Shahjalal Islami Bank Limited, Trust Bank, and United Commercial Bank.

Agrani SME Financing Company and Bangladesh Finance were included in the list under the non-bank financial institution category for two consecutive years.

Lankan Alliance Finance made it to the list in the same category for the first time since the rating was rolled out in 2020.

Sustainable finance indicators include banks and financial institutions' sustainable finance performance, including green finance, priority sustainable agriculture and cottage, micro, small and medium enterprise finance, access to sustainable finance for women, in-house green banking performances, environment and social risk management compliance, and participation in green investment.

Timely intervention by the board of directors in any sustainable finance issues, capacity-building initiatives and sustainable finance disclosures are also evaluated in the rating, according to the central bank.



powering with safety



FIR Cables
FIGHTS IN FIRE
SURVIVES IN 950°C

STOCKS	
DSEX ▼	CASPI ▼
0.20%	0.16%
6,329.86	18,689.69

COMMODITIES	
Gold ▼	Oil ▼
\$1,935.56 (per ounce)	\$79.34 (per barrel)

READ MORE ON B3

FOR INQUIRIES
CALL US AT
16704



dbi
CERAMICS

ADB mobilises \$261m for expressway

STAR BUSINESS REPORT

The Asian Development Bank (ADB) has mobilised \$261 million of private sector capital for a four-lane, 13.5-kilometre expressway between Dhaka and other major cities in order to ease traffic congestions and provide better connectivity.

The global lender made the decision as a transaction advisor for the government's Rampura-Amulia-Demra Expressway public-private partnership (PPP) project, it said in a press release yesterday.

The project is being funded through a \$193 million senior loan from the Asian Infrastructure Investment Bank; Bank of China; DBS Bank Limited; and Infrastructure Development Company Limited, a financial

READ MORE ON B3

Local operator to launch Dhaka-Kolkata cruise

JAGARAN CHAKMA

A vessel owner in Bangladesh is seeking to run a 10-day cruise from Dhaka to Kolkata.

Md Masum Khan, owner of vessel MV Rajarhat C, has applied with Bangladesh Inland Water Transport Authority (BIWTA) to set sail from Sadarghat on October 10 for Howrah.

Already over 300 people have sought to book packages of prices ranging from Tk 6,000 to Tk 50,000 for the one-way tour, he told The Daily Star, adding that any type of Indian visa would work.

It will take 45 hours to traverse river and coastal routes to reach Howrah. The vessel will stay there for three days allowing tourists to go around Kolkata, he said.

The vessel will also anchor at different places, allowing travellers to explore diverse landscapes, villages and rural lifestyles, historical and archaeological sites, and ancient temples.

They can also experience cultures and cuisines of both countries, he said.

Rivers have an immense cultural



and historical significance for both countries, for which this cruise will be an enriching experience, believes Khan.

If this trip can be run successfully, the cruise will be regularly operated, he said.

A similar cruise has already been run from India, flagged off by Indian Prime Minister Narendra Modi on January 13 this year.


Operated by Antara Cruises, MV Ganga Vilas travelled around 3,200km through five states in India and parts of Bangladesh over

51 days.

It was under a "Standard Operating Procedure" finalised by the shipping ministries of the two countries in October 2018 on the movement of vessels along designated coastal and inland routes of the two neighbours.

The BIWTA is yet to approve the cruise, said Commodore Arif Ahmed Mostafa, chairman of the BIWTA.

"We receive an application...we have enough time at hand to give approval," he noted.



M. A. Samad
Founder

BGIC

AAA

ARGUS Credit Rating Services Limited

A. Rating Summary


Long Term - AAA;
Outlook - Positive;

Short Term - ST-1
Publishing Date - 01 August, 2023

B. Rating Explanation

AAA - Highest claims paying ability. Risk factors are negligible and almost risk free.

ST-1 - Very high claims paying ability. Protection factors are strong.



1st Private Sector Non Life Insurance Company in Bangladesh
বাংলাদেশ জেনারেল ইনসিওরেন্স কোং লিমিটেড
BGIC Bangladesh General Insurance Company Ltd.

Service is our strength



Nasrul Hamid, state minister for power, energy and mineral resources, poses for photographs with signatories of a memorandum of understanding at the Centre for Research and Information in Dhaka recently following a signing ceremony of a nationwide idea hunt competition for renewable energy styled "Bicchuron 2.0".

PHOTO: GREEN DELTA INSURANCE COMPANY

Prime Bank, Water Garden Resort enter into MoU

STAR BUSINESS DESK

Prime Bank has recently signed a memorandum of understanding (MoU) with Water Garden Resort & Spa.

