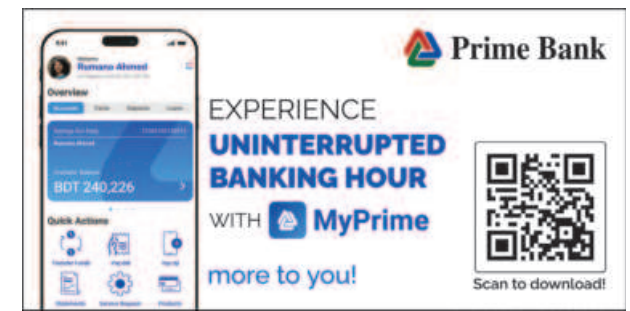


Star BUSINESS



DOLLAR RATES FOR VARIOUS PURPOSES

(Per dollar, Source: Bafeda)

- USD rate for remittance: Tk 109
- BC selling rate: Tk 109.5
- Export bill: Tk 108.5
- USD buying rate (cash) by banks: Tk 108.5
- USD selling rate (cash) by banks: Tk 109.5
- USD rate in kerb market: Tk 116.95 to Tk 117

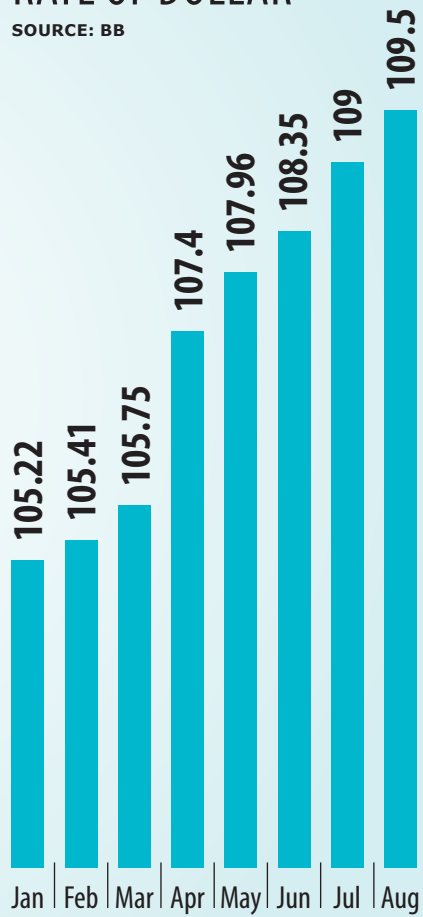


WHY KERB MARKET VOLATILE

- USD supply in banking channel slows
- Fixed USD rate in banking channels
- Number of students going abroad increases
- Rising use of hundi channels

MONTH-WISE AVERAGE INTER-BANK EXCHANGE RATE OF DOLLAR

SOURCE: BB



Worker outflow to Saudi Arabia climbs but remittance falls

AHSAN HABIB

The outflow of migrant workers from Bangladesh to Saudi Arabia surged around four times in the last three years but remittance earnings from the country have kept falling, official figures showed.

In 2020, some 161,726 Bangladeshis found jobs in the Gulf nation and it rose to 457,227 in 2021 and 612,418 in 2022, according to data from the Bureau of Manpower, Employment and Training (BMET).

However, remittance earnings from Saudi Arabia stood at \$5.7 billion in 2020-21. It dropped to \$4.5 billion in 2021-22 and \$3.7 billion in 2022-23, Bangladesh Bank data showed.

Towfiqul Islam Khan, an economist, blamed the growing use of hundi in recent years for the fall in remittances.

Hundi, a cross-border illegal money transfer system, is a demand-driven business and its popularity has shot up recently, he said.

Khan, a senior research fellow at the Centre for Policy Dialogue, said some of the people who went abroad left the country without any knowledge about the jobs they were going to be employed in.

"Many of them didn't get any jobs while

some faced cheating. As a result, we are not getting the expected amount of remittance."

Since a large number of people are going abroad for low-paid jobs, per person remittance inflow is quite low in Bangladesh compared to that of India and the Philippines, Khan added.

Towfiqul Islam Khan, an economist, blamed the growing use of hundi in recent years for the fall in remittances.

In FY23, the second-highest remittance came from the United States at \$3.5 billion, but the number of Bangladeshis who found jobs in the largest economy in the world could not be found.

