

## Money market funds draw robust inflow

REUTERS

Global money market funds attracted robust inflows in the week to August 9, reflecting investor caution ahead of US inflation readings and as Chinese economic data remained weak.

Investors ploughed \$73.17 billion into money market funds in their biggest weekly net purchase since March 22, data from Refinitiv Lipper showed.

Inflation data released on Thursday showed US consumer prices increased moderately in July, boosting expectations that the Federal Reserve will leave interest rates unchanged next month.

Weak economic data from China, where exports and imports contracted in July, also affected risk sentiment.

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Higher-risk equity funds suffered \$11.71 billion worth of net selling, the biggest weekly outflow since June 21.

Investors exited metals & mining, financials and tech sector funds by around a net \$891 million, \$554 million and \$524 million, respectively, while healthcare drew about \$1.39 billion in net inflows.

Global bond funds were in demand for a seventh successive week, attracting a net \$7.04 billion.

Global corporate bond funds drew about \$1.16 billion and government bond funds a net \$2.71 billion, the biggest amount since July 12.

Among commodity funds, precious metal funds suffered an 11th weekly outflow, of about \$810 million, and a net \$163 million left energy funds.

Data for 24,043 emerging market funds showed that investors placed about \$264 million into equity funds in a fifth straight week of net buying. Meanwhile, bond funds faced their biggest weekly net outflow in nine months at a net \$1.74 billion.



A worker is seen arranging bitter gourds into a neat stack on the back of a truck, which will then transport the vegetable to nearby wholesale markets. Bitter gourd, locally known as korola, is selling at about Tk 25 per kilogramme at wholesale. The picture was taken from Barakpur Bazar in Bagerhat recently.

PHOTO: HABIBUR RAHMAN

# Digital fabrics development aiding exports

REFAYET ULLAH MIRDHA

Bureau 555, a joint venture between two entrepreneurs of Bangladesh and the United Kingdom, has been facilitating garment exports through the country's first digital fabrics development facility in Gulshan, Dhaka.

The facility aims to deliver quick testing reports on fabrics for international clothing retailers and brands.

It tests the fabrics' strength, elongation, bending, thickness and weight, which are mandatory data that determine the quality of finished fabrics to be used in garment items.

Usually, such data is collected at the factory level but it cannot be simulated in the fabrics as conventional testing mechanisms do not have the required facilities.

The digital fabrics development facility creates high-quality 3D samples using efficient digital workflow.

Digital fabrics development conserves the manufacturing, shipping and storage cost of garment samples and also reduces time, carbon emissions, wastage and physical sampling costs.

In the digital workflow, buyers send a piece of fabric and request the Bureau 555 to prepare data on it. The company then digitises the fabric, trims, and reviews the pattern to create and a 3D garment data for buyers.



Based on the data, the patterns are made and then the manufacturers go for bulk production of the garment items as per the work orders from international retailers and brands.

Bureau 555 was established in Dhaka in February 4, 2021, for quick testing of fabrics used in making garments, said Nusrat Mahmud, co-founder of the company, which has an office in London.

Mahmud, also a director of Hamid Fabrics Limited, said she required quick product development during the Covid-19 pandemic as international buyers were placing a bulk quantity of work orders.

However, she was facing difficulties in product development as offices and labs were shut and it was difficult to reach them because of the lockdown and other restrictions. As such, she was in a puzzle at the time as buyers were putting pressure on her for quickly developing fabrics.

Without finding a quick solution, she started looking for such a facility where the product could be developed digitally.

After searching, finally she found a digital product development facility in Hong Kong, where she prepared the data.

However, this was an expensive initiative, especially amid the

pandemic.

So, Mahmud planned for a similar facility in Dhaka so that local garment makers and suppliers can easily and quickly complete the development of fabrics for making garments with accurate data.

Mahmud set up the facility with her British co-founder Gabrielle Shiner-Hill, who is a digital expert and teaches in universities and factories in different countries.

Recently, Bureau 555 joined Germany's DMX as a strategic partner.

The company has been charging \$35 for scanning a yard of fabrics and \$75 for scanning and testing the result of samples, Mahmud said.

Currently four international clothing retailers and brands are clients of the company, she added.

Bureau 555 was formed with funds from the UAL and British Council, Mahmud said, adding that she will soon expand the facility as local and international retailers and brands have been placing a lot of orders.

Gabrielle Shiner-Hill said the cost and time for product development reduced significantly because of the facility in Dhaka.

Gerd Willschütz, the founder of DMX, said standardisation is very important for making garments because technologies are evolving in the digital world.

## Card transactions hit all-time high

MAHMUDUL HASAN

Transactions through cards hit an all-time high in June thanks to increased economic activities during Eid-ul-Azha as consumers enthusiastically embraced the spirit of the occasion by making purchases.

ATM, POS, CRM and e-commerce transactions through cards rose 15 percent month-on-month to Tk 48,590 crore in June, according to the latest data of Bangladesh Bank.

Transactions through debit cards increased by 16 percent to Tk 45,384 crore at the same time.

"We have witnessed a surge in spending in retail shops through debit cards. Eid has an impact on this spike," said Md Mahiul Islam, head of retail banking at BRAC Bank.

According to him, debit card transactions have increased in recent times.

On the other hand, spending through credit cards saw a slight drop.

Credit card transactions dropped by 0.34 percent month-on-month in June to Tk 2,583 crore.

During Eid-ul-Azha, funds are primarily directed towards purchasing livestock for sacrifice, favouring cash transactions due to cultural practices, said Syed Mohammad Kamal, country manager for Bangladesh at Mastercard.

