

Khairuzzaman new finance secretary

STAR BUSINESS REPORT

Energy Secretary Md Khairuzzaman Mozumder has been appointed as the new finance secretary, the public administration ministry said in a notice yesterday.

He would replace Fatima Yasmin, who has been picked by the Asian Development Bank (ADB) as the first vice-president from Bangladesh at the development lender.

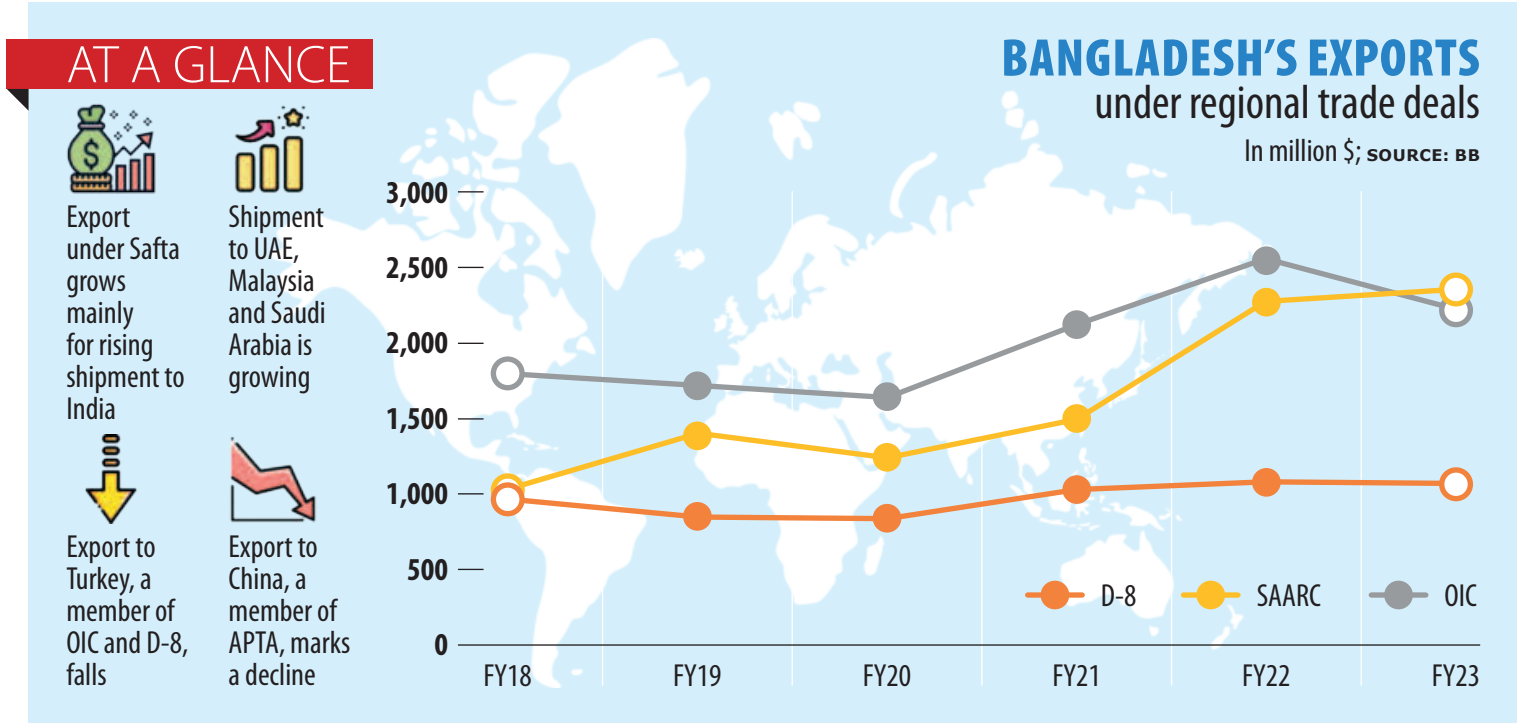
Mozumder obtained bachelor and master degrees in international relations from the University of Dhaka and an MA in political economy from McGill University in Canada.

He has a PhD in government (political economy) from the University of Essex in the United Kingdom.

A cadre of the 11th batch, Mozumder joined Bangladesh Civil Service (Administration) in 1993 and later served in various positions at the finance, commerce and energy ministries.

Before joining the Energy and Mineral Resources Division, Mozumder was an

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Export gains limited from existing trade deals

SOHEL PARVEZ

Bangladesh has so far signed five bilateral and regional trading agreements to bolster exports, trade and investments with a view to expediting economic growth.

However, except for the South Asian Free Trade Area (Safta), the export growth to the countries covered by various trading deals has not been buoyant.

India is the major country where Bangladesh has managed to boost its shipment over the years thanks to the duty-free benefit provided by New Delhi to least-developed countries (LDCs) except for 25 products under

the Safta, data from the Export Promotion Bureau (EPB) showed.

Bangladesh's exports to Saarc countries under the Safta doubled to \$2.36 billion in the fiscal year of 2022-23 from \$1.04 billion five years ago.

On the other hand, exports to the 57-member Organisation of Islamic Cooperation (OIC) under the Trade Preferential System grew 24 percent to \$2.23 billion in the five years to FY23.

In the case of D-8, an

organisation comprising eight Muslim-majority developing nations, Bangladesh's export rose 11 percent to \$1.07 billion since 2017-18.

Mostafa Abid Khan, a former member of the Bangladesh Trade and Tariff Commission, said one of the reasons behind the slow growth of export to the countries under the D-8 PTA has been the limited coverage of products and low preferential margins with limited tradable products of Bangladesh.

