

# Brac Bank, Gram Unnayan sign deal

STAR BUSINESS DESK

Brac Bank recently signed a strategic partnership with a non-governmental organisation (NGO) Gram Unnayan Karma to support farmers living in remote char areas by enabling them to adopt high-value crops and develop markets for their agricultural produce.

Md Sabbir Hossain, deputy managing director and chief operating officer of the bank, and Khondaker Alamgir Hossain, executive director of the NGO, signed the deal at the bank's head office in Dhaka, said a press release.

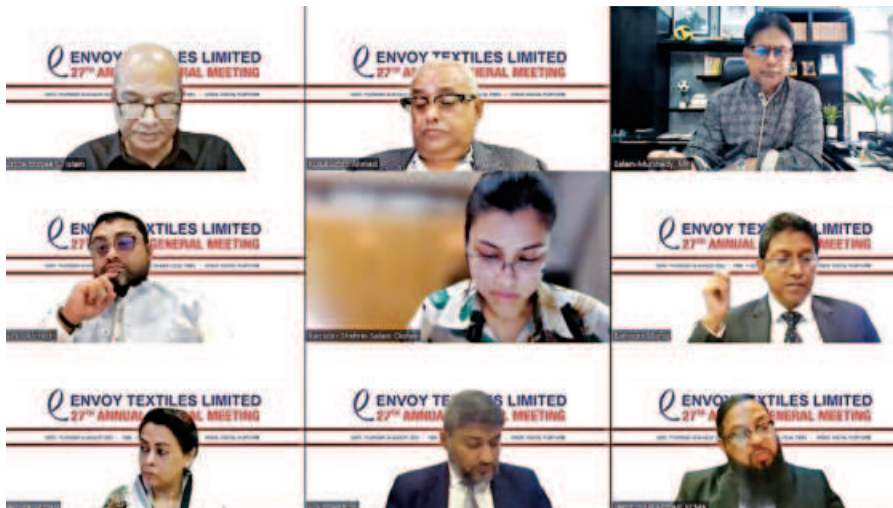
Through this agreement, char-based farmers in Bogura can increase their income by expanding the cultivation of cash crops such as maize, jute, mustard, and green chili, utilising machinery.

"By empowering these farmers with modern machinery and advanced agricultural methods, we aim to develop sustainable markets and positively impact their livelihoods," said Sabbir.



Md Sabbir Hossain, deputy managing director of Brac Bank, and Khondaker Alamgir Hossain, executive director of Gram Unnayan Karma, exchange signed documents of an agreement at the bank's head office in Dhaka recently.

PHOTO: BRAC BANK



Kutubuddin Ahmed, vice-chairman of Envoy Textiles, attends the company's 27th annual general meeting, virtually held on Thursday. Abdus Salam Murshedy, Rashida Ahmed, Sharmin Salam and Moyeenul Islam Chowdhury, directors of the company, Muhammad Shafiqur Rahman and Fakhruddin Ahmed, independent directors, Tanvir Ahmed, managing director, Shehrin Salam Oishee, deputy managing director, and Saiful Islam Chowdhury, company secretary, were present.

PHOTO: ENVOY TEXTILES



Heru Hartanto Subolo, Indonesian ambassador to Bangladesh, poses for photographs with Syed M Tanvir, managing director of Pacific Jeans, while visiting Universal Jeans, a concern of Pacific Jeans Group, in Chattogram Export Processing Zone (CEPZ) last week. Md Abdus Sobhan, executive director of CEPZ, and Luthmela Farid, head of design and development of the casual wear manufacturing company, along with other high officials of the company and CEPZ authority were present.

PHOTO: PACIFIC JEANS

## UK energy bills to fall again

AFP, London

The price cap on energy bills for most British households is to fall again, regulator Ofgem announced on Friday, offering mild relief amid the ongoing cost-of-living crisis.

Bills will decline from October thanks to a further fall in wholesale energy prices, which had soared in the wake of the post-Covid recovery and the war in Ukraine. The cap will fall to £1,923 (\$2,419, 2,240 euros) per year from £2,074 for an average household consuming electricity and gas, Ofgem said.

At the height of last winter, it had reached £4,279.

"The change will bring the average dual-fuel energy bill below £2,000 a year for the first time since April 2022, saving households an average of £151 on the previous quarter," Ofgem said in a statement.