Ahsan H Mansur, chairman of the resort, and Nazeem A Choudhury, deputy managing director of the bank, inked the MoU at the lender's head office in Dhaka, said a press release.

Under the MoU, the bank's Monarch (priority banking) customers, credit or debit cardholders, and employees will enjoy 50 percent discounts on room and banquet hall rent and 10 percent discount on A-La- Carte Menu at the resort.

Mamur Ahmed, head of consumer sales of the bank, and Masudul Haque Bhuiyan, head of cards and alternative delivery channel, along with other senior officials from both sides were present.



Ahsan H Mansur, chairman of the Water Garden Resort & Spa, and Nazeem A Choudhury, deputy managing director of Prime Bank, exchanged signed documents of a memorandum of understanding at the lender's head office in Dhaka recently.

PHOTO: PRIME BANK

Robi teams up with Brac Bank

STAR BUSINESS DESK

Robi Axiata Ltd and Brac Bank recently signed a memorandum of understanding (MoU) to offer value-added services to small and medium enterprises.

Ahmed Armaan Siddiqui, executive vice-president of VAS and new business at Robi, and Syed Abdul Momen, deputy managing director and head of SME banking at Brac Bank, signed the MoU at the latter's head office in Dhaka, said a press release.

Under the MoU, the bank's customers can now subscribe to Robi's hero products

and other services using the Astha app.

Besides, the bank's Borenno customers will be offered specially curated digital products and services through this partnership.

"This partnership allows us a wonderful window of opportunity to deliver our customer centric offers to Brac Bank's tech savvy customers," said Siddiqui.

"By teaming up with Robi, we want to create new opportunities for our SME customers, mostly cottage and micro-entrepreneurs, to get privileged telecom facilities, offerings, and digital solutions," said Momen.



Ahmed Armaan Siddiqui, executive vice-president, VAS and new business at Robi Axiata, and Syed Abdul Momen, deputy managing director and head of SME banking at Brac Bank, exchanged signed documents of a memorandum of understanding at the latter's head office in Dhaka recently.

PHOTO: BRAC BANK



Agriculture Minister Muhammad Abdur Razzaque attends a roundtable styled "Climate Adaptation: Opportunities for Bangladesh in Development of Agro-based Industries," organised by the International Chamber of Commerce (ICC) Bangladesh at Sheraton Dhaka in the capital's Banani on Wednesday. ICCB President Mahbubur Rahman, chaired the roundtable. Among others, Md Shahab Uddin, minister for environment, forest and climate change, AK Azad, vice-president of ICCB, and Ataur Rahman, secretary general, Nur Khondaker, FAO representative for Bangladesh, Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, and Bitopi Das Chowdhury, head of corporate affairs, brand and marketing, were present.

PHOTO: ICC BANGLADESH

US sees price cap

FROM PAGE B4

budget, but in 2023 that number has fallen to just 25 percent," he said in the prepared remarks.

The G7, the European Union and Australia imposed the \$60 per barrel cap last December on sea-borne exports of Russian crude in retaliation for Russia's war on Ukraine. It bans Western companies from providing services such as transportation, insurance and financing for the oil sold above the cap.

Van Nostrand said Russian data showed federal government oil revenues were nearly 50 percent lower in the first half of 2023 than a year earlier, and Russian oil was trading at "a significant discount" to Brent oil.

Russian officials had also complained about the impact of the price cap, he said, and the Kremlin has been forced to consider raising

taxes on oil exporters to boost revenues, which could weaken the long-term outlook for its oil industry.

Van Nostrand said the average reported price for Russian Urals had hovered around \$60, the level of the price cap, despite widespread expectations that the price would rise in the second half of 2023, and despite recent price increases.

Russia's Finance Ministry this week said Urals crude oil blend traded at \$64.37 per barrel on average in July, up from \$55.28 per barrel in June.

Global oil prices have marched above \$80 per barrel in recent weeks after Saudi Arabia said it would cut output in July, on top of wider cuts announced by fellow countries in the Opec+ production group announced in April.

Earlier this year, China pledged

to take measures to revive economic growth, which has also increased predictions for higher prices in coming months, as has underinvestment by US oil producers earlier in the year.

Van Nostrand said the cap was continuing to limit Russian revenues, while giving "non-coalition buyers additional leverage to negotiate prices down."

Any investments the Russian government made into the so-called shadow fleet used to transport oil, or into its own insurance companies in order to sell above the price cap, was draining funds available to support the war in Ukraine, he said.