The number of items that qualify for concessional tariffs under the OIC TPS is also small, he said.

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As the demand for some essential products, including oil and sugar, is met through imports, volatility in the international market affects the local market.

PHOTO: STAR/FILE

Tax receipts grow 15%

STAR BUSINESS REPORT

Revenue collection climbed 15 percent year-on-year in July, driven by a spike in income tax and VAT receipts from domestic trade and economic activities, according to the provisional data of the National Board of Revenue (NBR).

The tax administration generated Tk 20,560 crore in revenues in the first month of the new fiscal year of 2023-24, up from Tk 17,820 crore during the same period a year ago.

Income tax collection grew 9.6 percent to Tk 5,213 crore. The NBR, however, did not see any growth in direct tax collection in the same month a year ago.

In the case of VAT, the revenue collector registered a 21.5 percent growth to Tk 7,654 crore in July.

Revenue collection from overseas trade, particularly as tariffs and other taxes on imported items, slowed.

Customs houses collected Tk 7,693 crore in July, registering nearly 14 percent growth, according to the NBR.

Unscrupulous traders behind abnormal price hike: secretary

STAR BUSINESS REPORT

The prices of essential goods sometimes go up in Bangladesh due to unscrupulous traders, resulting in suffering for consumers, said Tapan Kanti Ghosh, senior secretary of the commerce ministry, yesterday.

He said the demand for some essential products, including oil and sugar, is met through imports. Sometimes, volatility in commodity prices is observed owing to the volatility in the international market.

But essential commodities are sometimes sold at higher-than-expected prices. Businessmen should not do this, he said.

Ghosh spoke at a multi-stakeholder discussion styled "Strengthening Business-Agency Collaboration" organised by the Dhaka Chamber of Commerce & Industry (DCCI) at the latter's office in the capital.

The senior secretary said the government is never against businessmen. Rather, the public sector always tries to facilitate the private sector since the contribution of the latter to the economy is higher.

DCCI President Md Sameer Sattar highlighted a few challenges standing in the way of maintaining price stability.

The challenges include complex customs

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FBCCI chief wants FTA with US

STAR BUSINESS REPORT

The governments of Bangladesh and the USA should take an initiative to sign a free trade agreement (FTA) in order to increase bilateral trade, new FBCCI chief Mahbulul Alam said yesterday.

The president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body of

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CORRECTION

In a report headlined "11 NBFs leave investors in dark" published in Star Business yesterday, it was mistakenly stated that International Leasing and Financial Services Ltd (ILFSL) has not published financial statements for 2022 as well as for the first two quarters of 2023. Actually, the ILFSL has published the financial statements for 2022 and also for the first two quarters of 2023. We regret the error.

BRICS MEMBERSHIP Experts don't see immediate benefits

REFAYET ULLAH MIRDHA

Bangladesh might not reap immediate benefits if it is made a member of the BRICS bloc, local economists said yesterday, as the alliance looks to expand.

Founded in 2009, BRICS is currently a five-nation alliance comprising Brazil, Russia, India, China and South Africa.

So far, more than 40 countries, including Saudi Arabia, Iran, the UAE, Argentina, Indonesia, Egypt, Ethiopia and Bangladesh, have expressed their interest in joining BRICS. Twenty-two have formally asked to be admitted.

Trade economists are sceptical about the benefits of associating with BRICS as it is more of a political alliance than a trading bloc.

And as expected, enlarging BRICS has topped the agenda at the 15th BRICS Summit taking place in Johannesburg.

Leaders of the BRICS bloc of leading developing countries have agreed to mechanisms for considering new members, South Africa said on Wednesday, paving the way for dozens of interested nations to join the group, Reuters reported.

"We have agreed on the matter of expansion," said South Africa's foreign minister Naledi Pandor, following a meeting by BRICS leaders at the three-day summit.

However, economists in Bangladesh are sceptical about the benefits of associating with BRICS as it is more of a political alliance than a trading bloc.

Still, they are optimistic about what Bangladesh could gain in future from BRICS as its members make up 40 percent of the global population, providing access to a considerable consumer base.

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Idcol pays govt Tk 70cr dividend

STAR BUSINESS DESK

The Infrastructure Development Company Ltd (Idcol) has paid a dividend of Tk 70 crore to the government exchequer from its net profit of the last financial year of 2022.

Sharifa Khan, secretary to the Economic Relations Division and chairman of Idcol, handed over the dividend cheque to Finance Minister AHM Mustafa Kamal at the finance ministry in Dhaka yesterday, said a press release.

After receiving the cheque, the finance minister said, "Idcol has set an example in financing infrastructure development, and energy and renewable energy sectors of Bangladesh."

In the previous financial year, the state-owned institution had paid a dividend of Tk 50 crore to the government. Idcol's profit before tax and provision was Tk 698.79 crore in 2022.

A total amount of Tk 120 crore from the profit made by Idcol during 2022 was declared as dividend at its 26th annual general meeting.



Sharifa Khan, secretary to the Economic Relations Division and chairman of the Infrastructure Development Company Ltd, hands over a dividend cheque worth Tk 70 crore to AHM Mustafa Kamal, minister for finance, at the finance ministry in Dhaka yesterday.

PHOTO: IDCOL

Australia strikes may impact LNG prices: Shell

REUTERS, Singapore

Global gas prices could rise in the short term if strikes at Australia's liquefied natural gas (LNG) plants take place, but markets are well balanced now with inventory levels keeping high in North Asia and Europe, a Shell executive said on Wednesday.

