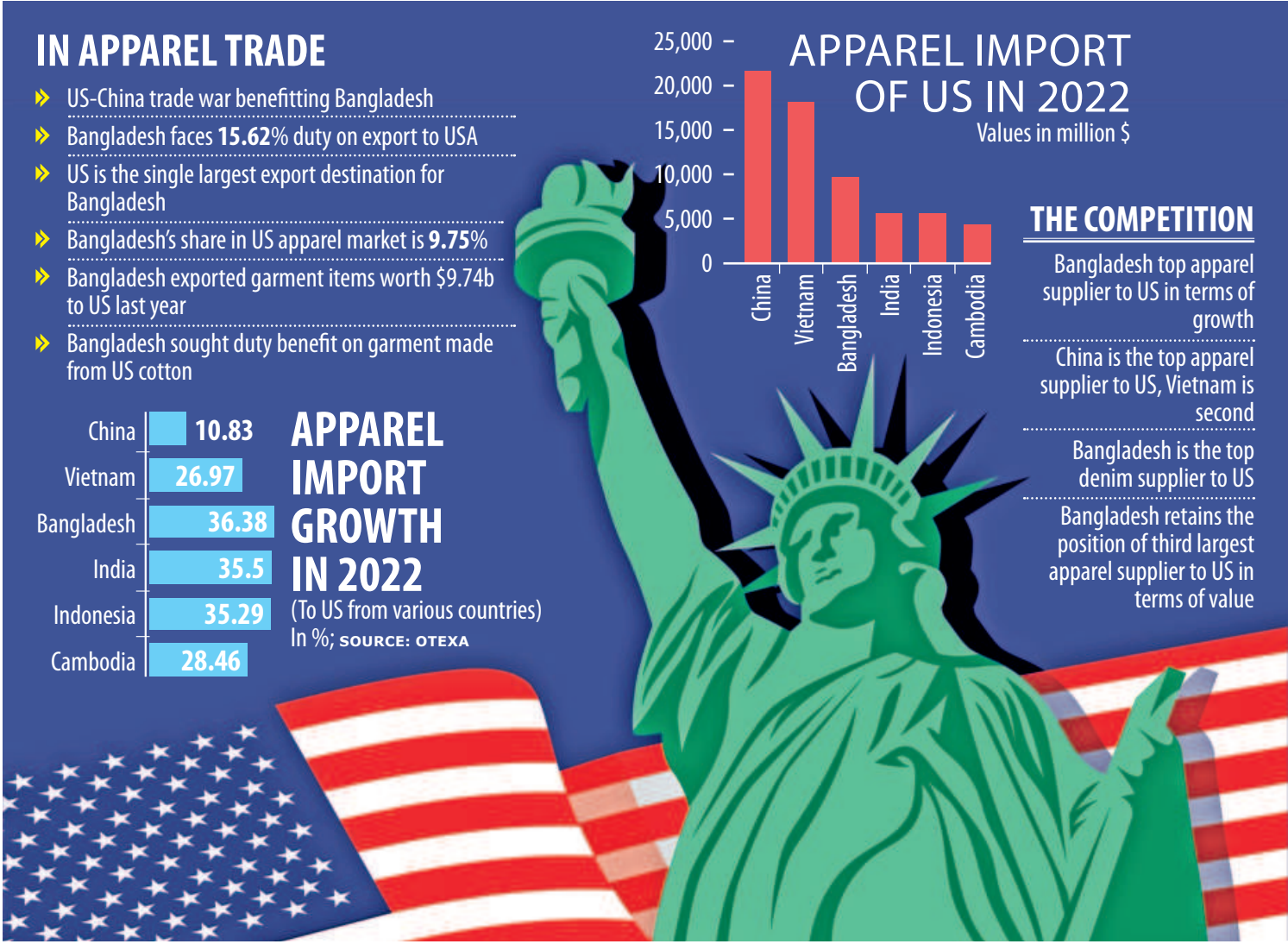


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BFIU holds workshop on money laundering

STAR BUSINESS DESK

Bangladesh Financial Intelligence Unit (BFIU) organised a workshop styled "Prevention of Money Laundering & Combating Financing of Terrorism" for officials of all commercial banks working in Bandarban and Rangamati districts.

Pubali Bank Ltd played its role as the lead bank in organising the workshop. Mohammad Ali, managing director and CEO of Pubali Bank, virtually inaugurated the workshop, where Md Arifuzzaman, director of the BFIU, was present as the chief guest, said a press release.

"By bolstering our framework for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), we can adeptly confront these threats," said Arifuzzaman. Tarun Tapan Tripura and Md Rokon-Uz-Zaman, joint directors of the BFIU, conducted the training sessions of the workshop as resources people.

Mohammad Shahadat Hossain, deputy managing director and CAMLCO of the bank, Mohammad Mohsin Hossaini, additional director of the BFIU, Mohammad Abdur Rahim, general manager of the bank's Chattogram principal office, Shyam Sundar Banik, deputy chief anti money laundering compliance officer, and Mohammad Altab Hossain, deputy general manager and RM of the bank's regional office in Chattogram (south region), were present.



