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BUSINESS

RMG WAGE BOARD
2nd meeting
ends without
decision

STAR BUSINESS REPORT

The second meeting of the board set up to revise the minimum wage for more than four million garment workers in Bangladesh ended yesterday without any specific decision.

Held at the office of the Minimum Wage Board in Dhaka, the meeting discussed various global and domestic issues, the current situation in the apparel sector, the market prices of basic commodities, and the rates of garment items in the international markets.

No proposal was put forward either by the owners or workers' representative in the meeting since the board has decided to visit three factories, small, medium and large, to hear about workers' expectation about the salary.

"I hope to submit the wage proposal in the

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Natore's
Kancha Golla
wins GI tag

STAR BUSINESS REPORT

Kancha Golla, a popular sweet item made in the northwestern district of Natore, has secured recognition as a product with geographical indication (GI) from the Department of Patent, Industrial Design and Trade Mark (DPDT).

"We have given the GI recognition to Kancha Golla as it is part of our heritage. This will enable producers to commercialise the sweet product in the markets at home and abroad," said DPDT Director Jellur Rahman.

With this, Kancha Golla became the 17th product of Bangladesh that has so far received the GI status. Other GI tag winners include Jamdani, Shataranji, Hilsa, black tiger shrimp, Dhakai Muslin, Fazli, Ashwina and Langra mangoes.

In Bangladesh, the recognition is provided by the DPDT of the industries ministry in accordance with rules set by the World Intellectual Property Organisation.

Products are granted the GI tag when they have

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A solar-powered pump set up on a boat to act as a mobile irrigation facility for croplands in chars. The 5-kilowatt pump can irrigate 40-50 bighas of land and costs Tk 2.5 lakh to set up. The facility came about under a one-year research project being jointly implemented by Rural Development Academy Bogura, Chars Development Research Centre and United Commercial Bank. The photo was taken at Noapara Char of Bogura's Shariakandi upazila on Wednesday.

PHOTO: MOSTAFA SHABUI

A fifth of banks jump on
digital bandwagon
to power growth

SOHEL PARVEZ

Nearly a fifth of conventional banks in Bangladesh are preparing to establish digital banks to expand their reach to every nook and cranny of the country, win and retain tech-savvy customers without physical presence.

Ten private banks have already formed a consortium to set up a digital bank – Digi10 Bank PLC – while Bank Asia and Brac Bank have also shared their decisions to become sponsors for two digital banks.

Two analysts have welcomed the bid by banks to join the digital banking segment, saying this will increase competition and include unbanked people in the formal financial system, enabling the country to attain its goal of financial inclusion and become a cashless economy.

Of the 10 banks, The City Bank, Eastern Bank, Mutual Trust Bank, Mercantile Bank, National Credit and Commerce Bank, and Pubali Bank have disclosed their plans to invest in a digital bank while Dutch-Bangla Bank Ltd and Trust Bank plan to join the



consortium.

"We will go for the digital bank if we get approval from our board," said Abul Kashem Md Shirin, managing director of DBBL.

He said the private bank wants to be a part of a digital bank to reach every part of Bangladesh and across the world and meet the demands of tech-savvy customers who prefer to carry out banking virtually.

"The current generation is tech-savvy, so we want to provide services to them digitally."

As per the central bank's guidelines, digital banks will not be able to set up any brick-and-mortar branch.

"Once Digi10 Bank gets

approval and is established, its clients will be able to avail the services of the 10 banks. The 10 banks have huge facilities," Shirin said.

In June, the Bangladesh Bank invited applications for digital bank licences.

The BB said digital banks would not be permitted to give out loans to carry out foreign trade or term loans to medium and large industries. It, however, limits the scope for conventional banks to establish a digital bank alone.

Syed Mahbubur Rahman, managing director of MTB, said: "The consortium of banks will help in terms of inclusiveness and increasing efficiency."

"This will help make the payments system strong and pave the way for the central bank to introduce its digital currency."

Rahman says banks are not rushing to set up digital banks out of fear of losing the market owing to expected competition from virtual banks, also known as neobanks.

"Rather, there is a lot of opportunity. We think we will be able to contribute to governance and ensure stricter compliance in the industry."