Gas prices jumped in Asia and Europe last week on concerns that industrial action could disrupt exports from major Australian LNG plants operated by Woodside Energy and US major Chevron. Prices have eased so far this week.

"The supply and demand balance in LNG is quite matched which is why we see some vulnerability (in prices)," Zoe Yujnovich, Shell's integrated gas and upstream director, told reporters.

Gas prices jumped in Asia and Europe last week on concerns that industrial action could disrupt exports from major Australian LNG plants

However, she said there has not been significant hedging or changes in buying patterns so far as a result of the potential strikes.

"It's been a little bit of an over-reaction globally in terms of price response," Yujnovich said.

Woodside Energy is in talks with unions to avoid strikes at North West Shelf, Australia's largest LNG facility, to resolve disputes over wages and working conditions.

Those talks come a day before the close of ballot at Chevron's LNG plant at Gorgon and at its Wheatstone operations where workers will be voting to decide whether to allow their unions to call strikes. North West Shelf, along with the Gorgon and Wheatstone facilities, supply about one-tenth of the global LNG market.

LNG markets could become fairly challenging if China's gas demand rebounds significantly and Europe experiences a cold winter in coming months, Shell's Yujnovich said.

Shell is still bullish on longer term LNG fundamentals but uncertainty about China's economic growth is a key risk to the demand outlook, she said.



Md Kyser Hamid, managing director of Bangladesh Finance, and Md Mahmudur Rahman, founder of WeGro Technologies, exchange signed documents of an agreement on financial inclusion at the former's head office at Diluksha, Motijheel in Dhaka yesterday.

PHOTO: BANGLADESH FINANCE

Bangladesh Finance signs deal with WeGrow Tech

STAR BUSINESS DESK

Bangladesh Finance Ltd yesterday signed a collaboration agreement with WeGro Technologies Ltd, a Dhaka-based agri-tech startup, for the purpose of financial inclusion of marginal agricultural entrepreneurs.

Md Kyser Hamid, managing director and CEO of the non-bank financial institution, and Md Mahmudur Rahman, founder and CEO of the agri-tech startup, inked the deal at the former's head office at Diluksha, Motijheel in Dhaka, said a press release.

Through this agreement, the two organisations will ensure cooperation in various ways, including providing loans to small agricultural entrepreneurs on easy terms and supplying and selling their products at fair prices.

"Bringing entrepreneurs from remote areas under financial inclusion was one of the main tasks for this prestigious recognition," said Hamid.

Jamuna Bank inks deal with Kolkata hospital

STAR BUSINESS DESK

Jamuna Bank Ltd recently signed an agreement with Apollo Multispecialty Hospitals in Kolkata.

Under the deal, the bank's cardholders can enjoy up to 30 percent discounts at the hospital, including pick and drop at airport, and ambulance services.

Mirza Elias Uddin Ahmed, managing director and CEO of the bank, and Rana Dasgupta, chief executive officer of Apollo Hospitals (eastern region), signed the deal at the bank's head office in Dhaka, said a press release.

Among others, AKM Atiqur Rahman, deputy managing director of the bank, Md Shahidul Islam, head of corporate, Md Mehedi Hasan, head of treasury, Md Mukhlesur Rahman, head of credit administration, Abul Faisal Mannan, head of human resources department, Adnan Mahmud Ashraf-Uz-Zaman, head of card, MM Masumuzzaman, Bangladesh representative of the hospital, and Sriji Ghosh, senior marketing manager, and other top officials of both organisations were present.



Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, and Rana Dasgupta, chief executive officer of Apollo Hospitals (eastern region), exchange signed documents of an agreement at the former's head office in Dhaka recently.

PHOTO: JAMUNA BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 23, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	-2.22 ↓	-8.97 ↓
Coarse rice (kg)	Tk 48-Tk 50	-2 ↓	-13.27 ↓
Loose flour (kg)	Tk 48-Tk 50	-3.92 ↓	-3.92 ↓
Lentil (kg)	Tk 95-Tk 100	2.63 ↑	-9.3 ↓
Soybean (litre)	Tk 155-Tk 160	-2.78 ↓	-9.48 ↓
Potato (kg)	Tk 36-Tk 42	2.63 ↑	39.29 ↑
Onion (kg)	Tk 80-Tk 90	36 ↑	70 ↑
Egg (4 pcs)	Tk 50-Tk 53	7.29 ↑	21.18 ↑
SOURCE: TCB			



Hassan O Rashid, managing director of Prime Bank, and Nazeem Noordali, chief operating officer of the International Islamic Trade Finance Corporation, exchange signed documents of an agreement on a syndicated murabaha financing facility of \$40 million for the bank at the former's headquarters in Dhaka. Senior representatives from both the institutions were present. Story on B4

PHOTO: PRIME BANK

Xiaomi gets nod to make EVs

REUTERS, Hong Kong

Xiaomi Corp has won the approval of China's state planner to manufacture electric vehicles (EVs), said two people with knowledge of the matter, marking a major step towards the smartphone maker's goal of producing cars by early next year.

The National Development and Reform Commission (NDRC), which regulates new investments and production capacity in China's auto industry, gave the nod for EV manufacturing to Beijing-based Xiaomi earlier this month, said the people. Xiaomi's venture is only the fourth since end-2017 to win NDRC approval.

While NDRC's nod brings Xiaomi closer to mass production of EVs more than two years after it first announced the plans, the venture still needs clearance from the Ministry of Industry and Information (MIIT), which assesses new automakers and models for technical and safety requirements.

And it would be entering China's car manufacturing sector at a time when the world's largest auto market is wrestling with a series of issues, including a capacity glut and slowing demand that have stoked a bruising price war and hit supplier margins.

