

## India plans to hold FTA talks with UK, EU, Canada

REUTERS, New Delhi

India plans to hold bilateral free trade talks with the United Kingdom, the European Union and Canada and discuss bilateral trade issues with the Russian delegation on the sidelines of a G20 meeting next week, a top trade official said on Friday.

The G20 trade ministers are likely to discuss trade and World Trade Organisation reforms in their meeting, trade secretary Sunil Barthwal also told reporters.

More than 300 delegates from G20 members are to gather in Jaipur, about 300 km from the capital New Delhi, for the August 24-25 Trade and Investment Ministerial meeting.

The Trade and Investment Working Group was set up in 2016 under the Chinese G20 presidency and has continued to hold talks on related issues at subsequent meetings.

"WTO reforms is one of the priority issues at G20," the official, said noting that the agenda for the G20, who account for nearly 85 percent of global GDP, will include the role of logistics in expanding global value chains and small businesses.

## Oil prices up 1%

REUTERS, Bengaluru

Oil prices rose about 1 percent on Friday on signs of slowing US output, but both crude benchmarks also ended their longest weekly rally of 2023 on mounting concerns about global demand growth.

West Texas Intermediate (WTI) crude futures gained 86 cents, or 1.1 percent, to settle at \$81.25 a barrel, and Brent crude futures rose 68 cents, or 0.8 percent, to settle at \$84.80 a barrel.

Both benchmarks pushed higher on Friday after industry data showed that the US oil and natural gas rig count, an early indicator of future output, fell for the sixth week in a row.



Workers are seen at the "common facility centre" established by SME Foundation for shoemakers in Kaluhati village under Rajshahi's Charghat upazila.

PHOTO: COLLECTED

# New initiative to boost shoemaking

ANWAR ALLI, Rajshahi

The SME Foundation has established a common facility centre (CFC) for shoemakers in Kaluhati village under Rajshahi's Charghat upazila, a move that is expected to help businesses improve the quality of their products.

State Minister Mohammad Shahriar Alam, also a ruling party lawmaker from the area, inaugurated the facility on Friday. It has been set up under a Tk 2.5 crore project.

Located on a 3,000 square-foot site, the CFC has already bought 13 machines to cut, stitch and finish leather and 15 more machines would be purchased gradually, said Md Mafizur Rahman, managing director of the state-run agency.

It came after the SME Foundation conducted a study in the village in 2013. The foundation has already provided training to shoemakers in the last seven years.

"The facility will help shoemakers improve the quality of their products using modern technologies. Our dependence on imported leather goods will also lessen once the initiative turns out a success," Rahman said.

Some 85 shoemaking entrepreneurs and 500 workers dependent on them would directly benefit from the CFC, said Md

Shohrub Hossain, upazila nirbahi officer.

The facility is the first of its kind in the country and will be run by a committee headed by Hossain.

Shoemakers say the CFC will remarkably improve their lives by helping them improve the quality of their products and increase productivity and access new markets.

**Located on a 3,000 square-foot site, the facility centre has already bought 13 pieces of machinery and 15 more would be purchased gradually**

"We are very happy to have this CFC in our village," said Ranju Ali, president of the Kaluhati Paduka Cluster.

"It will help us make not only better shoes but also other leather goods and sell them at a higher price."

The first shoemaking factory in Kaluhati was set up in 1980. Witnessing its success, other villagers established factories, turning the village into a hub for shoemaking with their sales network spread across Bangladesh.

After the Awami League-led government

came to power in 2009, Shahriar Alam, then a ruling party lawmaker, started supporting small industries.

The village had 10 factories in 2010 and it now boasts 65 units, producing five lakh pairs of sandals and loafers annually and providing jobs to around 10,000 people, said Sohel Rana, general secretary of the cluster.

"The CFC will help shoemakers learn new skills and improve their business management. It will also help us manufacture new leather goods, including belts, wallets and ladies' bags."

Speaking at the event, the state minister said that the CFC is a major initiative of the government to support small and medium enterprises (SMEs).

"The government is committed to providing all necessary support to SMEs to help them contribute to the economy."

The SME Foundation plans to set up more CFCs in other parts of the country.

In a 2013 study, the foundation identified 177 clusters in the light-engineering, handloom, embroidered quilt, garment and handicraft sectors across the country.

Some 70,000 businesses in the clusters generate an annual turnover of Tk 30,000 crore and have employed 20 lakh workers, Rahman added.

## Nat'l Housing Finance completes 25yrs of operation

STAR BUSINESS DESK

National Housing Finance and Investments Ltd, a specialised financial institution, has completed 25 years of operation in the financial sector.