Overseas employment in the United Arab Emirates was 101,775 in 2022 and the workers remitted \$3.03 billion in FY22.

The global economic uncertainty and higher inflation adversely affected migrants' real incomes and their remittance flow, said the BB in its quarterly report on remittance inflows.

READ MORE ON B3

Dollar kerb market heats up again

Rate gap in formal-informal markets widening

MD MEHEDI HASAN

The exchange rate gap in the official and unofficial channels in Bangladesh has started to widen after a few months of lull as the US dollar is getting costlier in the informal market, a development that may adversely impact the remittance flow.

Whereas the US dollar was selling at Tk 109 to Tk 109.50 at banks, it has hit Tk 116.95 to Tk 117 in the informal market, also known as the kerb market.

The gap between the formal and informal exchange rates was low in the last few months.

Industry people blame the lower deposits of the USD in the banking system, the fixed dollar rate, the rising number of students going abroad, and the higher illegal cross-border transactions for the growing gap.

Most commercial banks are also not selling cash US dollars to travellers, forcing them to turn to the kerb market to avail foreign currencies, they said.

Half a dozen money changers in the capital's Motijheel area told The Daily Star yesterday that they were selling the USD at Tk 116.96 to Tk 117.

Travellers and visitors planning

to go to other countries for medical purposes are struggling to carry out transactions as per fixed rates.

Money changers are displaying a foreign currency price list where the USD selling rate was cited to be Tk 112 and the buying rate was

quoted as Tk 110.50, but the rates are hardly followed.

Helal Uddin, secretary of the Money Changers Association of Bangladesh, however, said the trade body will take action against any business if they are found to be not complying with the declared rates.

The fresh volatility in the forex market comes although the Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers,

quoted as Tk 110.50, but the rates are hardly followed.

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The fresh volatility in the forex market comes although the Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers,

Bangladesh (ABB) have agreed to carry out transactions as per fixed rates.

They determine the rates of the US dollar every month as per an informal directive of the Bangladesh Bank.

On August 1, they fixed an

will avoid sending remittances through the formal channel.

"The central bank should introduce a market-based exchange rate as per conditions agreed with the International Monetary Fund."

The global lender advised the central bank to introduce a market-based USD exchange rate to replace the fixed rate regime when it approved a \$4.7 billion loan for Bangladesh.

The volatility was also driven by the slower inflow of remittances in August.

Between August 1 and August 25, Bangladeshi expatriates sent home \$1.32 billion, which was lower than the same period last month.

Hussain said students and travellers are not getting adequate US dollars from banks and were forced to buy the currency from the money changers and other informal channels, pushing up the rates.

Banks are allowed to open files for students who are planning to go abroad to study. But most banks are not opening any files for the shortage of the currency.

BAFEDA Chairman and Sonali Bank Managing Director Md

READ MORE ON B3



PENSION SCHEME MFS service charge set at 0.7% for payment

STAR BUSINESS REPORT

The mobile financial service providers can charge a maximum of Tk 0.7 for every Tk 100 deposited by the policyholders of the Universal Pension Scheme (UPS) as subscription fees to the pension authority.

The Bangladesh Bank (BB) shared the information through a directive yesterday.

The move comes after the government rolled out the much-anticipated universal pension scheme on August 17 as part of an effort to bring the growing elderly population of the country under a well-organised social safety net.

The policyholders will get a monthly stipend after 60 years of age subject to consistent payment of instalment for 10 years.

The central bank, referring to a circular of the finance division issued on August 16, said the government earlier fixed the cash out charge at 0.7 percent for withdrawal of funds by the beneficiaries under social safety net schemes.

READ MORE ON B3

Cater to job entrants

Says WB country chief

STAR BUSINESS REPORT

Bangladesh requires adaptations to cater to the two million annual job entrants amidst the latest geopolitical considerations and climate change, said Abdoulaye Seck, country director for Bangladesh and Bhutan at the World Bank, yesterday.

He considered Bangladesh's upcoming graduation from a least developed country to a developing nation and economic diversification to be among top challenges the country had to face and prepare for in the near future.

Seck was addressing a luncheon meeting of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) at its Gulshan office, said a press release.

He praised Bangladesh for having come a long way since independence.