Xiaomi had pledged a \$10 billion investment over a decade in the automobile business and set a goal of mass producing its first cars in the first half of 2024. But there were doubts if the timeline could be met as the NDRC has been cautious in approving new EV production plans of companies because of concerns on overcapacity and slowing demand in the sector.

Tesla Inc's plan to expand its Shanghai plant had yet to win the nod to go ahead, Reuters reported in June. And industry sources have previously told Reuters U.S. luxury EV maker Lucid Group is keen to make cars in China but has been advised that the possibility was low.

Reuters was not immediately able to determine why NDRC granted

approval to Xiaomi. Its EV plant has been marked by the Beijing municipal government as an important industrial upgrade project.

Xiaomi, which owns the world's third largest smartphone brand by shipments, did not immediately respond to a request for comment. The NDRC and MIIT also did not immediately respond to faxed requests for comment. The sources declined to be named as the matter is private.

While it awaited the approvals, Xiaomi has forged ahead on the venture, completing construction of factory facilities capable of producing 200,000 EVs annually in Beijing, according to a report in state-run newspaper Beijing Daily in July.

Xiaomi plans to produce about 100,000 EVs next year, said one of the sources. It has also accelerated hiring workers for its EV plant since last week as it prepares a production ramp-up in December, two Xiaomi workers, who did not wish to be named because of the sensitivity of the matter, told Reuters.

Eurozone economic downturn

FROM PAGE B4

Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.

The data showed the eurozone service sector fell into decline in August, recording the first contraction in activity since last December.

The eurozone's woes have been inflamed by downturns in the European Union's biggest economies,

France and Germany.

"In the manufacturing sector, Germany's firms are reducing their output at a much faster pace than the French ones.

This will only fuel the discussion of Germany being the sick man of Europe," de la Rubia said.

Germany's "lacklustre" economy will likely stagnate again in the third

quarter, the Bundesbank central bank said Monday, as the International Monetary Fund predicts it will be the only major advanced economy to shrink in 2023.

The dire PMI data comes as the European Central Bank (ECB) will decide next month whether to continue raising interest rates in the race to tame red-hot inflation.

 Government of the People's Republic of Bangladesh Office of the Controller of Stores (East) Bangladesh Railway CRB, Chattogram-4000 www.railway.gov.bd					
Ref. No. 54.01.1500.117.07.001.22-11		Dated: 22-08-2023			
e-Tender Notice					
The Controller of Stores (East), Bangladesh Railway, CRB, Chattogram has invited e-Tenders through National Electronic Government Procurement Portal (https://www.eprocure.gov.bd/) from the Eligible and Qualified Potential Tenderers for the following procurements:					
S. No.	Tender ID/Package No.	Procurement nature/title	Procurement method (type)	Publication and closing date	
1	862519, HD/135/001/23	Procurement of LED Bulb (Green) 90-265 Volt, 50 HZ, 18 Watt under HD class for DCOS-PHT.	OTM (NCT)	22-Aug-2023 12:00:00 07-Sep-2023 14:00:00	
2	862520, HD/135/002/23	Procurement of LED Bulb (Green) 25 Watt, 90-265 Volt, 50 HZ under HD class for DCOS-PHT.	OTM (NCT)	22-Aug-2023 14:00:00 07-Sep-2023 12:30:00	
3	862522, HB-2/130/008/23	Procurement of 02 (Two) items electrical Goods under HB-2 class for DCOS-PHT.	OTM (NCT)	22-Aug-2023 10:30:00 11-Sep-2023 11:30:00	
4	862521, HD/135/003/23	Procurement of LED Bulb (Power) 50 Watt, 90-265 Volt, 50 HZ under HD class for DCOS-PHT.	OTM (NCT)	22-Aug-2023 11:00:00 13-Sep-2023 12:01:00	
5	862523, HB-2/130/010/23	Procurement of 02 (Two) items electrical Goods under HB 2 class for CEE East.	OTM (NCT)	22-Aug-2023 11:00:00 13-Sep-2023 12:30:00	
Note:					
1. Only electronic tenders in e-GP Portal (https://www.eprocure.gov.bd/) shall be accepted and evaluated.					
2. Manual/hardcopy of tender shall not be acceptable.					
3. All interested suppliers are requested to participate in e-Tenders.					
4. All suppliers enlisted in COS (E), CRB, Chattogram office are requested to complete their user registration in the e-GP System of the government without any delay. More e-Tenders are coming soon.					
5. For more information regarding user registration, they may contact with e-GP helpdesk of CPTU (24/7 open).					
6. Help Desk Phone: +8809609112233, +8801762625528, +8801762625529, +8801762625530, +8801762625531.					
Help Desk e-mail: helpdesk@eprocure.gov.bd					
Engr. Md. Anwarul Islam Controller of Stores (East) (Adl Charge) ☎ 01711-691652 ✉ cos@railway.gov.bd					
এস(২৩) (২৫৬) জিডি-১২৮-৭					

No more online training for insurance agents: Idra

STAR BUSINESS REPORT

The country's life and non-life insurance companies will no longer be able to conduct online training programmes for agents, the insurance regulator said in a circular yesterday.

In addition, the insurers will have to conduct the trainings by quality trainers and maintain a list of trainers.

The insurance companies will also have to take prior approval from the Insurance Development and Regulatory Authority (Idra) to conduct any training for the agents, according to the circular.

The title, duration and training schedule, location, number of trainees and evaluation method of the training course should be sent to the Idra at least seven workdays before the start of the training to take prior approval, the Idra said.