The institution has been serving and empowering people to achieve their dreams of homeownership while promoting financial inclusion and environmental sustainability with a branch network and customer-centric approach for the last two decades.

Whether it is facilitating the purchase of flats or providing financial support to build houses, the institution's customised solutions have positively impacted the lives of numerous families.

Currently, it is operating its activities all over the country with 10 branches and three sales offices, said a press release.

The branches are located in Motijheel, Gulshan, Karwanbazar, Gazipur, Chattogram, Rajshahi, Bogura, Rangpur, Khulna and Feni, while its sales offices are in Uttara, Mirpur and Narayanganj.

In 1998, the institution embarked on a journey with a bold vision to create a financial institution that would not only serve as a safe haven for our customers' hard-earned money, but also as a catalyst for economic growth and development in the community.

National Housing is now owned by 15 renowned corporate shareholders, which include three banks (National Bank, United Commercial Bank and IFIC Bank), seven insurance companies (Jiban Bima, Sadharan Bima, Eastern, Eastland, National Life, Reliance and Pragati) and five corporate/business groups (Square Pharmaceuticals, Bangladesh Lamps, HRC Group, Shaw Wallace Bangladesh and Borak Travels).

National Housing obtained Bangladesh Bank licence on December 29, 1998, as a non-bank financial institution specialised to cater the basic need of shelter.

National Housing became a member of Dhaka Stock Exchange on December 23, 2008, and Chittagong Stock Exchange on November 11, 2008.

## SBAC Bank elects new chairman

STAR BUSINESS DESK

SBAC Bank Ltd has elected a new chairman at a meeting of its Board of Directors last week.

The electee, Abu Zafar Mohammad Shofiuddin, is the chairman of SQ Group, a family-run business which manufactures power generation and distribution equipment through 23 factories and employs over 6,000 individuals, said a press release.

Shofiuddin obtained a master's degree in marketing from the University of Dhaka and another in business administration from the University of the West of Scotland.



## Japan inflation eases

AFP, Tokyo

Japan's consumer price inflation eased to 3.1 percent year on year in July, in line with market expectations, government data showed Friday.

The figure for the world's third-largest economy, which excludes volatile fresh food prices, followed a 3.3 percent reading in June.

Stripping out fresh food and energy, Japan's prices rose 4.3 percent, data published by the

internal affairs ministry showed.

Friday's core consumer price index figure matched market expectations of 3.1 percent recorded in a Bloomberg survey. Prices for processed food, telecommunication costs and hotel rates rose while electricity bills declined.

Inflation in Japan has been less extreme than price hikes seen in other major economies such as the United States, which have been fuelled by the war in Ukraine and supply-chain disruptions.

## India slaps 40% duty

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Bangladesh imports onions from India to meet its domestic demand.

Yesterday locally grown onions were traded at Tk 80-Tk 85 per kilogramme, up 3.12 percent from Tk 75-Tk 85 per kg the week before, according to state-run Trading Corporation of Bangladesh (TCB).

Prices of imported onions remained steady at Tk 55-Tk 60

per kilogramme in the local market over the past week. But if the past month is considered, the price has gone up by 28 percent, showed the TCB data.

India's move is likely to impact onion prices in Bangladesh, said Dipankar Ghosh, organising secretary of the Clearing and Forwarding Agents Association in the border area of Bhomra.

## Investment dries

FROM PAGE B1  
"Sometimes, diesel is used but it is expensive."

NZ Tex is currently dyeing 1.25 lakh metres of yarn daily against its capacity of two lakh metres.

Zaman underscores the importance of a smooth supply of gas, saying a \$2 used to burn gas in the textile sector can generate revenues of \$38.

"So, if gas is not supplied adequately in the dyeing sector, garment export may witness a decline."

Monsoor Ahmed said setting up a dyeing unit would cost Tk 200 crore to Tk 250 crore a few years ago but now it requires Tk 500 crore to Tk 600 crore.

This is because dyeing units need modern effluent treatment plants

that are expensive and modern boilers, he said.

"It is really hard to come up with such a big investment plan at a time when gas supply is insufficient," said Mohammad Ali Khokon, president of the BTMA.

"Nobody wants to take the risk as the gas supply situation is not improving. Running boilers and generators with the current pressure of gas is not possible."

According to Khokon, under the current financial crunch, it is not possible to invest Tk 500 crore to set up a dyeing unit.

He warned that if adequate gas is not supplied to primary textile units, achieving the garment export target of \$100 billion by 2030 might not be possible.