Russian oil traded outside of the G7 nexus was still sold at a sizeable discount to Brent oil, and shipping capacity limited how much business Russia could do outside the G7, he said.

MoU signed for idea hunt competition on renewable energy

STAR BUSINESS DESK

Green Delta Insurance Company recently signed a memorandum of understanding (MoU) with the Power Cell of the power, energy and mineral resources ministry and Young Bangla over launching an idea hunt competition for renewable energy, styled "Bicchuron 2.0".

It will be an open competition for the country's youth like the previous chapter of Bicchuron in 2019. A total of 100 ideas will be selected from submissions from across the country.

At the last stage, 5 to 10 projects will be selected by an expert committee for consideration for financial support and execution at the community level.

The winning projects will be funded for commercial operation and scaling up to a sustainable business model.

Mohammad Hossain, director general of the Power Cell, Farzanah Chowdhury, managing director and CEO of the insurer, and Md Roshidul Hasan, team leader of Young Bangla at the Centre for Research and Information, inked a tri-party MoU to this end at the latter's office, said a press release.

Among others, Nasrul Hamid, state minister for power, energy and mineral resources, was present.

Meghna Bank gets new director

STAR BUSINESS DESK



Abu Haydar Chowdhury has recently become a member of the board of directors of Meghna Bank Ltd.

A successful entrepreneur and business personality of the country, Chowdhury is the managing director of Chumki Apparels Limited, said a press release.

He obtained his master's degree from the University of Chittagong.

Oil slips on US ratings downgrade

REUTERS, London

Oil slid further on Thursday after dropping sharply from more than three-month highs in the previous session as a US government credit downgrade weighed on sentiment, while concerns around supply tightness provided support.

Ratings agency Fitch on Wednesday downgraded the main US credit rating, reflecting an expected fiscal deterioration as well as a high and growing government debt burden. The downgrade hit investor risk appetite, pushing oil and global stock markets lower.

"Since oil had a steady rise over the past month, it was ripe for a pullback. The oil market will remain tight over the short term, but prices could be still vulnerable for a deeper drop," said Edward Moya, an analyst at OANDA.

Brent crude futures were down 81 cents, or 1 percent, at \$82.39 a barrel at 0812 GMT, while US West Texas Intermediate crude dropped 73 cents, or 0.9 percent, to \$78.76.

Both benchmarks hit their highest since April 17 on Wednesday, but closed down 2 percent after the ratings downgrade. Some analysts saw the drop as overdone.

Tesla gains from China's loss in India

REUTERS, New Delhi

China's loss in India could be Elon Musk's gain.

Tesla has had a red-carpet welcome from India for its proposal to invest in the country, while its largest rival in electric vehicles, China's BYD, has been stopped cold by increased scrutiny from New Delhi.

The result could be an opening for Tesla to negotiate terms for an entry to the world's third-largest auto market without the competitive threat from BYD that it faces in other emerging markets, like Thailand.

"The future of who wins in India will have some bearing on who wins globally in the EV race," said Jasmeet Khurana of the World Economic Forum.

Since a meeting between Musk and Indian Prime Minister Narendra Modi in June in New York, Tesla has fast-tracked closed-door discussions with Indian officials on a potential plant investment and plans to build a low-cost \$24,000 EV.

Those talks continued over the past week with Tesla discussing minute details of its plans to gain access to India's fast-growing EV market, and Modi personally tracking developments, sources say.

Those meetings, though, have been strictly kept under wraps, with officials putting out no photos on social media of handshakes with executives which otherwise is a usual affair after high-profile meetings.

BYD, meanwhile, appears to be taking a backseat. Months after seeking clearance for its own \$1 billion investment in India, BYD is no longer keen to pursue the approval, Reuters reported. In a further setback, BYD is facing an investigation over allegations that its underpaid import tax in India.

Among other concerns, Indian

officials are worried about the national security implications of Chinese-made vehicles and the data they could collect. India is "uncomfortable with Chinese automakers," an official said.

While all investments from China have faced tightened approval requirements in India since a border clash between the two in 2020, there could be an outsized effect on the developing market for EVs in India because of China's dominance in battery materials, battery production and other technology.

Tesla, too, has Chinese suppliers that have helped it slash production costs at its Shanghai factory and it now wants to bring them to India - where it appears to have an upper hand in talks with New Delhi.

India has told Tesla it will allow its Chinese suppliers into the country if they forge partnerships with local firms, just like Apple did. But at the

same time, India is hesitant on BYD's \$1-billion plan even though that too was proposed as a partnership with a domestic engineering firm.