However, Bangladesh's export as a percentage of its gross domestic product is very low, even when compared to other competing exporting nations, he said.

READ MORE ON B3

ADB to give \$300m for skills development

STAR BUSINESS REPORT

The Asian Development Bank (ADB) has agreed to provide \$300 million loans to strengthen skills of workforce in Bangladesh.

With the funding, a scheme titled "Skills for Industry Competitiveness and Innovation Programme" will be initiated to increase the technology-oriented skilled workforce across emerging and priority sectors, and promote inclusive skilling and upskilling opportunities for women and socially disadvantaged groups.

It will also incentivise industry-university partnerships to nurture innovation capacity and improve industry competitiveness, and foster skills for climate-resilient manufacturing processes and green technologies, the lender said in a press release.

READ MORE ON B3

Consumption of wheat to rise

USDA says on Bangladesh

STAR BUSINESS REPORT

Wheat consumption for food, seed and industrial use is likely to increase from higher imports and a rebound in demand for flour for a fall in its prices, forecasts the US Department of Agriculture (USDA).

Overall consumption may reach 68 lakh tonnes in the marketing year of 2023-24 beginning in July, up 5 percent from its previous forecast, said the agency in a report on Bangladesh last week.

The USDA said its wheat consumption estimates for Bangladesh in fiscal year 2022-23 was 16 percent lower year-on-year as high local prices and lower imports affected household consumption of flour, called "aata" and "maida" in Bangla.

"Due to the high price of wheat, Bangladesh's feed industry reduced rations last marketing year," it said, adding that all types of wheat flour prices have declined gradually since last February, after reaching a record high in the preceding month.

The agency revised upward its forecasts regarding wheat production in Bangladesh to 11 lakh tonnes, anticipating that farmers would retain their acreage in marketing year 2023-24 for receiving good prices in the previous year.



Overall wheat consumption in Bangladesh may reach 68 lakh tonnes in the marketing year of 2023-24, the US Department of Agriculture said.

PHOTO: STAR

STOCKS	
DSEX ▲	CASPI ▲
0.02%	0.06%
6,299.65	18,628.97

COMMODITIES	
Gold ▼	Oil ▼
\$1,914.51	\$79.90
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.17%	▲ 1.73%	▲ 0.75%	▲ 1.13%
64,996.60	32,169.99	3,213.68	3,098.64

Bank Asia, BFIU arrange training programme

STAR BUSINESS DESK

Bank Asia Limited, in collaboration with Bangladesh Financial Intelligence Unit (BFIU), has arranged a training programme on "Prevention of Money Laundering and Terrorist Financing" at Brac Learning Centre, Kalasgram in East Pangsha, Barishal recently.

A total of 80 branch managers, operation managers and other officials from 45 banks operating in Barishal district and 26 banks from Jhalakathi district participated in the training.

Md Arifuzzaman, director of the BFIU, attended the daylong training programme as the chief guest, said a press release.

Ziaul Hasan, deputy managing director and CAMLCO of Bank Asia and chairman of Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh, has graced the programme as the chair.



Md Arifuzzaman, director of Bangladesh Financial Intelligence Unit (BFIU), poses for photographs with participants of a training programme on "Prevention of Money Laundering and Terrorist Financing" organised by Bank Asia and BFIU at Brac Learning Centre, Kalasgram in East Pangsha, Barishal recently.

PHOTO: BANK ASIA

Dollar eases against euro

REUTERS, London/Singapore

The dollar slid from a 12-week peak on Monday after Federal Reserve Chair Jerome Powell left open the possibility of further rate hikes, while the China-sensitive euro edged up in the wake of Beijing halving its stamp duty on stock trading.

The dollar index, which measures the US currency against six peers, edged 0.06 percent lower at 104.11, after hitting its highest since early June on Friday. The index is up over 2 percent in August and set to snap a two-month losing streak.

In an eagerly awaited speech at the annual Jackson Hole Economic Policy Symposium, Powell promised on Friday to move with care at upcoming meetings as he noted both progresses made on easing price pressures as well as risks from the surprising strength of the US economy.

The dollar index, which measures the US currency against six peers, edged 0.06 percent lower at 104.11, after hitting its highest since early June on Friday

Markets anticipate an 80 percent chance of the Fed standing pat next month, the CME FedWatch tool showed, but the probability of a 25 basis point hike in November is now at 51 percent versus 33 percent a week earlier.