Md Arifuzzaman, director of Bangladesh Financial Intelligence Unit, attends a workshop styled "Prevention of Money Laundering & Combating Financing of Terrorism" for officials of all commercial banks working in Bandarban and Rangamati districts yesterday. Pubali Bank Ltd played its role as the lead bank in organising the workshop.

PHOTO: PUBALI BANK

AB Bank inks deal with Ami Probashi

STAR BUSINESS DESK

AB Bank Ltd recently signed an agreement with Ami Probashi Ltd (APL), a government approved mobile app and web portal assisting Bangladeshi migrant workers in gaining employment abroad and completing migration related processes from the comfort of their homes.

Using this platform, migrant workers abroad can open bank accounts with any branches of AB Bank and easily send remittance from abroad to this account.

Syed Mizanur Rahman, deputy managing director of the bank, and Namir Ahmad Nuri, chief executive officer and co-founder of APL, signed a deal to this end in Dhaka, said a press release.

Among others, Mahmudul Alam, president and managing director (current charge) of the bank, KM Mohiuddin Ahmed, deputy managing director and chief financial officer, and other senior officials of both organisations were present.



PHOTO: AB BANK

Syed Mizanur Rahman, deputy managing director of AB Bank, and Namir Ahmad Nuri, chief executive officer of Ami Probashi Ltd, exchange signed documents of an agreement on banking services in Dhaka recently.

SIBL, Nec Money Transfer enter into remittance deal

STAR BUSINESS DESK

Social Islami Bank Ltd (SIBL) and Nec Money Transfer Ltd signed an agreement at the bank's head office in Dhaka on Monday.

Ikram Farazy, chairman of Nec Group, and Md Akmal Hossain, head of international division of the bank, signed the deal, said a press release.

Under this agreement, Bangladeshi expatriates can now send money to any branch, sub-branch and agent outlets of the bank through Nec Money Transfer from various countries.

Zafar Alam, managing director and CEO of the bank, Mohammad Forkanullah and Abdul Hannan Khan, deputy managing directors, Anower Farazy Emon, director of Nec Group, Md Osman Goni, country manager of Nec Money Transfer, Mohammed Ahsan Habib, chief remittance officer, and senior officials of both organisations were present.



PHOTO: SOCIAL ISLAMI BANK

Ikram Farazy, chairman of Nec Group, and Md Akmal Hossain, head of international division of Social Islami Bank, shake hands and exchange signed documents of an agreement at the latter's head office in Dhaka on Monday.



PHOTO: VISA

Soumya Basu, country manager for Bangladesh, Nepal and Bhutan of Visa, and Md Sharafat Ullah Khan, director of the payment systems department (PSD) of Bangladesh Bank, cut a cake at Silvy Heights on Gulshan Avenue in Dhaka recently inaugurating the global digital payments leader's Dhaka office. Among others, Julia Chowdhury, additional director of the PSD at the central bank, was present. Story on B1.

Nippon Paint eyes top spot

FROM PAGE B4

"This new warehouse will help us better serve our customers and allow us to expand our distribution network to reach more customers."

The senior executive also talks about companies' role in protecting the environment.

"It is our duty to protect our environment. So, with Nippon Paint's lead and mercury-free paints, we do our best to protect the Earth."

Nippon Paint is working towards launching more green products to cater to future needs and address global warming.

According to Heng, users can choose to protect their surroundings with a wide range of innovative coatings like Weatherbond Solarelect, a premium exterior paint that reduces the interior temperature up to five degrees Celsius.

It is going to launch Spot-less

Plus, a premium water-based interior paint specially formulated to protect surfaces from stains and bacteria. Once rolled out, this will be the first antiviral paint in Bangladesh.

Nippon Paint is also working and bringing new products such as auto refinish and industrial paint to help business partners to generate more revenues. "The group has a wide range of products and we have a plan to expand to leverage on them," he said.

crop at higher prices," Mishra said.

Indian farmers, who typically plant rice in the rainy months of June and July, will start harvesting the crop in October.

Once rice harvests start trickling in, the government-backed Food Corporation of India will start buying the crop from farmers at the state-set MSPs.

BSFIC, bKash sign deal on farmers' payment

STAR BUSINESS DESK

Mobile financial service (MFS) provider bKash and Bangladesh Sugar and Food Industries Corporation (BSFIC) recently signed an agreement over payment services.

Chowdhury Ruhul Amin Kaiser, secretary to the BSFIC, and Ali Ahmed, chief commercial officer of the MFS provider, inked the deal at a hotel in Dhaka, said a press release.

Under the agreement, around one lakh sugarcane farmers under the BSFIC will get their payment directly to their bKash accounts. Farmers can cash out the payment without any charge from any of the 330,000 agent points of bKash spread across the country. The corporation and bKash will bear the cash-out charges.

"With the agreement, we can pay sugarcane farmers conveniently as well as ensure transparency and accountability," said Zakia Sultana, secretary to the ministry of industries.

"We uphold farmers' satisfaction first, and I believe we will achieve it through bKash," said Md Arifur Rahman Apu, chairman of the BSFIC.