The instructions have been issued to insurance companies to ensure transparency and quality in conducting mandatory training programmes for insurance agents, it said.

Bangladesh has 81 insurance companies, of which 35 companies deal with life insurance and 46 non-life.

German business activity slumps

REUTERS, Berlin

German business activity contracted at the fastest pace for more than three years in August, a preliminary survey showed on Wednesday.

The HCOB German Flash Composite Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 44.7 from July's 48.5, hitting its lowest since May 2020 and confounding analysts' expectations for a reading of 48.3.

The indicator was below the 50 level denoting growth in activity for the second consecutive month.

The composite PMI index tracks the services and manufacturing sectors, which together account for more than two-thirds of Germany's economy.



A hawker goes round selling mats in villages in Baje Fulchhari Char in Fulchhari upazila, some 20 kilometres away from Gaibandha district headquarters. The photo was taken recently.

PHOTO: MOSTAFA SHABUI

EBL, Pran sign interest swap deal

STAR BUSINESS REPORT

Eastern Bank Ltd (EBL) and leading agro-processor Pran Agro Ltd yesterday closed the country's first local currency interest rate swap (IRS) deal, a financial instrument for managing interest rate volatility.

Unlike conventional loans, IRS involves no upfront capital transfer but rather orchestrates the exchange of fixed and floating rate payments at periodic intervals. This strategic tool allows entities to hedge against potential risks and fluctuations in interest rates.

Under the deal, the EBL will pay Pran at fixed 7 percent while Pran will pay EBL based on an interbank repo (IBR) rate every quarter for a year, the bank said in a statement. The Bangladesh Bank publishes the IBR rate daily and the first quarter average was 6.37 percent.

Pran will make more profit if the IBR falls or stays below 7 percent and will incur losses from the transaction if the IBR rate exceeds 7 percent consistently.

This is the first time that the risk from swaps will be fully managed locally in a Bangladeshi bank through the use of government treasuries

and repos, officials of the bank said.

"The successful execution of Bangladesh's first local currency interest rate swap is a great tool to reduce interest rate risk," said Ali Reza Iftekhar, managing director and CEO of EBL.

Under the deal, EBL will pay Pran at fixed 7 percent while Pran will pay EBL based on an interbank repo (IBR) rate every quarter for a year

He said EBL is proud to collaborate with Pran Agro Ltd in this endeavour and the bank is confident that this pioneering step will pave the way for further growth.

The EBL CEO spoke at a programme organised at the bank's headquarters in Dhaka.

The execution of the deal required extensive regulatory engagement with four departments of Bangladesh Bank, starting from November 2021 and finally getting

the approval on February this year, said an official of EBL.

Through this groundbreaking initiative, Pran Agro has effectively minimised the inherent interest rate risk associated with its manufacturing profits, the bank said in the statement.

"Furthermore, the company has realised tangible benefits with a favourable payment received during the initial quarter of this arrangement."

The landmark development highlights the immense potential of interest rate swaps in enhancing financial resilience and bolstering economic growth, it read.

Interest rate swaps are integral tools used across the globe, from developed economies to emerging markets, including India, where daily trading volumes of around 30,000 crore rupees, the EBL said.

With Bangladesh now a \$460 billion economy, the prospects for fostering a vibrant swaps industry are immense, said Mohammad Shahriar Siddiqui, director of the banking regulation and policy department at the Bangladesh Bank.

Uzma Chowdhury, a director of Pran- RFL Group, also attended the event.

India set to ban sugar exports

REUTERS, Mumbai/New Delhi

India is expected to ban mills from exporting sugar in the next season beginning October, halting shipments for the first time in seven years, as a lack of rain has cut cane yields, three government sources said.

India's absence from the world market would be likely to increase benchmark prices in New York and London that are already trading around multi-year highs, triggering fears of further inflation on global food markets.

"Our primary focus is to fulfil local sugar requirements and produce ethanol from surplus sugarcane," said a government source who asked not to be named in line with official rules. "For the upcoming season, we will not have enough sugar to allocate for export quotas."

India allowed mills to export only 6.1 million tonnes of sugar during the current season to September 30, after letting them sell a record 11.1 million tonnes last season.

India's absence from the world market may increase benchmark prices in New York and London

In 2016, India imposed a 20 percent tax on sugar exports to curb overseas sales.

Monsoon rains in the top cane growing districts of the western state of Maharashtra and the southern state of Karnataka - which together account for more than half of India's total sugar output - have been as much as 50 percent below average so far this year, weather department data showed.

Patchy rains would cut sugar output in the 2023/24 season and even reduce planting for the 2024/25 season, an industry official, who declined to be named, said. Local sugar prices jumped this week to their highest level in nearly two years, prompting the government to allow mills to sell an extra 200,000 tonnes in August.

"Food inflation is a concern. The recent increase in sugar prices eliminates any possibility of exports," said another government source.

STOCKS		
DSEX ▲	CASPI ▲	
0.20%	0.08%	
6,275.75	18,561.33	

COMMODITIES		
Gold ▲	Oil ▼	
\$1,901.71	\$78.68	
(per ounce)	(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.33%	▲ 0.48%	▲ 0.45%	▼ 1.34%	
65,433.30	32,010.26	3,174.18	3,078.40	

UK economy on course to shrink

REUTERS, London

Britain's economy looks on course to shrink during the current quarter and risks falling into a recession, as a survey on Wednesday showed a slump in factory output and broader weakness in the face of higher interest rates.

The S&P Global/CIPS composite Purchasing Managers' Index (PMI) tumbled to 47.9 in August from 50.8 in July, according to a preliminary estimate which was below all forecasts in a Reuters poll of economists.