The Global Times, a Chinese state-run newspaper, said the reported pushback on BYD's investment plan "will lead to a chain reaction and deal a blow to the overall confidence of Chinese companies in investing India."

BYD did not respond to requests for comment on the status of its India investment plan or the import tax claim. In a statement to Reuters, the company noted it had been active in the Indian market for 16 years and sells commercial vehicles and passenger cars there.

Tesla did not respond to a request for comment on its talks with Indian officials. Musk had said in June that Modi was "pushing us to make significant investments in India, which is something we intend to do."



India's Prime Minister Narendra Modi shakes hands with Tesla chief executive Elon Musk during their meeting in New York City on June 20.

PHOTO: PTI

Vessel with 8.5-metre draft anchors at Mongla

OUR CORRESPONDENT, *Bagerhat*

A vessel of 8.5-metre draft anchored at the Mogla port yesterday, the highest draft recorded by the country's second biggest port.

The previous record was set by the arrival of a container ship of 8-metre draft on March 27 of this year.

Draft is defined as the distance between the ship's keel and the waterline of the vessel.

MV Maersk Nusantara anchored at jetty number 9 yesterday, said Captain Md Asaduzzaman, a member of Mongla Port Authority.

The Singapore-flagged vessel was carrying 7,357 tonnes or 489 twenty-foot equivalent units (TEUs) of goods which are expected to be unloaded at the port.

The vessel is also set to be loaded with 367 TEUs of goods before it is scheduled to depart.

The capacity of the port has been increased several times and the Padma Bridge has played a vital role in transforming Mongla into a world-class port, said Asaduzzaman.



The Singapore-flagged MV Maersk Nusantara is seen anchored at jetty number 9 of Mongla port yesterday.

PHOTO: STAR

Dollar scales 4-week peak

REUTERS, *London*

The dollar scaled a four-week peak against major peers on Thursday after upbeat labour market data a day earlier, while sterling edged lower ahead of an expected rate hike from the Bank of England.

Data out on Wednesday showed US private payrolls rose more than expected in July, while plans by the US Treasury to increase the size of government bond auctions in the third quarter pushed longer-dated US Treasury yields higher and boosted the dollar.

"In a world where the US continues to perform and avoids a hard landing while the rest of the world is struggling, it's an environment which is going to keep the dollar elevated," Barclays FX strategist Lefteris Farmakis said.

The dollar index, which measures the currency against six major peers, rose as high as 102.84, the highest level in four weeks. It was last up 0.1 percent at 102.68, extending Wednesday's 0.5 percent gain.

Aristopharma to make medicines for Square

STAR BUSINESS REPORT

Leading local drugmaker Aristopharma has signed a contract manufacturing deal with market leader Square Pharmaceuticals PLC to produce some products for the latter.

Aristopharma will manufacture some injectable items, tablets and dry syrups for the listed pharmaceuticals company, officials of the two firms told The Daily Star.

The board of directors of Square Pharmaceuticals gave go-ahead to the contract manufacturing agreement on July 12 this year to meet increased demand of its existing products and to introduce new products.

Square Pharmaceuticals shared the information through a posting on the website of the Dhaka Stock Exchange (DSE) yesterday.

Aristopharma is a non-listed company that started its operations in 1986 and has a state-of-the-art manufacturing plant in Dhaka's Shampur-Kadamtali.

Yesterday, stock prices of Square Pharmaceuticals remained almost the same as the previous day and traded at Tk 209 at the DSE.

During July of 2022 to March of 2023, Square's sales grew 10 per cent year-on-year to Tk 4,814 crore.

MetLife invests Tk 257.5cr in Runner bond

STAR BUSINESS REPORT

MetLife Bangladesh has invested Tk 257.5 crore in a sustainability bond issued by Runner Automobiles Ltd.

A sustainability bond is a fixed-income instrument designed to support specific climate-related or environmental projects.

Runner plans to raise Tk 267 crore from the bond to facilitate access to credit for customers wishing to purchase three-wheelers with low emissions, including electric powered ones.

The funds will also be used to construct a 4MW rooftop solar plant for a manufacturing facility of Runner.

This initiative is expected to enable around 7,000 people become owners of three-wheelers, leading to income-generating prospects through taxi services and for vehicle maintenance companies.

The Runner bond is guaranteed by GurantCo, which is a part of Private Infrastructure Development Group. Green Delta Capital Limited is the arranger and advisor and DBH the trustee.

This investment will contribute to the growth of Bangladesh's bond market, MetLife said in a press release yesterday.

With the funding, MetLife's overall investments in the country's financial sectors will reach over Tk 17,000 crore, it said.