"So, we didn't see an increase in spending in shops through credit cards. Besides, people are not spending on lifestyle products in recent times," he said.

"But in July, credit card spending increased substantially as many were travelling after Eid," Kamal added.

Prepaid card spending stood at Tk 41 crore in June, up from Tk 35 crore in May.

Similarly, e-commerce transactions through cards increased by Tk 122 crore to Tk 1,391 crore in June, as per central bank data.

According to industry people, there is a correlation between the surge in card-based e-commerce spending and the timing of Eid.

There are 3.21 crore debit cards, 22 lakh credit cards and 42 lakh prepaid cards issued so far, central bank data shows.

## Number of bank branches keeps rising

MD ASADUZ ZAMAN

The number of bank branches in Bangladesh rose to 11,212 in June 2023, up 2.11 percent year-on-year, according to central bank data.

Of them, 5,856 branches are located in urban areas while 5,356 are in rural areas, as per the Bangladesh Bank review of e-banking and e-commerce statistics.

The growth trend has been on the rise for the past three years.

In June 2020, the year-on-year growth was 2.90 percent while it was 1.72 percent in 2021.

In October 2022, branches of banks in Bangladesh went past the 11,000-mark for the first time.

The scheduled banks facilitate financial transactions by opening branches and installing automated teller machines (ATMs), point of sale (POS) devices, cash deposit machines (CDMs), and cash register machines (CRMs) in urban and rural areas.

There were 13,704 ATMs, 1.06 lakh POS machines, 415 CDMs, and 3,335 CRMs across the country in June.

The review showed that about 3.27 crore cardholders made transactions in June worth Tk 33,877 crore while 52.96 lakh POS holders handled Tk 2,924 crore.

The number of issued debit cards stood at 3.21 crore in June while that of credit cards was 22.38 lakh and prepaid cards was 42.69 lakh.

## COMPUTER IMPORT India's new rules creating uncertainty

ANN/THE STRAITS TIMES

A recent decision by the Indian government requiring firms to get a licence to import personal computers could hinder the country's efforts to improve the ease of doing business, said trade experts and industry watchers.

The Commerce Ministry on August 3 announced that companies will need a government licence to import laptops, tablets, personal computers and servers, bringing an end to earlier unfettered imports, even as the South Asian country aims to be a global electronics manufacturing hub.

Amid an anticipated scramble for licences, confusion over incoming shipments and concern that the new rule would hurt consumer sales during the October run-up to the festivals of Durga Puja and Deepavali, the government pushed back implementation by three months to Oct 31.

While the Indian media reported that the government will not cap imports and will provide licences quickly, many commentators noted that the move was reminiscent of Licence Raj - a regime of strict government control and regulation of the Indian economy from the 1950s to 1990.

They said the new licence system had triggered some uncertainty. The move is also reportedly aimed at weeding out Chinese firms seen as security risks.

"For India to build a strong domestic electronics manufacturing sector, it cannot escape being tied to the global value chains, which means allowing companies to import electronic components and laptops freely," said Assistant Professor Anupam Manur at the Takshashila Institution, a Bengaluru-based independent think-tank and school of public policy.

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## Crypto investors' wallets at risk of attacks: study

ANN/THE STRAITS TIMES

Millions of retail and institutional cryptocurrency investors face the risk of funds being drained from their digital asset wallets without their knowledge because of new security flaws, a study has found.

Research by digital asset custody firm Fireblocks found that the series of vulnerabilities, dubbed BitForge, impacted popular wallet providers like Coinbase WaaS, Zengo and Binance, among dozens of other providers.

BitForge refers to security flaws in software or products that are unknown to the vendor, and which have not been fixed or patched. The flaws were discovered by Fireblocks researchers and confirmed in May.

If they are unresolved, the firm said, attackers will be able to drain funds from the wallets of millions of retail and institutional customers in seconds, without the knowledge of the user or vendor.

"As with any vulnerability discovery, when the service provider's code is close-sourced, we can only take their word on whether it has been fixed," said the firm.

"The researchers at Coinbase and Zengo are well known within the space

and worked very closely with Fireblocks' research team expeditiously and with transparency to ensure that their vulnerabilities were patched."

The firm added that the vulnerabilities have not been exploited yet, and it would

be impossible to know if an attacker has succeeded in stealing a private key until the funds are moved to a new wallet.

The flaws were found in some of the cryptographic multi-party computation (MPC) protocols, including GG-18, GG-

20 and implementations of Lindell 17. These MPC protocols are the most used by wallet providers.

Typically, when a single private key is stored in one place, a wallet's owner would need to trust that the device or party that holds that private key is completely secure. With MPC, the private key is decentralised. It is broken up into shares, encrypted, and divided among multiple parties, so there is no single point of failure.

Pavel Berengoltz, co-founder and chief technology officer at Fireblocks, said that MPC is now ubiquitous within the digital asset industry, but not all MPC developers and teams are created equal.

"Companies leveraging Web3 technology should work closely with security experts with the know-how and resources to stay ahead of and mitigate vulnerabilities. Maintaining and updating core infrastructure technologies, like Web3 wallets, is crucial in preventing thefts and attacks, which amounted to nearly US\$500 million (\$674 million) in the first half of 2023," he said.

The findings were presented at the Black Hat USA conference in Las Vegas on Thursday.



A representation of cryptocurrency Ripple is seen in this illustration. PHOTO: REUTERS