"Transparency and accountability of disbursement through bKash will be ensured. The BSFIC will get a clear idea how money is being disbursed, and how the farmers are getting it," said Kamal Quadir, CEO of bKash.

Senior officials of both the organisations were present.



PHOTO: BKASH

Chowdhury Ruhul Amin Kaiser, secretary to the Bangladesh Sugar and Food Industries Corporation, and Ali Ahmed, chief commercial officer of bKash, exchange signed documents of an agreement on payment services for sugarcane farmers at a hotel in Dhaka recently.

China's imports from Russia fall for first time since Feb 2021

REUTERS, Beijing

China's imports from Russia dropped in July, the first monthly decline since February 2021, with imports of oil and other goods having continued to rise steadily after the outbreak of conflict in Ukraine, Chinese customs data showed on Tuesday.

China's imports from Russia shrank 8 percent to \$9.2 billion last month from a year earlier, in contrast to 15.7 percent growth in June, according to Reuters calculations based on data from the General Administration of Customs. China has been buying discounted Russian oil, coal, and certain metals.

China's overall imports contracted 12.4 percent last month on softened domestic demand, missing by a large

margin analysts' expectation of a 5.0 percent drop.

Exports to Russia expanded 52 percent in July to \$10.28 billion, much slower than the 90.9 percent growth registered in June.

While China's exports to Russia held up relatively well compared with subdued demand elsewhere, they were a small portion of overall exports, at only 3 percent in January-July.

The value of bilateral trade between the two dropped to \$19.49 billion in July from June's \$20.83 billion, which was the highest since the Ukraine war began.

The Chinese customs agency did not release data giving a breakdown of imports by both country and product.

UK food price inflation to fall: economist

REUTERS, London

British food price inflation is likely to fall to around 10 percent later this year but will need to drop further for overall consumer price inflation (CPI) to return to its 2 percent target, Bank of England (BoE) Chief Economist Huw Pill said on Monday.

Food and drink price inflation has risen faster than most other items since Russia invaded Ukraine last year, hitting 19.2 percent in March, its highest since 1977. In June it was 17.3 percent, almost 10 percentage points above overall CPI.

"Our expectation is that food price inflation will fall back to around 10 percent by the end of this year and then further next year. That's still not a very comfortable level," Pill told an online event hosted by Citizens Advice, a charity.

"Certainly, for us when we're looking at trying to reduce the overall level of inflation down to our 2 percent target, having food price inflation running at 10 percent is not really compatible with that on a lasting basis," he added.

"Our expectation is that food price inflation will fall back to around 10 percent by the end of this year."

Last week the BoE raised its main interest rate to a 15-year high of 5.25 percent, its 14th consecutive rate rises as it battles the highest inflation of any major economy.

Pill's food price inflation estimate is in line with a prediction from the central bank's industry contacts which the BoE included in its quarterly forecasts last week. These showed CPI falling to 4.9 percent by the final three months of this year, with food price inflation accounting for more than a quarter of that.

Separately, Pill said he did not think it was useful to try to judge whether businesses or workers pushing for pay rises were more responsible for high inflation.

"I don't think it's the case that we should be pointing fingers or assigning blame to individual parts of the UK economy. The catalyst, the trigger for higher inflation in Britain was higher imported goods prices," he said.

Governor Andrew Bailey rebuked Pill in May for appearing insensitive to poorer Britons, after the chief economist said workers and businesses both needed to accept, they had lost spending power.

German inflation eases in July

REUTERS, Berlin

German inflation eased in July, the federal statistics office said on Tuesday, confirming preliminary data.

German consumer prices, harmonised to compare with other European Union countries, increased by 6.5 percent on the year in July.

This follows a 6.8 percent increase in June.

India's fuel demand slips to 10-month low in July

REUTERS

India's fuel consumption slipped to a 10-month low in July, government data showed on Tuesday, as monsoon rains restricted mobility in the world's third-biggest oil importer and consumer.

Total consumption in July, a proxy for oil demand, totalled 18.09 million tons, down 6.6 percent from June. However, it was up 2 percent compared with the same period a year earlier.

Sales of diesel, mainly used by trucks and commercially run passenger vehicles dipped about 13 percent month-on-month to 6.89 million tons in July.

"With consumption patterns already slowing down due to the monsoon, weak July figures for diesel demand were aggravated by the floods in Northern Indian states over the first half of last month," said Viktor Katona, lead crude analyst at Kpler.

Fuel demand in India typically falls during the four-month monsoon season beginning in June as parts of the country are affected by heavy floods.

"Restricted mobility and an overall slowdown in construction activity have been the key factors behind bitumen demand falling to the lowest reading this year. We believe India's diesel demand will remain subdued in August, only to rebound in September-October," Katona said.

Oil slips

REUTERS, London

Oil prices fell by more than 1.5 percent on Tuesday after data showed China's imports and exports fell much more than expected in July in yet another sign of a sluggish post-Covid rebound for the world's largest oil importer.

Brent crude futures were down \$1.41, or about 1.7 percent, at \$83.93 a barrel at 1341 GMT. US West Texas Intermediate crude was down \$1.46, or about 1.8 percent, at \$80.71. WTI fell by \$2 earlier in the session.