Bangladesh remittance fair in New York next month

STAR BUSINESS DESK

In a bid to increase remittance flow from the USA, a show titled "Bangladesh Remittance Fair" will be organised at Hilton Midtown Hotel in New York next month.

Muktadhara New York and USA-Bangladesh Business Links, in association with the Greater New York Chamber of Commerce will organise the event, said a press release.

The exhibition will be organised alongside the "Bangladeshi Immigrant Day and Trade Fair-2023" to be held on September 22-23.

Biswajit Saha, founder of the Muktadhara New York, said a number of banks, mobile financial services, remittance related app services, money exchange houses and remittance channel partners will participate in the event.

Top 300 remittance senders will be invited to the event, and the best 10 will be given remittance awards, he added.

Top three money exchange companies/remittance channel partners will also be awarded.

India's services growth at 13-year high

REUTERS, *Bengaluru*

India's dominant services sector expanded at its fastest pace in 13 years last month as demand increased significantly despite elevated inflationary pressures, a business survey showed on Thursday.

S&P Global's India services purchasing managers' index rose to 62.3 in July from June's 58.5, confounding expectations in a Reuters poll for a dip to 58.0. It was the highest index reading since June 2010 and has remained above the 50-mark that separates growth from expansion for two years.

"The resilience of the service sector underscores its vital role in fuelling India's economy, with the PMI results for July so far pointing to a notable contribution from the sector to overall GDP for the second fiscal quarter," noted Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.

India's economy is expected to grow 6.2 percent in the July-September quarter, according to the latest Reuters survey.

Overall demand remained strong. While the new business sub-index showed demand had risen since August 2021, the pace of growth was the highest since June 2010.

International demand also gathered steam, rising significantly in July and was the second-strongest since the series started in September 2014.



ASM Feroz Alam, vice-chairman of Mercantile Bank, and Mati Ul Hasan, additional managing director, hand over power tillers to farmers of Kalaiya, Daspara, Najirpur, Madanpura and Kalisuri union of Bauphal upazila in Patuakhali yesterday as part of CSR activities of the bank.

PHOTO: MERCANTILE BANK

Bangladesh's share in global RMG trade

FROM PAGE B1
of skilled workforce and skilled managers, improved productivity, ensured faster delivery of goods, enhanced quality, and introduced green initiatives.

The garment sector as defied major domestic and global crises such as the elimination of the quota system, the financial crisis of 2007-08, the Tazreen Fashions fire, the Rana Plaza building collapse and political crisis.

"It has been possible because of the commitment of entrepreneurs," he said. Bangladesh's reputation as a predictable supplier received a major boost during the peak of the coronavirus pandemic as the country kept factories open for most of the time whereas many competitors had kept their industries closed for a longer period.

Anwar-ul Alam Chowdhury Parvez, a former president of the BGMEA, said the growth of global population over the last 20 years also helped lift Bangladesh's export receipts.

"Similarly, a higher cost of raw materials brought better prices."

FUTURE LOOKS EVEN BRIGHTER
Exporters are gearing up to grab

more market share on the bank of diversified products and markets. They are putting more money in new projects, marketing, fashion, and design.

Bangladesh is expected to raise its market share to 10 percent by 2025 as the shipment is on the rise despite the disruptions caused by post-Covid-19 challenges and the ongoing Russia-Ukraine war.

Local exporters are betting on Asian markets such as Japan, India, South Korea and Australia where exports are rising phenomenally and there is more room to grow.

With the trade row in place, not only American buyers but also European and Japan retailers and brands have started reducing sourcing from China.

Bangladesh has also started producing high-end garment items like a jacket worth \$100 apiece. This was almost impossible a few years ago.

Although Bangladesh will have to go a long way before outracing China in the global apparel trade, local exporters have overtaken their competitors in the second-biggest economy in the world and are set to repeat the same success in other markets as well.

Last year, Bangladesh's garment export to the US surged 53 percent to nearly \$10 billion.

However, in the January-April period of 2023, the shipment to the US declined by nearly 17 percent against China's more than 30 percent owing to the impacts of higher consumer prices. This indicates that Bangladesh's sales in the world's largest economy will grow despite facing a 15.62 percent duty.

The BGMEA has set a target to generate export earnings worth \$100 billion and lift market share to 14 percent by 2030 on the back of the growth in Asian markets and the increasing use of man-made fibre-based garment items, which fetch almost double prices compared to cotton-made products.

Kutubuddin Ahmed, chairman of Envo Legacy, said the cotton price has played a major role for the higher export growth from Bangladesh.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said green initiative is one of the major reasons for the spike in shipment growth.