## German business morale declines

AFP, Frankfurt

German business sentiment fell for the fourth month in a row in August, a key survey showed Friday, deepening the sense of gloom in Europe's biggest economy.

The Ifo institute's closely watched confidence barometer, based on a survey of 9,000 companies, fell to 85.7 points from 87.4 the previous month. Analysts surveyed by financial data company FactSet had expected a better reading, of 86.8 points.

The poor reading came as final official data confirmed the economy stagnated in the second quarter, as the country battles challenges

including still-high inflation.

"Sentiment among German managers has darkened further," said Ifo president Clemens Fuest in a statement. "The German economy is not out of the woods yet."

In the key manufacturing sector, expectations remained "starkly pessimistic", with companies increasingly complaining of a decline in new orders, Ifo said.

The business climate also deteriorated in the service sector, trade and construction, it said.

Elmar Voelker from LBBW bank said the reading highlighted "growing negative sentiment" surrounding the German economy,

adding: "The already gloomy expectations have become even gloomier."

The German economy was plunged into crisis last year when Russia invaded Ukraine and slashed key gas exports to Europe, sending food and energy costs soaring.

It fell into recession around the turn of the year after two consecutive quarters of contraction, the technical definition of a downturn.

A series of aggressive eurozone interest rate hikes to tame high inflation are also weighing on the economy, while weakness in key overseas markets has hit exporters and manufacturers hard.



Inspector General of Police Chowdhury Abdullah Al-Mamun, chairman of Community Bank Bangladesh, presides over the bank's 43rd board meeting at the police headquarters in Dhaka last week. Among others, Md Kamrul Ahsan, additional inspector general (admin), Bangladesh Police, M Khurshid Hossain, director general of Rapid Action Battalion, Md Monirul Islam, additional IG (special branch) of Bangladesh Police, SM Ruhul Amin, additional inspector general (anti-terrorism unit), Md Mazharul Islam, additional inspector general (L&AA), Md Atiqul Islam, additional inspector general (crime & operations), and Masihul Huq Chowdhury, managing director of the bank, were present.

PHOTO: COMMUNITY BANK BANGLADESH



Mohammad Ashiqur Rahman, director of the SME and special programmes department at Bangladesh Bank, and Tarique Afzal, managing director of AB Bank, exchange signed documents of an agreement on loan services for the cottage, micro, small and medium entrepreneurs under the pre-finance scheme of Tk 25,000 crore at the central bank's headquarters in Motijheel, Dhaka recently.

PHOTO: AB BANK

## Bangladesh's RMG export prospects

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the UK, as a part of Brexit, for which the British government has been developing new trade policies.

In the post-Brexit period, Bangladesh's apparel has been staging a strong performance in the UK because of its price competitiveness.

For instance, Bangladesh exported \$ 5.02 billion worth of clothing to the UK in the last fiscal year of 2022-23, which was \$ 4.50 billion in FY2021-22, according to the Export Promotion Bureau (EPB).

And during the January-July period of 2023, it amounted to \$3.11 billion, up from \$2.72 billion in the same period of the previous year.

Currently the UK is the third largest export destination for Bangladesh after the US and Germany.

Bangladesh is the second largest garment exporter worldwide,

accounting for 7.9 percent of the global market.

Every year the share of the country has been increasing, with top exporter China losing its market share for a shortage of skilled workforce and growing cost of production.

The UK's new DCTS came into effect recently, with the British government implementing the new policy after consultations with stakeholders, said Md Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

However, under the European Union's draft GSP proposal for 2024-34, Bangladesh's apparel products may face protectionist measures, said BGMEA President Faruque Hassan in a WhatsApp message.

But the UK's DCTS does not include such provisions, he said.

Currently, the BGMEA and the

Bangladesh government are trying to lift the protectionist measures through consultations with the European Commission.

Accordingly, the government has already proposed that the EU extend the grace period for the status graduation up to 2032, citing the severe fallout of the pandemic and Russia-Ukraine war, he said.

Even for economically vulnerable countries, the DCTS appears more flexible in terms of the implementation of certain international conventions, Hassan said.

"Apart from the UK, we have also been able to secure positive outcomes in market access to Canada and Australia," he said.

"We are launching the Developing Countries Trading Scheme (DCTS) to harness the power of trade to help developing countries grow and prosper," reads a statement from

the UK's Department for Business & Trade.