China's July oil imports were down 18.8 percent from the previous month to the lowest daily rate since January, but still up 17 percent from a year earlier.

Overall, China's imports contracted by 12.4 percent in July, far steeper than the expected 5 percent drop. Exports fell by 14.5 percent, compared with a fall of 12.5 percent tipped by economists.



Incessant rains failed to dissuade this group of individuals from availing subsidised rice at Tk 30 per kilogramme (kg) and flour at Tk 28 per kg being sold from a truck by the Directorate General of Food at Shonir Akhra in the capital on Sunday. In Dhaka's markets, the cheapest rice was selling for Tk 48 to Tk 52 per kg while flour at Tk 50 to Tk 52 per kg yesterday, according to the Trading Corporation of Bangladesh.

PHOTO: AMRAN HOSSAIN

BGMEA AGM held without discussion on election

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) held its 40th annual general meeting (AGM) yesterday, with no discussion taking place over the formation of an election board to elect its leaders for 2023-25.

The last biennial election in April 2021 had elected Faruque Hassan as president.

On April 13 this year, the commerce ministry extended by six months to October 12 the tenure of the current board of the largest trade body of the country representing the apparel industry.

As per conditions attached to the extension, a three-member election board and an appeal board with an equal number of members would have to be formed 90 days prior to the end of the extension.

This means the election board had to be set up by July 10. But it has not been formed yet.

In the AGM held at the BGMEA Complex in Dhaka, the BGMEA members mainly discussed about the future of the garment sector as the election agenda was not on the associated notice, said BGMEA Vice-President Shahidullah Azim.

Moreover, the BGMEA president was not

present as he had fallen sick. So, the election issue was not discussed, Azim said.

Sources said the commerce ministry may extend the tenure of the current board some more as many of the BGMEA members were not interested in going for the election before the national election.

In the AGM, the BGMEA members mainly discussed about the future of the garment sector as the election agenda was not on the associated notice, said a leader

BGMEA Senior Vice President SM Mannan (Kochi) chaired the AGM where the accounts for fiscal year 2021-22 were adopted and the budget for fiscal year 2022-23 was approved, said a BGMEA statement.

BGMEA Vice presidents (finance) Khandoker Rafiqul Islam and Rakibul Alam Chowdhury, directors and general members also attended the AGM.

Euro Pharma to produce medicines for Square

STAR BUSINESS REPORT

Square Pharmaceuticals PLC has struck a contract manufacturing agreement with Euro Pharma Ltd.

In a filing on the Dhaka Stock Exchange, the country's largest drug-maker said its board approved an agreement with Euro Pharma on Monday for the contract manufacturing of some products with a view to meeting increased demand for existing products and introducing new products.

Earlier, Aristopharma inked a contract manufacturing deal with Square Pharmaceuticals to produce injectable items, tablets and dry syrups for the listed pharmaceuticals company.

Shares of Square Pharmaceuticals rose 0.48 percent to Tk 211 on the DSE yesterday.

The company clocked a Tk 1,491.01 crore profit in the July-March period of the last financial year, up 4.9 percent from a year earlier.

DSE gets new MD

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has approved ATM Tariquzzaman as managing director of the Dhaka Stock Exchange (DSE) for the next three years.

The recommendation to have Tariquzzaman fill the spot was made by the board of directors of the DSE.

Tariquzzaman is currently working as an executive director of the BSEC.

The approval came in a commission meeting held yesterday at the BSEC office in Dhaka.

The top executive position at the DSE has been vacant since last September following the resignation of Tarique Amin Bhuiyan.

Earlier, the preceding managing director Kazi Sanaul Huque resigned on October 8, 2020, citing personal reasons.

To fill the gap, the Dhaka bourse had finalised three candidates for the post and sent their names to the BSEC on Monday.

Moody's downgrades several US banks

REUTERS

Moody's cut credit ratings of several small to mid-sized US banks on Monday and said it may downgrade some of the nation's biggest lenders, warning that the sector's credit strength will likely be tested by funding risks and weaker profitability.

Moody's cut the ratings of 10 banks by one notch and placed six banking giants, including Bank of New York Mellon, US Bancorp, State Street and Trust Financial on review for potential downgrades.

"Many banks' second-quarter results showed growing profitability pressures that will reduce their ability to generate internal capital," Moody's said in a note.

"This comes as a mild US recession is on the horizon for early 2024 and asset quality looks set to decline, with particular risks in some banks' commercial real estate (CRE) portfolios."

Moody's said elevated CRE exposures are a key risk due to high interest rates, declines in office demand as a result of remote work, and a reduction in the availability of CRE credit.

The agency also changed its outlook to negative for eleven major lenders, including Capital One, Citizens Financial and Fifth Third Bancorp.

The collapse of Silicon Valley Bank and Signature Bank earlier this year sparked a crisis of confidence in the US banking sector, leading to a run on deposits at a host of regional banks despite authorities launching emergency measures to shore up confidence.