The reading was the lowest since January 2021, when Britain was in a Covid-19 lockdown, and the first fall below the 50 level which divides growth from contraction since

January this year.

Britain's economy - struggling with high inflation as well as the after-effects of the coronavirus pandemic and Brexit - last shrank in the third quarter of 2022, when many businesses closed to mark Queen Elizabeth's funeral. Since then it has defied widespread forecasts of recession but has grown slowly.

Chris Williamson, chief business economist at S&P Global Market Intelligence, said the PMI pointed to a 0.2 percent fall in overall economic output during the three months to the end of September.

"The fight against inflation is carrying a heavy cost in terms of heightened recession risks," he said.

Unscrupulous traders

FROM PAGE B1
procedures, multiple intermediaries in supply chains, and the production of counterfeit products by unscrupulous businessmen.

"Customs clearance process needs to be faster to reduce the cost of doing business," Sattar said.

The business leader said the capacity of Bangladesh Standards and Testing Institution needs to be enhanced.

He emphasised coordination among the Bangladesh Trade and Tariff Commission, the Bangladesh Competition Commission and the National Board of Revenue.

"Strict monitoring is needed to minimise price variation for similar products," he said, calling for proper coordination between businesses and government agencies.

Dhaka North City Corporation Mayor Atiqul Islam said the focus on market monitoring should be strong and collaboration among all

stakeholders is a must.

He urged the government to end the harassment facing the business community.

Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, said if anyone creates an artificial crisis and contributes to inflating prices, he or she should be brought to justice.

AHM Shafiquezaman, director-general of the Directorate of National Consumers Right Protection, sought help from honest businessmen to stand against dishonest traders who try to create an artificial crisis in the market.

Bellal Hossain Sheikh, director for administration and accounting at the Department of Labour, said there is no alternative to maintaining good relations with industries in order to implement labour laws.

Consumers Association of Bangladesh Treasurer Md Monjur-e-Khoda Tarafdar also spoke.

Export gains limited

FROM PAGE B1

Bangladesh enjoys duty-free market access for most of its products in India, China and South Korea.

"As Bangladesh is set to graduate from the LDC group, we need to change our approach to getting market access without reciprocity. Rather, we need to give concessions to other countries to ink trade and investment agreements with them as well as blocs such as Regional Comprehensive Economic Partnership," said Khan.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the role of the regional trading agreements signed by Bangladesh is insignificant.

"The country is mainly benefiting as an LDC."

The government is in talks to sign a Comprehensive Economic Partnership Agreement with India and Japan.

Moazzem thinks it is vital for

Bangladesh to start negotiations as soon as possible as the country will not get duty-free benefits in the Safta and Apta member countries after the LDC graduation in 2026.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the progress aimed at inking trade deals has been sluggish so far although it takes several years to complete negotiations.

"Bangladesh is yet to start negotiations. It appears that we have not taken the issue of free trade agreement seriously," he said, adding that Bangladesh also needs to open its market for others to strike trade pacts.

"We need to come out of the LDC mentality of receiving tariff benefits only."

AHM Ahsan, vice-chairman of the EPB, acknowledges that exports have not increased to the countries with

whom Bangladesh has struck trading agreements.

"But shipments might have grown at a slower pace if we had no preferential trade agreements."

He said not all member countries of the OIC have ratified the TPS and the product coverage under the D-8 is small.

"Our export basket is also narrow. So, we have not been able to reap the full benefit of trading agreements."

Turkey is a big market for jute goods. However, the export of jute goods to the country is suffering as a section of buyers have shifted to alternative yarn after the spike in prices of raw jute in Bangladesh, he added.

According to Ahsan, Bangladesh is benefiting from the Apta as exports to South Korea are growing.

"The government is preparing strategies to overcome the challenges that might appear following the LDC graduation."

Experts don't see

FROM PAGE B1

It also represents a quarter of the global economy and a fifth of global trade.

Regarding the economic potential of BRICS, South African President Cyril Ramaphosa said in a statement: "As we celebrate the 15th anniversary of BRICS, trade between BRICS countries totalled some \$162 billion last year. Foreign investment has played an important role in the growth of BRICS economies."

Besides, the total annual foreign direct investment in BRICS countries is four times greater than what it was 20 years ago.

However, the new wave of protectionism and the subsequent impact of unilateral measures that are incompatible with World Trade Organisation rules undermine global economic growth and development.

"We, therefore, need to reaffirm our

position that economic growth must be underpinned by transparency and inclusiveness," Ramaphosa added.

If BRICS forms an economic bloc in the future, Bangladesh may enjoy greater access to big markets like China and India after graduating from the group of least-developed countries in 2026, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

Bangladesh has been a primary member of the BRICS' New Development Bank (NDB) since 2021. From the NDB, the country can receive a handsome amount of low-cost funds for infrastructure development.

BRICS members are also members of the G20, Rahman said, adding that Bangladesh needs to establish a warm relationship with those members so that their trade potential can be utilised more.

Ahsan H Mansur, executive

director of the Policy Research Institute, said there is nothing to be gained from BRICS now as it is still a political platform.

"Still, it is better to have a warm relationship with such major global economies,"

Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development, also sees no immediate benefit from joining BRICS if the country's membership is approved.

But joining the bloc would increase the investment flow in the next three to five years as its members are major economies of the world, he added.

"Bangladesh would benefit if the BRICS members sign full-fledged free trade agreements among themselves in the future."

However, signing FTAs among the members is extremely difficult and time-consuming, he added.

FBCCI chief wants FTA

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the country, made the call at a meeting with US Embassy's Commercial Counselor John Fay at the FBCCI office in Dhaka.