Investors willing to set up a digital bank will have to have a minimum paid-up capital of Tk 125 crore and the capital will have to come from sponsors.

The new entity must be a public limited company and the minimum stake of each sponsor will be Tk 50 lakh.

Humaira Azam, managing director of Trust Bank, said the bank plans to join the consortium as part of its motto of financial inclusion and digital transformation.

Brac Bank has decided to invest in bKash Digital Bank PLC as it is already a shareholder

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Debt-to-GDP
ratio rises

STAR BUSINESS REPORT

Bangladesh's debt-to-GDP ratio rose by around two percentage points to 32.55 percent in the third quarter of last fiscal year 2022-23, according to the latest quarterly debt bulletin of the finance ministry.

On December 31, 2022, it was 30.56 percent.

The debt-to-GDP ratio is a comparison of a country's public debt and its gross domestic product (GDP), according to investopedia.com.

By comparing what a country owes with what it produces, the debt-to-GDP ratio indicates its ability to pay back its debts.

Though the debt to GDP ratio grew in the quarter, the finance ministry said it was still significantly lower than what the International Monetary Fund (IMF) recommends, which is less than 55 percent.

The total outstanding debt of Bangladesh was Tk 14,48,333 crore as of March 31, 2023, up from Tk 13,59,898 crore on December 31, 2022, the ministry data shows.

Out of the total debt of the country, 63 percent was domestic and the remaining 37 per cent owed abroad.

The domestic debt to GDP ratio rose to 20.57 percent from a previous 19.42 percent. Meanwhile, the external debt to GDP ratio went up to 12.01 percent from 11.14 percent.

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TACKLING HUNDI, ONLINE GAMING
BFIU to work with
law enforcers

STAR BUSINESS REPORT

The Bangladesh Financial Intelligence Unit (BFIU) will work with law enforcement agencies to tackle hundi, online gambling, betting, foreign currency and crypto trading, officials said yesterday.

The decision came at a meeting arranged by the anti-money laundering agency at its office in Motijheel.

The move comes after the BFIU noticed that illegal transactions facilitating cross-border payments and online gambling and betting have increased rapidly in recent years.

BFIU chief Md Masud Biswas presided over the meeting where representatives from the Criminal Investigation Department of

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COMMODITIES		
	Gold ▲	Oil ▲
	\$1,921.23	\$84.30
	(per ounce)	(per barrel)



Visitors are seen surveying the latest innovations in industrial materials, components and services at the International Advanced Components and Technology Expo-2023. The three-day fair organised by Walton began yesterday at the International Convention City Bashundhara.

PHOTO: RASHED SHUMON

MEGA INDUSTRIAL EXPO
features 50,000 materials,
components and services

STAR BUSINESS REPORT

More than 50,000 industrial materials, components and services are on display at the three-day International Advanced Components and Technology Expo-2023, which began in Dhaka yesterday.

Walton, the leading electronics manufacturer in Bangladesh, organised the mega industrial fair, being held at the International Convention City Bashundhara.

Most of the showcased products are used as main raw materials or components in various stages of almost all industrial establishments.

For example, more than 250 components are required to manufacture a refrigerator while more than 400 components are needed for an air conditioner (AC).

So, Walton is displaying such components before manufacturers and consumers through a total of 21 stalls in four categories, the organisers said.

Commerce Minister Tipu Munshi inaugurated the fair at around 11:00am and after a while, a number of visitors were seen enjoying the latest technologies available at various stalls.

Delwar Hossain, a local trader from the Shyampur area of Dhaka, said he visited the AC and refrigerator stalls to

gather information about Walton's latest innovations for those products.

Another visitor, James Shahrear, who is an official of Whirlpool Bangladesh, said he came to the fair to learn about the small components they usually have to import for their appliances.

Most of the products on display are used as main raw materials or components in various stages of almost all industrial establishments.

"Reducing the cost of raw materials and spares is the main challenge. So, I came here to know if the cost of Walton's products meets our requirements," he added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, also visited the fair.

"Walton is making more than 50,000 industrial materials and components. It is really a big deal. Bangladesh's electronics industry will go further with the help of Walton," he said.

Speaking as chief guest, Commerce Minister Tipu Munshi said Walton has become an icon in Bangladesh's manufacturing sector.

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