Still, Moody's cautioned that banks with sizable unrealised losses that are not reflected in their regulatory capital ratios are vulnerable to a loss of confidence in the current high-rate environment.

Hazzaz new CCCI president

FROM PAGE B1

Powertech Ltd, and Raisa Mahbub, proprietor of Raisa Enterprise, were made senior vice-president and vice-president, respectively.

Raisa is the daughter of the outgoing CCCI president Mahbubul Alam, who is the newly elected president of the Federation of Bangladesh Chambers of Commerce and Industry.

The three presidium members were elected unanimously in the first meeting of the newly elected directors at the World Trade Centre yesterday as there were no other contestants, said a CCCI press release.

Earlier on Sunday, the last day for filing nomination papers, the 24 directors were elected unopposed as they were the only ones to have tendered the required papers, it said.

The new office bearers will take charge on October 1 when the tenure of

the incumbent board expires.

Mahfuzul Hoque Shah, one of the new directors, said the election was scheduled for September 5 but no election was needed as there were no additional contestants for director posts.

Mohammed Sazzadun Newaz, son of Md Nurun Newaz, a former senior vice-president of the CCCI and chairman of the CCCI election board, has been elected as one of the directors.

The last time votes were cast in the biennial election of the chamber was in 2013 when lawmaker MA Latif-backed Mahbubul Alam-Nurun Newaj Parishad won 20 director posts.

Alam was elected president for the first time in that term. He subsequently led the chamber five consecutive times after rules were amended in 2017 to allow an individual to contest for the top post even after serving three consecutive terms.

materials for importers.

"We are now approaching the US government to consider duty-free market access for the garment items made using cotton from the country. This will benefit US cotton growers and apparel brands and consumers while Bangladesh will have an extra edge," Hassan said.

The BGMEA is also working with the American Apparel and Footwear Association to unlock the potential of Bangladesh's RMG sector by enhancing competitiveness and facilitating trade access to the US market.

Bangladesh outraces rivals

FROM PAGE B1

also helped Bangladesh raise its exports to the US.

Globally, 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.

Bangladesh has already waived the mandatory fumigation requirement for importing cotton from the US, a move that will cut the time and cost needed to bring in the key textile raw

LEED-certified RMG units

FROM PAGE B1

towards sustainable industrialisation, as the nation celebrates the certification of the 200th LEED green factory by the USGBC."

"This remarkable milestone underscores Bangladesh's steadfast commitment to environmental stewardship, economic growth, and global competitiveness."

Of the 200 factories, 73 are platinum-rated, 113 are gold-rated, 10 are silver-rated, and four are certified

factories.

Bangladesh is home to some of the best factories in the world: 13 out of 15 top LEED green factories are located in the country. In 2022, 30 garment factories received LEED certification. In 2023 so far, 18 factories have secured the recognition.

"I hope by the end of 2023, we will be able to reach a new milestone," Hassan said, adding that as many as 500 factories are awaiting USGBC certification.

Most equipment remains

FROM PAGE B1

The groups were scheduled to help livestock farmers become more productive, get better market access, and improve their resilience to climate change and other risks.

"Only 8 percent of the farmers got a cream separator machine from the project. Of them, most could not utilise the machine due to a lack of training," the IMED report said.

The project was scheduled for completion by March this year but its implementation has made physical progress of just 47 percent so far.

However, the IMED said the project implementation targets were not realistic.

As per the IMED's observation from a field visit at Sirajdikhan upazila of Munshiganj, ultrasonography and cream separator machines were found unused as the beneficiaries could not operate them.

On the other hand, they found that one deep freezer being used to preserve medicine.

As an advisory firm, MR Consultants compiled the IMED report.

"We have found machines still left unpacked in many local upazila offices,"

said Mokbul Hossain, executive director of MR Consultants.

However, he did not mention how many offices were facing such a scenario.

Only 8 project implementation committee (PIC) meetings and 6 project steering committee (PSC) meetings have been held up until April 2023 since the inception of the project. However, 26 PIC and 17 PSC meetings were supposed to be held, as per a related circular.

A total of 28 objections were raised in an audit centring activities over the last four financial years. Of them, two objections have been dismissed while the remaining 26 are pending.

The total financial involvement of the 26 audit objections is Tk 135 crore.

Denying the allegation of machinery still left "unpacked", Project Director Abdur Rahim said all their equipment was operational.

"Only 1 or 2 percent of the equipment may be unused," he added.

Asked why some machines were still being found intact in their packaging, he said the equipment were usually kept inside their packaging box after use.

He also claimed that they have already distributed 1,500 cream

separator machines, which were provided by Metal Industries Limited and Bangladesh Science House.

"The providers were supposed to give training to the farmers and officers," he said.

"Also, we have successfully formed 5,500 agricultural cooperatives and appointed 20 officers to monitor the district offices," Rahim added.

Regarding the audit objections, Rahim said they would be settled soon.

On the reasons for delays in project implementation, Rahim pointed out that the coronavirus pandemic affected their operations.

Against this backdrop, the DLS is seeking another two years for implementing the project.

During a separate visit to the DLS office in Sirajdikhan upazila, The Daily Star found that much of the staff do not have relevant training for teaching farmers how to operate the machines.