Bangladesh's export-GDP ratio

FROM PAGE B1

Among the LDCs, Bangladesh ranks 30th, gaining just one step from that in 2010.

Djibouti tops the list with 142.3 percent followed by Cambodia, Lao People's Democratic Republic, Mozambique, Zambia and Guinea. Those with the lowest shares include Timor-Leste, Tuvalu, Burundi, Yemen, Haiti and Nepal.

Analysts blame a lack of diversification of export products alongside destinations for the low ratio.

Mentionable, Bangladesh is scheduled to make the United Nations status graduation from a least developed to a developing nation in 2026.

"It is not a good sign for the economy," said Prof Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

It is true that Bangladesh's global trade has increased, he said.

"But the country's exports didn't increase at the pace of the country's GDP's growth rate. So, the ratio of export to GDP has declined," he said.

"Trade is important for economic growth," said Zahid Hussain, a former lead economist at the World Bank's Dhaka office.

The export basket is also tiny as garments account for 85 percent of the overall export earnings, he said.

ADB mobilises \$261m

FROM PAGE B1

institution based in Bangladesh, it said.

The remaining \$68 million is being provided by sponsors as equity contributions, the ADB said, adding that it assisted in project structuring, negotiation, tender execution, and provided support for commercial award and financial closure.

"We worked with the public authorities in Bangladesh to prepare, market and attract private sector partners to design, build, finance, operate and maintain this expressway," said Cleo Kawawaki, head of ADB Office of Markets Development and PPP.

But policies that make local sales more profitable than export, structural impediments and compliance issues regarding export of agricultural produce are major barriers to increasing exports, he added.

"And this is not a new issue. We are talking about this a lot. But actions are moving at a snail's pace," said Hussain.

"Bangladesh's domestic market is limited and it is not as big as the economies such as India. So, reliance on only the domestic market will not help the nation achieve its aspiration of economic development," he said.

"The country's export growth has been decreasing over the years, which is not congenial to our economy," said Selim Raihan, a professor of economics at the University of Dhaka.

"The export sector has immense importance when it comes to tackling upcoming challenges for LDC graduation...(the drop in ratio) is a concern for us on whether we are on the right track for graduation," he said.

Echoing the others, Masrur Reaz, chairman of the Policy Exchange of Bangladesh, said the overall increase in export volume was encouraging.

"But the decreasing ratio indicates that our export growth is gradually falling behind our economy's expansion," he said.

This indicates a decreased role of export in the economy and that the

level of international openness and globalisation is decreasing, he said.

"This would be of great concern as exports helped Bangladesh reap the benefits of global markets, create quality jobs and income and boost macroeconomic stability by strengthening balance of payments," said Reaz.

"In the coming years, we will need to have this rebound as the economic growth, jobs and income required to graduate to upper middle income will certainly require Bangladesh to exploit the power of international markets," he added.

Due to the low ratio, Bangladesh recently witnessed fluctuations in its foreign currency reserves and currency devaluations, prompting the country to seek a loan of International Monetary Fund, he said.

The lack of diversification in case of both export products and their destinations was the main reason for this situation. Still, dependency on garments has been increasing over the last decade, he said.

Bangladesh has some of the highest potentials for increasing its export-GDP ratio among the LDC countries given the size of its economy, he opined.

Bangladesh needs to focus on increasing competitiveness and go beyond the garment sectors, especially in IT, with proper planning, he said.

establish the pathway for both types of payment mechanisms in Bangladesh for future private sector investments in infrastructure," she added.

The ADB is currently advising the government on the Joydebpur-Mymensingh Expressway PPP project, which will improve connectivity to 10 special economic zones.

The Rampura-Amulia-Demra Expressway will be designed, constructed, financed, operated, and maintained during a 25-year concession period by a consortium comprising China Communications Construction Company Limited and China Road and Bridge Corporation.

Lower sales weigh on UAE non-oil business

REUTERS, Dubai

Non-oil business activity in the United Arab Emirates eased in July as new orders slowed from a four-year high the previous month, a survey showed on Thursday.

The seasonally adjusted S&P Global UAE Purchasing Managers' Index slowed to 56.0 in July, from 56.9 in June, but remained firmly above the 50 mark, which signals growth in activity.

The slowdown was attributed in part to an easing of growth in new orders, although demand remained strong, with the sub-index falling to 57.4 in July from 61.0 the previous month, which was the fastest rate of expansion since June 2019.

Greater competition was among the reasons for the dampening in sales growth, the survey said.