The USA is the single largest export destination of Bangladesh and this is the right time for signing an FTA between the two nations in order to take advantage of the supply chains for enhanced mutual benefit, Alam said in a statement of the FBCCI.

The FBCCI is hopeful of building a diversified portfolio in trade relations with the USA in the days to come, he added.

The president of the apex trade body also wants to launch a platform for networking and business contacts and to arrange meetings and trade fairs for the Bangladeshi and American entrepreneurs to strengthen trade cooperation.

Bangladesh's main export items to the USA are woven garments, knitwear, home textile, footwear, leather, agriculture and frozen foods.

Khairuzzaman new finance secretary

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additional secretary at the finance ministry.

Fatima, the country's first female finance secretary, is scheduled to leave her current position at the finance ministry to join the ADB this month. This will be the first instance a Bangladeshi finance secretary is set to join a high-ranking position at the development lender.

She will be responsible for management of the newly created Sectors Group and the Climate Change and Sustainable Development Department under ADB's new operating model.

Md Nurul Alam, a former additional secretary of the power division, has been made the new secretary of the energy division.

ITFC arranges \$40m for Prime Bank

STAR BUSINESS DESK

The International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank (IsDB) Group, has arranged a syndicated murabaha financing facility worth of \$40 million for Prime Bank Ltd.

The financing facility will support the growing trade business of the bank for SME and corporate segments, said a press release.

Hassan O Rashid, managing director and CEO of Prime Bank, and Nazeem Noordali, chief operating officer of ITFC, signed the agreement at the former's headquarters in Dhaka.

Through this strategic partnership, the ITFC will be supporting the key sectors of the economy by availing vital foreign currency to support the global trade of Bangladeshi importers and exporters.

"This agreement will strengthen our existing bilateral relationship with ITFC and the other syndication partners," said Rashid.

"Our partnership with Prime Bank Limited marks a significant step towards supporting the growth of SMEs and facilitating the import of vital raw materials in Bangladesh," said Noordali.

BRICS SUMMIT South Africa, China sign power deals

REUTERS, Johannesburg

South Africa and China on Wednesday signed deals covering emissions technology, electricity transmission and distribution, and nuclear power on the sidelines of the BRICS summit.

The agreements are part of the South African government's efforts to end record power cuts that are a major constraint on economic growth.

Electricity Minister Kgosisentsho Ramokgopa said one of the deals would see Chinese companies share technology to help South Africa's struggling state utility Eskom cut emissions from its coal-fired power plants.

Other agreements would see Chinese firms help Eskom upgrade its power transmission and distribution infrastructure, and share expertise on nuclear power.



Around 200 companies have entered the polyurethane foam industry of Bangladesh over the past 30 years.

PHOTO: COLLECTED

Foam industry firming up

JAGARAN CHAKMA

The market for polyurethane foam is growing in Bangladesh as the material is being increasingly used for making upholstered furniture as well as packaging and insulation, according to industry insiders.

For example, the automotive industry is contributing to the increased use as many car seats and door panels now incorporate foam fillings, they said.

As such, around 200 companies have entered the polyurethane foam industry over the past 30 years.

Big companies like EuroAsia, Pran-RFL, Swan, Karmo, Bengal, Apex, Expo Group, Akhter, HomeTex, Hatil, and Classical Home have established a firm grip on the market.

Besides, big companies like EuroAsia, Pran-RFL, Swan, Karmo, Bengal, Apex, Expo Group, Akhter, HomeTex, Hatil, and Classical Home have already established a firm grip on the market.

Pran-RFL Group entered the market in 2016 under the brand name "Comly".

The company produces several polyurethane foam products of varying density that have different uses.

These include soft and supper



soft foam for mattresses and pillows, rigid foam for fridge insulation, flexible foam for footwear, and high-density foam for car accessories such as seats and panelling.

Kamruzzaman Kamal, director of marketing at Pran-RFL Group, said his company has grabbed about 15 percent of the market for foam products over the past seven years.

According to him, they have invested at least Tk 100 crore so far only for the manufacturing segment.

Kamal believes the business has potential for more branded companies to enter as demand has been increasing by about 10 percent annually for the past three decades.

Echoing the same, Shubhrajit Sarker, head of corporate at Euroasia, said the market for foam products is currently worth around Tk 360 crore annually.

Having entered the foam making business in 2015, Euroasia has grabbed a substantial share of the market since then by

delivering quality products and after-sales service.

"By virtue of our quality and commitment, Euroasia has won the minds of customers as an authentic brand in Bangladesh," Sarker added.

Referring to their market analysis, he said the overall demand for foam is worth Tk 30 crore per month.

Besides, the sector has so far created at least 1.5 lakh opportunities for direct and indirect employment.

But other than making furniture and footwear, foam is also used for packaging and insulation.

"So, the growth of e-commerce and subsequent rise in shipping of fragile products has further boosted the demand for foam packaging materials," he said.

Furthermore, the construction industry in Bangladesh has witnessed a surge in foam usage for thermal insulation purposes, Hossain added.

Ali Hossain, general manager of Swan Foam, a leading foam manufacturer, said they have

been in the business for more than 30 years and never compromised on quality.

According to him, there is no market data regarding the foam segment even though the material's usage has been increasing in making furniture and other purposes.

Foam usage was once furniture centric but now, it is used in cars, fridges, footwear and more.

Also, the demand in rural areas has increased in line with the peoples' growing purchasing power.

And while around 200 companies are currently involved with the business as it requires little investment, the quality of products made by most manufacturers is considerably limited, he added.