"We do not have enough training to operate the machines ourselves," said Abdur Rashid Miyajee, sub-assistant of the DLS office, adding that they had showcased the equipment before the public through an exhibition in February this year.

amid a narrow fiscal space, according to a report published on The Daily Star.

The development is set to fuel a fresh round of inflation, which declined for the fourth month straight in December last year.

So, from February this year, the price of gas used for power generation was made Tk 14 for each cubic meter, up 178.9 percent from the previous rate.

Meanwhile, the rate for gas at captive power plants and industries was hiked to Tk 30 per cubic meter.

The hike was 150 percent for large industries, 154.7 percent for medium industries and 178.3 percent for small and cottage industries. For captive power plants, the raise was 87.5 percent.

Bangladesh spent more than \$8 billion on energy imports in the last one year due to price hike in the international market, industry people said.

economic slowdown in both domestic and international markets," he added.

Sameer Sattar, president of Dhaka Chamber of Commerce and Industry, agreed that the gas and power supply did not improve at the expected level, as evinced by how millers and factory owners are still complaining about it.

On the other hand, Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said the gas and power supply has nearly reached the expected level. "The productivity of mills and factories could improve now," he added.

In January, the government raised the retail price of gas by 14.5 percent to 178.9 percent for industries, power plants and commercial establishments, who together account for 78 percent of the gas usage in Bangladesh.

The government made this move to lessen its unsustainable subsidy burden

Brac Bank gets go-ahead to raise authorised capital

STAR BUSINESS REPORT

Brac Bank Limited has received permission from the central bank to raise its authorised capital from Tk 2,000 crore to Tk 5,000 crore.

The private commercial lender made the disclosure in a filing on the Dhaka Stock Exchange.

The authorised capital is the maximum amount of share capital that a company is allowed to issue to its shareholders as per its constitutional documents.

Shares of Brac Bank closed at Tk 35.80 on the DSE yesterday, unchanged from a day earlier.

DSE turnover drops to four-month low

STAR BUSINESS REPORT

Though the indices of the Dhaka Stock Exchange (DSE) rose today, its turnover dropped to below the Tk 400-crore mark, which is the lowest in the last four months.

The DSEX, the benchmark index of the premier bourse in Bangladesh, bounced back 15 points, or 0.25 per cent, to close at 6,315.

The DS30, the blue-chip index, edged up 0.48 per cent to 2,148, while the DSES, the Shariah-compliant index, advanced 0.35 per cent to 1,371.

Turnover, a key indicator of the market, dropped 17 per cent to Tk 385 crore.

Of the securities, 110 advanced, 52 declined and 175 did not show any price movement.

Central Pharmaceuticals made the highest gain with an increase of 9.82 per cent. Meghna Pet Industries, Far Chemical Industries, Ambee Pharmaceuticals, and Shyampur Sugar Mills were among the top gainers.

Khan Brothers PP Woven Bag Industries was the worst loser, shedding 2.4 per cent.

Miracle Industries, Alhaj Textile Mills, Asia Pacific Insurance, and Peoples Insurance were also on the list of significant losers.

Sea Pearl Cox's Bazar Beach Resort & Spa was the most-traded stock on the day with its issues worth Tk 24 crore changing hands.

Khan Brothers PP Woven Bag Industries, Sonali Paper & Board Mills, Fu-Wang Foods, and Alif Industries registered significant turnover as well.

The Caspi, the all-share price index of the Chittagong Stock Exchange, gained 38 points, or 0.20 per cent, to close at 18,662.

Of the issues, 53 rose, 38 retreated and 62 did not see any price swing. However, turnover of the port city bourse fell 40 per cent to Tk 6 crore.

India's rice export ban may take toll on planting, income

REUTERS, New Delhi

Rice planting in India could fall by 5 percent as New Delhi's decision to ban non-basmati white rice exports will cut farm income and encourage growers to switch to other crops, a leading farmers' group with close ties to the ruling Bharatiya Janata Party said.

The world's biggest rice exporter - accounting for more than 40 percent of global supplies of the staple - last month ordered a halt to non-basmati white rice exports, driving prices to multi-year highs.

"The rice export ban was announced right in the middle of the current planting season, and that's why the decision has sent a wrong signal to farmers," Mohini Mohan Mishra, general secretary of the Bharatiya Kisan Sangh (BKS), or Indian Farmers' Union, told Reuters.

BKS is the farmers' wing of Rashtriya Swamsevak Sangh, the ideological parent of Prime Minister Narendra Modi's ruling party.

Despite being ideologically aligned with the ruling party, BKS often opposes some of India's farm policies, at times forcing a rethink. BKS also lends its support to protesting farmers.

READ MORE ON B2



OVERALL INDUSTRY

Bangladesh has a Tk **4,500** crore paint market



NIPPON PAINT: AT A GLANCE

- Nippon Paint started commercial journey in 2014
- Its only manufacturing plant in Manikganj was established in 2014
- It has distribution centres in Dhaka, Cumilla, Sylhet, Barishal, Chattogram, Khulna, Bogura and Mymensingh
- It runs its activities across the country with 2,000 dealers



Nippon Paint eyes top spot in Bangladesh's paint market

MD ABU TALHA SARKER

Nippon Paint Bangladesh, a concern of Nippon Paint Holdings of Japan, has drawn up a strategy to be a leader in the growing paints and coatings industry in Bangladesh, said a top official.