"The latest PMI data pointed to a slight recalibration of the strength of the UAE non-oil economy in July, as new



PHOTO: HABIBUR RAHMAN

While city-dwellers in Bangladesh would rarely buy silver ornaments in the past, the trend has changed over time thanks to the availability of well-designed products at lower prices compared to gold or platinum jewellery. The photo was taken from Khulna city recently.

Silver winning hearts in silence

MIR RASHIDA SULTANA and
SUKANTA HALDER

People in Bangladesh are becoming increasingly inclined towards silver jewellery as they are more affordable than gold or platinum ornaments, especially amid the ongoing inflationary pressure, according to various traders.

Besides, people have come to realise that silver is an equally versatile, sustainable and timeless material compared to more expensive metals that symbolise elegance and sophistication.

"Only people from rural areas would buy silver jewellery just 10 to 15 years ago," said Palash Paul, who owns the New Silver Palace, a jewellery store at the Bashundhara City Shopping Complex in Dhaka.

However, the trend has changed over the years due to changing tastes in fashion, with more budget-friendly and better designed products now available in the market, he added.

Speaking on condition of anonymity, an official of a branch of Aarong in the capital's Science Lab area, said their silver jewellery are selling well thanks to higher demand.

With prices ranging from as low as Tk 50 up to Tk 30,000, the branch sells an average of Tk 40,000 to Tk 45,000 worth of silver jewellery every day, which was not possible just a few years back.

"The demand is increasing due to better product quality and the availability of lifetime service warranties," the official added.

Azharul Hoque Azad, managing director of a local clothing brand called Sadakalo, said the country's youth are more fashion conscious than ever, leading to an upward trend in the use of silver jewellery.

"The sale of silver ornaments has increased

a lot over the past five to seven years," he added.

Mohammad Faisal, an employee of the Silver Garden jewellery store at the Chandni Chowk Shopping Complex in Dhaka, said each bhoori (about 12 grams) of 22-carat silver is currently selling for Tk 1,714.



An official of a branch of Aarong said, their silver jewellery is selling well due to higher demand. The branch sells an average of Tk 40,000 to Tk 45,000 worth of silver jewellery every day.

Similarly, 21-carat silver is priced at Tk 1,632 per bhoori while 18-carat silver is Tk 1,399 per bhoori.

And apart from silver ornaments mainly of the 21-carat variety, jewellers are also receiving orders for bowls, plates, glasses, spoons and showpieces made out of the precious metal, he added.

Nazmul Hasan, who owns the Popi Jewellery store at the Shah Ali Market in Dhaka's Mirpur, said many people are opting for silver products considering the recent hike in gold prices.

The Bangladesh Jeweller's Association (Bajus) hiked the price of gold about two weeks back as pure gold has become costlier in the global market due to the taka's devaluation against the US dollar.

As such, the price of 22-carat gold recently touched a record high of about Tk 1 lakh per bhoori.

WHAT CUSTOMERS ARE SAYING

Nilima Jahan, a resident of the capital's Farmgate, agreed that the demand for silver jewellery is increasing as gold products are more expensive than ever.

Jahan then pointed out that she wanted to buy a pair of gold earrings not too long ago but ultimately withdrew her decision considering the sudden increase in prices.

"After that, I decided to get silver anklets and rings within my budget," she added.

Dewan Aminul Islam Shahin, vice-president of Bajus, said silver jewellery is now even being used in bridal ceremonies, which was unheard of not too long ago.

"This is one of the reasons why the demand for silver jewellery is increasing day by day," he added.

Shahin also said that silver jewellery was not given much value in the past but this perception has changed over time due to improvements in product quality.

"For example, silver can look like white gold if the quality is good," he added.

Chandra Shekhar Shaha, a jewellery designer and consultant, said he was among the first to introduce the country to silver jewellery in 1981.

"Since then, entrepreneurs have been trying to come up with new designs for their products," he added.

Bajus says the domestic market for silver jewellery is currently worth more than Tk 10 crore annually.

DIGITAL DARE

Who is the next superpower?

MAHTAB UDDIN AHMED

One day, the United States, China and Russia met at a racecourse and started arguing about who the next global superpower will be. The United States said, "With the most powerful military in the world, we can defeat any country in a war."

China argued, "Blah! Being an economic powerhouse, we can buy any country we want."

Then Russia chipped in with, "Your military and economy stand no chance with our hackers! Our hackers are simply the best and can hack into any country's computer systems."

They were arguing back and forth when suddenly Batman, Superman, Spiderman and Terminator appeared, exclaiming, "Hey, just chill! You know what, you're all wrong because the next superpower will be the one that can win any war and solve any problem in the world. Have you ever seen us getting defeated or kept any global problem unresolved?"