"The new scheme offers developing countries one of the most generous sets of trading preferences of any country in the world," it adds.

The DCTS applies to 65 countries, including those that currently benefit under the UK's GSP, offering lower tariffs and simpler rules of origin requirements for exporting to the UK.

The GSP includes 47 countries in the GSP LDC Framework and 18 additional countries or territories classified by the World Bank as low income (LIC) and lower-middle income (LMIC).

It does not apply to countries classified by the World Bank as upper-middle income for three consecutive years, or to LICs and LMICs with a free trade agreement with the UK, the statement also said.

## Investors see long wait

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"The growing trade interconnectedness seems to be providing some fundamental ground for political announcements," said Chris Turner, global head of markets at ING.

ING calculates that since 2015, the share of core BRICS in the new candidates' imports increased from 23 percent to 30 percent, replacing the euro area, the United States, and other developed economies.

Other analysts and investors say Iran, which is under Western sanctions, as well as the bloc's heavyweight member China - which has long pushed for enlargement - are among the main beneficiaries of expansion.

"China and Brazil, India will benefit in terms of easy access to oil, and Argentina and notably Iran will benefit in terms of access to markets and FDI," said Jakob Ekholdt Christensen, senior emerging markets fixed income strategist at

BankInvest in Copenhagen.

"At most, the enlargement is a benefit for the new entrants that are hungry for capital," said Hasnain Malik, a Dubai-based managing director at Tellimer, an emerging markets research firm.

"But this assumes they would not have seen capital inflow anyway from the richer BRICS countries and that any capital provided via a BRICS institution does not jeopardise that from other multi and bilateral sources."

A BRICS loan to Argentina could conflict with the bailouts it has received from the International Monetary Fund, which has deeper pockets, said abrdn's Szabo.

Increasing use of national currencies to reduce US dollar dependence was another goal BRICS leaders discussed at the summit in Johannesburg. They said this could help lessen their economies' vulnerability to a strong dollar and foreign exchange fluctuations.

## Dollar holds steady

REUTERS, New York

The US dollar held steady on Friday, on pace to finish the week strong, after Federal Reserve Chair Jerome Powell said the central bank may need to raise interest rates further to ensure inflation is contained but promised to move "carefully" at upcoming meetings.

Powell, in a speech at an economic summit in Jackson Hole, Wyoming, said policymakers would "proceed carefully as we decide whether to tighten further," but also made clear that the central bank has not yet concluded that its benchmark interest rate is high enough to be sure that inflation returns to the 2 percent target.

The US dollar index - which measures the currency against six major counterparts - was about flat at \$104.06 after rising to 104.44, its highest since June 1.

The index, up 0.6 percent for the week, was on course for its sixth straight week of gains, aided by signs of resilience in the US economy that has bolstered the case for rates staying higher for longer.

"On balance, this is a modestly less hawkish speech than markets had feared," said Karl Schamotta, chief market strategist at Corpay in Toronto.

"Powell's words lacked the drama associated with previous speeches from (Former Fed Chair Ben) Bernanke and (former European Central Bank President Mario) Draghi, and even fell short of the directness found in his own appearances, but we would argue this is a good thing - conditions remain too uncertain for black-and-white messaging, and markets should welcome a more gradualist and incremental approach at this point in the tightening cycle," Schamotta said.

Interest rate futures tied to the Fed's policy rate on Friday priced in a more than even chance of tightening at either the November or December policy meetings.

"We remain comfortable with our call for one more 25 bp hike in November and 75 bp of cuts next year, starting in June and proceeding at a quarterly cadence," BofA Global Research strategists said in a note.

Both the euro and sterling have been hit this week by weak business activity data that has prompted investors to scale back bets on further rate hikes in the euro area and Britain.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 26, 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 ↓	-6.67 ↓
Lentil (kg)	Tk 95-Tk 100	2.63 ↑	-9.3 ↓
Soybean (litre)	Tk 155-Tk 160	-3.08 ↓	-9.48 ↓
Potato (kg)	Tk 36-Tk 45	6.58 ↑	50 ↑
Onion (kg)	Tk 80-Tk 85	32 ↑	73.68 ↑
Egg (4 pcs)	Tk 50-Tk 53	5.1 ↑	25.61 ↑
SOURCE: TCB			