The company is seeking to climb to the second position within the next three years whereas its ultimate target is to become the market leader, said Yaw Seng Heng, group managing director of Nippon Paint Holdings Malaysia.

"The goals are part of our new market strategy and planning."

Heng shared the strategy, future plans and thoughts during an interview with The Daily Star in Dhaka recently.

Last month, he was in the capital to inaugurate the company's newly built warehouse and conducted sharing and training sessions for its employees.

"Now we are looking at how we can go faster and move forward because we are targeting the No.2 position in this market in three years' time."

"We have an aggressive plan to achieve it. We are very aggressive to expand in the market."

A national of Malaysia, Heng has been working at Nippon Paint for 38 years. He leads the company's operations in the southeast Asian nation.

Nippon Paint is the leading paint manufacturer in Asia and is the fourth-largest globally.

"We are currently the top player in Japan, Singapore, China, Indonesia, Malaysia and Sri Lanka. We want to be the top player in Bangladesh as well," he said.

Nippon set out for its expansion in South Asia with India in 2005 and Pakistan in 2006. It entered Bangladesh in 2011 and began commercial production in 2014.

Its successes over the years have brought the company to other Asian countries, including

the Philippines, Thailand, South Korea, China, Vietnam, Indonesia, the Philippines, Sri Lanka, and the United Arab Emirates.

The company and its subsidiaries have a presence in the United Kingdom, Germany, Spain, Greece, the Netherlands, Russia, Norway, Slovenia, Lithuania, the United States, Brazil, Australia, Papua New Guinea, Poland, Bulgaria, Estonia, Italy, and Turkey.



Yaw Seng Heng

"Nippon Paint Bangladesh is set to be at the forefront of innovation and colour accessibility in Bangladesh," Heng said.

He said it is continuously working to bring an innovative and diverse suite of coating solutions for roofs to floors and everything in between.

With the coatings manufacturing plant at Manikganj, Nippon Paint promises to deliver the best quality products to customers.

"Nippon Paint produces the best quality paint coatings for automotive, industrial and decorative sectors," Heng said.

He terms Bangladesh as a bright and potential market for the paints and coatings industry, saying the industry is deeply related to the vast size of the population.

On the back of growing urbanisation and per capita income, Bangladesh's paints industry has continued to expand, with multinational

corporations dominating the Tk 4,500-crore paints market.

"Bangladesh has a bright future. The painting and coating industry has a lot of prospects," Heng said.

He, however, adds that per capita consumption is not increasing in the way that they are expecting.

"But the economy is progressing and the living standard of the people is also improving, which are good signs for the industry. We think the industry will grow here further."

Heng said the group supports Bangladesh's subsidiary with high-end technology, equipment, raw materials, and formulation for its advancement.

He said over the years, Nippon Paint has perfected its products by means of breakthrough technologies, with an emphasis on innovation and eco-friendliness.

"We are driven by the philosophy of enhancing life through innovations to consistently deliver paint solutions that not only serve your needs but also protect the world we live in. Apart from a range of interior, exterior, and enamel finishes, we have many speciality products that showcase our technological prowess."

The company has its own manufacturing plant in Manikganj and is now expanding the area of the factory from five acres to nine acres with a view to facilitating future growth.

The company runs its business across the country through more than 2,000 dealers and has the third-largest network of colour-creation machines.

It has eight distribution centres with each in Dhaka, Cumilla, Sylhet, Barishal, Chattogram, Khulna, Bogura and Mymensingh.

Heng said the company has opened a new warehouse in Manikganj.

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Defences against bank risks

MD MAIN UDDIN

Banks are an essential part of a nation's economy. They facilitate the flow of funds from surplus units (depositors) to deficit units (borrowers) to fuel the growth of the economy.

The main objective of a bank is to maximise its shareholders' wealth by increasing the current share price. To do so, the bank has to ensure that its cash flows are sizeable and regular. But the sizable and regular cash flows are interrupted by various risks such as credit risk, liquidity risk, interest rate risk, operational risk and exchange risk. These risks, if not managed properly, can make banks susceptible to failure.

Banks have some defences to protect their financial position. The first defence is quality management, which is essential to supervise banking activities to attain the expected goal.

The next defence is diversification, both portfolio and geographic.

Portfolio diversification is spreading loans and deposits among a wide range of customers.

Geographic diversification is finding out customers located in various regions to take the advantage of different economic conditions. This will help offset the loss from one geographic location with the gain from another location.

Deposit insurance can work as a defence against risks. Under this system, depositors are protected from the loss caused by a bank's inability to pay its debts. The protection may be in full or in part. This system tries to promote financial stability.

Here, a bank takes an overall insurance policy and pays a certain premium to the central bank against the policy. If the bank fails, the central bank comes forward to pay a particular amount of money to its customers before the final settlement by the court.