Scratching their heads, the three nations looked at each other and then at the Superheroes and realised that, indeed, the latter are right!

According to various sources, technology was used in different ways to manipulate the 2016 US election. We read about the various hacking, leaking of emails and documents from the Democratic National Committee, and how Hillary Clinton's campaign chairman, John Podesta, was associated with Russian intelligence, how false and misleading information was spread on social media platforms by Russian operatives and bots.

Individual voters were targeted based on their psychological profiles and personal data by data science firm Cambridge Analytica, which worked for the Trump campaign. All these confirm that technology can control the mind of voters and this methodology was tested successfully in other countries too.

In a TED talk, Ian Bremmer explored who would run the world in 21st century. He argued that it is not as simple as it used to be and that we no longer have superpowers. He discussed the evolving global order, its impact, and our choices as participants in the future of democracy. Three key trends are driving this change: the rise of China, the decline of the United States, and the rise of technology.

The next global superpower will be a "system superpower" that is able to harness the power of technology to shape the global order. This superpower could be a technology company or even a new form of organisation.

Technology companies are becoming increasingly powerful and they could play a major role in shaping the future of the world order. It could even be a new form of organisation that is not based on a traditional nation-state.

Recently, I had the experience of driving a Tesla in Australia. It's a highly sophisticated battery-driven car with all kinds of technological wonders, including auto drive, auto parking and other impressive safety and security features. It alerts you with a loud beep if it senses danger when your speed and other vehicles or objects around you are not in coordination. And if you choose to ignore the warning, it simply takes control of the car.

Tesla cars are controlled centrally with its platform. If it falls into the wrong hands or gets hacked, it can direct all the cars to go to the destination, creating a disruption.

Based on my understanding of the world, the future superpower might well be in the hands of Facebook, Google, Twitter, TikTok, Instagram, Apple, Samsung, Nasa, and similar companies. Individually or jointly, they would possess more power than any other traditional superpower nation.

Technology companies can be considered superpowers in different aspects such as AI, geopolitics, and innovation, depending on their market position, global reach, and R&D capabilities. However, they also face various challenges and responsibilities that require them to balance their interests and values with those of other stakeholders in society. And that is only possible if individual nations ensure the ethical use of technology.

The author is founder and managing director of BuildCon Consultancies Ltd



Yellen says US credit downgrade unwarranted

AFP, McLean, United States

A US credit downgrade by Fitch was "entirely unwarranted," Treasury Secretary Janet Yellen said Wednesday, pushing back against the second-ever decrease by a major ratings agency following repeated debt limit standoffs in Washington.

Her remarks came a day after the world's biggest economy lost its top-tier credit rating from Fitch as the agency lowered it a notch from AAA to AA+, drawing fiery disapproval from the White House and Treasury.

The action was on the back of the United States' growing federal debt burden and an "erosion of governance" resulting in multiple gridlocks over the debt ceiling, said Fitch Ratings on Tuesday.

But Yellen told an event in Virginia that "Fitch's decision is puzzling in light of the economic strength we see in the United States."

Citing US economy's bounceback from the pandemic with a robust jobs market and cooling inflation, Yellen stressed that fiscal responsibility is a priority for herself and President Joe Biden.

"At the end of the day, Fitch's decision does not change what all of us already know," she said.

This includes the understanding that "Treasury securities remain the world's preeminent safe and liquid asset," she added.

But a Fitch Ratings senior director told CNBC Wednesday that Washington needs to tackle the recurrence of debt limit impasses and find "long-term" solutions for growing fiscal issues if it seeks a credit upgrade.



A crude oil tanker is anchored in Nakhodka Bay near the port city of Nakhodka, Russia. The G7, the European Union and Australia imposed the \$60 per barrel cap last December on sea-borne exports of Russian crude in retaliation for Russia's war on Ukraine.

PHOTO: REUTERS/FILE

US sees price cap on Russian oil working

REUTERS

The United States remains confident that the Group of Seven's price cap on Russian oil is working to squeeze Moscow's revenues and stabilize energy markets despite a recent upturn in prices, a senior US Treasury official said on Thursday.

In remarks prepared for a London conference, acting Assistant Secretary for Economic Policy Eric Van Nostrand hailed the price cap as a successful part of the multilateral sanctions regime imposed on Russia over its invasion of Ukraine, and said Washington and its partners were working to thwart any evasion.

"Our approach has struck at the heart of the Kremlin's most important cash cow. Before the war, oil revenues constituted about a third of the total Russian

READ MORE ON B2