## Summer onion cultivation

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As part of the initiative, her family has leased land in Birol upazila of the northwest district Dinajpur to cultivate onion on three acres this season.

"We expect to harvest the bulb in November, when the stock of winter onions at the farmers' end exhausts and prices remain higher," she added.

However, growing saplings of onions is challenging because of rainfall.

"It is tough. Rain has damaged a portion of my seedlings," she said.

Shahida also said the risk of heavy rainfall and flood are the two main challenges, but floods do not occur everywhere in the country.

Shailendra Nath Mozumder, principal scientific officer of the Bangladesh Agricultural Research Institute (BARI), said farmers were not habituated with onion cultivation earlier.

"Now, the major challenge is

seed shortage. Production can be increased if we can produce seeds and make those available to farmers," he said. "If we can do that, we can increase locally grown onion to address the supply shortfall during the lean period."

"We also need to boost production of winter onions," said the BARI scientist, adding that farmers would be eager to cultivate onions if they are ensured profitable prices.

"Their interest should be protected by hiking the import duty during harvesting season," he added.

Md Noor Alam Chowdhury, program director of the summer onion project at Spice Research Center, said there are many potential districts for summer onion cultivation, namely Meherpur, Chuadanga, Kushtia, Pabna and Dinajpur.

"We will train farmers and field level agricultural officials in those regions where summer onions grow well. We will also provide seeds to farmers," he added.

(Our Faridpur correspondent contributed to the story)



## Ron Haque

FROM PAGE B1

Despite repeated attempts, The Daily Star could not reach National Bank Managing Director Md Mehmood Husain over phone or through text message.

After the death of National Bank Chairman Zainul Haque Sikder, his wife Monowara Sikder became the new chairman.

Their daughter Parveen Haque Sikder and two sons Rick Haque Sikder and Ron Haque Sikder were on the bank's board before the demise of Zainul Haque.

The bank is now facing several crises along with highest ever losses and high non-performing loans (NPLs).

The bank suffered losses of over Tk 3,200 crore in 2022 due to huge loan irregularities.

At the end of March this year, the bank's NPLs stood at Tk 7,774 crore, which is 18.35 percent of its total disbursed loans, as per the BB data.

The Bangladesh Bank has recently signed an agreement with the bank to improve its financial health.

## Businesses laud pension scheme

FROM PAGE B1

For instance, if a company that had availed Progati falls in financial trouble or goes bankrupt, the government will automatically take over the responsibility of its employees under the UPS, he explained.

Till date only those in public service used to get pension after retirement but now private sector employees will also get the same benefit, he said.

The government has introduced the UPS to ensure social security of the private employees and general people, said Jashim Uddin, the immediate past president of the Federation of Bangladesh Chambers of Commerce and Industry.

"We as employers set aside amounts for provident fund and gratuity of employees in bank accounts. If any organisation enrolls

for the retirement benefit, the same amounts will automatically be channelled to the government for the UPS," he explained.

The UPS is apparently a good move towards ensuring an inclusive social safety net for people of all sections, said Asif Ibrahim, chairman of Chittagong Stock Exchange.

This Progati scheme aims at protecting over 70 million (private sector) people which is a shift from the conventional government pension scheme limited to the 1.4 million public servants, he said.

"Indeed, it will take some time to comment on whether it will be largely beneficial for the private sector or not," he noted.

However, Ibrahim pointed out some salient features.

The fund accumulating under

the UPS is expected to be invested in profitable schemes, ensure low-cost long-term financing for development projects and reduce public sector borrowing from banks, he said.

This, in turn, may help the private sector to grow further and get access to larger credit for investments, he said.

On the other hand, a huge number of private sector employees will get the guarantee of a pension and enhanced financial security after the end of their employment, he said.

"However, we feel that extensive transparency and good governance are essential for this timely scheme to run and flourish," he said.

The UPS is a good scope for the corporate sector to ensure welfare of its employees in partnership with the government, said Towfiqul Islam Khan, senior research fellow at the

Centre for Policy Dialogue.

He suggested that the government actively encourage the private sector to come under the Progati scheme.

However, the UPS funds will need to be invested in income generating activities in a professional manner for securing adequate returns and turn the UPS in to a sustainable and reasonably profitable venture, he said.

Otherwise, it will be a burden for the government, he noted.

Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry, said initially there could be challenges, such as differing perceptions, especially over how much it would truly benefit.

However, the chamber feels that with transparency and good governance, the UPS can make a difference with time, he said.