The final defence is owners' capital provided by the owners of a bank. More importantly, owners' capital can absorb losses from bad loans and poor investments.

Banks have to be sufficiently capitalised so that depositors may not suffer from possible losses.

According to Basel III, a bank's capital must be at least 12.5 percent of its risk-weighted assets. But with the growth of a bank's risk-weighted assets, its capital requirement also increases.

Banks with higher capital have higher loss absorbency. Suppose Alpha Bank has assets of Tk 100 financed by debt capital of Tk 85 and equity capital (owners' capital) of Tk 15. Beta Bank has assets of Tk 100 financed by debt capital of Tk 80 and equity capital of Tk 20.

If Alpha lends out Tk 100 and ends up with a 15 percent loss, the whole amount of its capital will be wiped out because the loss is first compensated by capital. If the loss is more than 15 percent, the bank will be insolvent.

If Beta lends out Tk 100 and ends up with a 15 percent loss, the bank will still be left with an equity capital of Tk 5. The bank will be insolvent if the loss exceeds 20 percent of its assets.

Quality management and diversification play a crucial role to avoid bank failure by keeping the loss minimum. If they fail to minimise the loss, owners' capital comes as the last line of defence against bank failure.

A higher amount of capital indicates that a bank has more capacity to pay off the loss. Thus, the greater the risk of loss, the more capital a bank should hold. However, if the loss is unusual, capital is not enough to protect a bank from failure. In that case, the deposit insurance scheme comes into operation.

The author is a professor of the banking and insurance department at the University of Dhaka



India's wheat prices see big jump

REUTERS, Mumbai

Indian wheat prices surged to a six-month high on Tuesday due to limited supplies and robust demand ahead of the festival season, dealers said.

The increasing prices may prompt New Delhi to eliminate import duties on the cereal to bolster supplies and control prices ahead of key state polls and next year's general election.

Rising wheat prices could contribute to food inflation and potentially complicate the efforts of both the government and the central bank to contain inflation.

"In all key producing states, farmer supplies have nearly come to a halt. Flour mills are struggling to obtain sufficient supplies in the market," said a New Delhi-based trader.

Wheat prices at Indore in the central state of Madhya Pradesh rose by 1.5 percent on Tuesday to 25,446 rupees (\$307.33) per metric ton, the highest since February 10. Prices have surged by nearly 18 percent over the past four months.

The government should release stocks from its warehouses into the open market to avoid potential

shortages during the festive season, said a Mumbai-based dealer associated with a global trade house.

As of August 1, wheat stocks in government warehouses stood at 28.3 million metric tons, an increase from the 26.6 million metric tons recorded a year earlier. "Imports are necessary to lower prices."

The government cannot increase supplies without imports," the dealer said.

India is considering cutting or even abolishing a 40 percent import tax on wheat and lowering a limit on the amount of wheat stocks millers and traders can hold, Sanjeev Chopra, the most senior civil servant at the federal food ministry, said last week.

Wheat output rose to a record 112.74 million metric tons in 2023, up from 107.7 million metric tons a year earlier, according to the Ministry of Agriculture & Farmers Welfare. India consumes around 108 million metric tons of wheat annually.

But a leading trade body told Reuters in June that India's wheat harvest in 2023 was at least 10 percent lower than the farm ministry's estimate.

REUTERS, Beijing

China's imports and exports fell much faster than expected in July as weaker demand threatens recovery prospects in the world's second-largest economy, heightening pressure for authorities to release fresh stimulus to steady growth.

The grim trade numbers reinforce expectations that economic activity could slow further in the third quarter, with construction, manufacturing and services activity, foreign direct investment and industrial profits all weakening.

Imports dropped 12.4 percent in July year-on-year, customs data showed on Tuesday, missing a forecast fall of 5 percent in a Reuters poll and off a 6.8 percent decline in June. Meanwhile, exports contracted 14.5 percent, steeper than an expected 12.5 percent decline and the previous month's 12.4 percent fall.

The pace of export decline was the fastest since the onset of the pandemic in early 2020 and the tumble in imports was the biggest since January this year, when Covid infections shut shops and factories.

While the weakness in the value of imports reflects poor demand, falls in commodities prices have also exacerbated the headline declines, analysts say.

"Most measures of export orders

point to a much greater decline in foreign demand than has so far been reflected in the customs data," said Julian Evans-Pritchard, head of China economics at Capital Economics.

"And the near-term outlook for consumer spending in developed economies remains challenging, with many still at risk of recessions later this year, albeit mild ones."

The yuan hit a three-week low and

Asian stocks and the Australian and New Zealand dollars, seen as proxies for Chinese growth, turned weaker after the data.

China's economy grew at a sluggish pace in the second quarter as demand weakened at home and abroad, prompting top leaders to promise further policy support and analysts to downgrade their growth forecasts for the year.



Cargo ships loaded with containers are seen at Zhoushan port in Ningbo, in China's eastern Zhejiang province. Imports of China dropped 12.4 percent year-on-year in July, while exports contracted 14.5 percent.

PHOTO: AFP