Selim H Rahman, chairman and managing director of Hatil, said they set up a foam production unit as a backward linkage industry so that they can ensure good quality materials in their furniture products.

However, this means that none of the foam produced at their unit is sold in the market.

According to him, the usage of foam is multidimensional, so the market is growing in line with the country's economy.

Also, different sectors develop silently when a country's economy develops like that of Bangladesh, which is not understood by the common people, Rahman added.

Quazi Anwarul Haque, proprietor of M/S RR Enterprise in the Baitul Mukarram area, said the foam making sector is unorganised as the market is still dominated by informal traders.

Creating business value thru cloud technologies

ARJIT CHAKRABORTI

Many organisations worldwide have embarked on their digital transformation journey through cloud adoption. Leading organisations in Bangladesh are also transforming their businesses rapidly through cloud adoption and by building digital enterprises. Many of these companies started their digital transformation by implementing and adopting enterprise resource planning (ERP) systems, and now, some of them, have started upgrading these systems to cloud-enabled systems. Those who started ERP implementation later, used ERP systems directly on the cloud. Additionally, many organisations have moved their office automation tools, such as emails, and spreadsheets, to the cloud.

The digital initiatives help leading organisations in Bangladesh to enhance their leadership positions and business leaders should start focusing on creating value for their stakeholders.

Moving a system to the cloud or running a set of processes on cloud does not necessarily make an organisation a cloud-powered one. A cloud-powered organisation is likely to reinvent their businesses and create new business models through cloud, is more proactive in realising value by adopting cloud-based solutions and is likely to report higher growth.

To understand how business organisations in the US are creating value through cloud adoption, PwC surveyed more than 1,000 business executives in the Cloud Business Survey 2023. According to this survey, cloud-powered organisations are four times more likely to achieve enhanced business outcomes than other companies. These cloud-powered organisations create value through improved decision-making, increased productivity, increased agility, reducing costs, establishing new revenue streams, faster innovation, and enhanced stakeholder trust.

However, these business benefits only get realised when the business leaders of the cloud-powered organisations create a robust strategy to drive business value.

According to the PwC's Cloud Business Survey 2023, these companies drive value through various distinct approaches.

First, cloud-powered organisations are more likely to undertake a multi-faceted approach for cloud adoption. Most of the traditional, linear thinking organisations start with workload migration to the cloud, followed by modernisation of their systems through cloud migration. On the contrary, cloud-powered organisations approach the cloud adoption with the business cases and goals. As a result, these organisations are more likely to run multiple projects parallelly with higher commitment.

Next, cloud-powered companies plan their cloud transformation as an organisation-wide, collaborative effort and usually involve five or more departments in the organisations for this transformation journey. They also ensure that their HR function is fully involved in this transformation journey to address issues related to skilled talent and upskilling of existing employees. Without an upskilled workforce across the organisation, an organisation is unlikely to create value through cloud adoption.

Finally, cloud-powered companies understand that such a transformation is likely to create new business risks for their organisations. To prepare for such risks, the organisations involve their risk management function in the cloud adoption journey to revise their risk management plan and implement it on time. They also plan for an ongoing governance programme of the cloud through regular reviews of regulations controls.

Many organisations in Bangladesh have been successful in rolling out their cloud infrastructure and implementing some of their systems and processes on cloud. It's imperative that these organisations start focusing on driving value for their stakeholders by adopting the distinct approaches highlighted above and transforming their organisations to cloud-powered ones.

The writer is a partner with PwC. The views expressed here are his own.



Big tech to face full force of new EU law

AFP, Brussels

The world's biggest digital companies will have nowhere to hide starting Friday, when the toughest EU rules on online content since social media first burst onto the scene enter into force.

The landmark law is part of the European Union's legal arsenal deployed to bring tech companies to heel and enforce order in what officials have described as an online "Wild West".

The Digital Services Act (DSA) forces companies to more aggressively police digital content and protect online users from disinformation and hate speech or face the risk of heavy fines.

From Friday, all eyes will be on how the platforms comply and on how the DSA will change online life in Europe, with experts predicting it could trigger a wave of change beyond the bloc.

"The DSA is part of a bigger strategy to give more power to individuals, to the regulators, to civil society," said Suzanne Vergnolle, a professor of technology law at the National Conservatory of Arts and Crafts in Paris.

"It is another step towards more accountability," she told AFP.

Under the DSA, sites with at least 45 million active monthly users must obey more stringent rules including annual compliance audits and a duty to effectively counter disinformation.

In April, the EU named 19 sites including the Amazon Store, Apple's AppStore, and Google's Play, Maps and Shopping, and clothing retailer Zalando, as well as the social media giants Instagram, LinkedIn, Pinterest, Snapchat, TikTok, YouTube and Twitter (now rebranded X) and the search engines from Google and Microsoft's Bing.



A customer shops at a Casino Hyperfruits hypermarket, in Villefranche-sur-Saone, central France. The eurozone's woes have been inflamed by downturns in the European Union's biggest economies, France and Germany.

PHOTO: AFP

Eurozone economic downturn deepens

AFP, Brussels

The eurozone economy is contracting at its fastest rate in three years as a steep decline in manufacturing begins to spread to services, a key survey said Wednesday.

Data from the HCOB Flash Eurozone purchasing managers' index (PMI) survey published by S&P Global fell to 47 in August from 48.6 in July. A figure below 50 indicates contraction.

The figure is the lowest since November 2020, when the world was thrust into an economically crippling shutdown because of the covid pandemic.

"Considering the PMI figures in our GDP nowcast leads us to the conclusion that the eurozone will shrink by 0.2 percent in the third quarter," said

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