"It remains unlikely we get a hike from the Fed in September, said Chris Weston, head of research at Pepperstone. "But November is shaping up to be a 'live' event, where data points have the potential to throw interest rate expectations around."

"When many other G10 central banks are already priced for an extended pause, the Fed potentially going again in November is supporting the dollar," Weston said.

A series of strong US economic data releases has helped ease worries of a recession but with inflation still above the Fed's target, some investors are worried that the US central bank will keep interest rates at elevated levels for longer.

With the Fed highlighting the importance of the upcoming US economic data, investors' focus this week will firmly be on reports on payrolls, core inflation and consumer spending.



Md Anwar Shamim, general manager of the Investment Corporation of Bangladesh (ICB), hands over a cheque worth Tk 28 crore to Md Sohel Rana, chief executive officer of AIBL Capital Market Services, at the former's head office in Dhaka yesterday.

PHOTO: ICB

AIBL Capital Market Service receives Tk 28cr from ICB

STAR BUSINESS DESK

AIBL Capital Market Services Ltd received Tk 28 crore from the Investment Corporation of Bangladesh (ICB) yesterday to support small investors affected in the stock market.

The fund came from nearly a Tk 900 crore fund formed by the government.

Md Anwar Shamim, general manager of ICB, handed over the fund through a cheque to Md Sohel Rana, chief executive officer of AIBL Capital Market Services, at the former's head office in Dhaka, said a press release.

Korban Ali, deputy general manager for the Special Fund Unit at ICB, Mohammad Shadique Ali, assistant general manager, and other officials of the ICB were also present.

Chinese EV maker BYD's profit trebles

AFP, Beijing

BYD, China's leading electric carmaker, said on Monday its half-year net profit had tripled based on record demand.

BYD posted a net profit of 10.95 billion yuan (\$1.5 billion) for the January-June period, up almost 205 percent year-on-year, the group said in a statement to the Hong Kong Stock Exchange.

The result was in line with estimates made by BYD in July of between 10.5 billion and 11.7 billion yuan.

Half-year sales were also up sharply year-on-year, rising 73 percent to 260.1 billion yuan.

Electric vehicle demand has soared in recent years in China, which is the world's biggest producer of greenhouse gases in absolute terms.

BYD, whose investors include US investment titan Warren Buffet, wants its sales to be dominated by electric and hybrid vehicles by 2035.



Abdoulaye Seck, third from right, country director for Bangladesh and Bhutan at the World Bank, attends a luncheon meeting of the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka at the chamber's Gulshan office yesterday. Md Saiful Islam, president of MCCI, and Habibullah N Karim, vice-president, along with representatives from various member firms of the chamber attended the event. Story on B1

PHOTO: MCCI

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 28, 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 ↓	-6.27 ↓
Lentil (kg)	Tk 90-Tk 95	-2.63 ↓	-13.95 ↓
Soybean (litre)	Tk 155-Tk 160	-3.08 ↓	-10.26 ↓
Potato (kg)	Tk 40-Tk 45	11.84 ↑	57.41 ↑
Onion (kg)	Tk 80-Tk 90	36 ↑	78.95 ↑
Egg (4 pcs)	Tk 48-Tk 52	2.04 ↑	21.95 ↑

SOURCE: TCB



Dr Debasish Sarker, director general of Bangladesh Agriculture Research Institute (Bari), attends a workshop on "Postharvest Technologies and Marketing of Jackfruit for Income Generation to Attain Food and Nutrition Security" jointly organised by the Postharvest Technology Division of Bari and the New Vision Solutions Ltd, Dhaka at the former's seminar room in Gazipur yesterday.

PHOTO: BARI

Country Garden says its \$100b Malaysia project on track

REUTERS, Kuala Lumpur/Singapore

Embattled Chinese developer Country Garden said on Monday its \$100-billion project in Malaysia was proceeding as planned and it had sufficient assets, despite concerns about its financial strength amid debt woes.

The comment by China's largest private developer came after it missed two dollar coupon payments this month totalling \$22.5 million, fuelling fears that the country's property debt crisis could hamper a broader economic recovery and spill overseas.

"Our company's projects in Malaysia are operating normally and the sales performance is strong," the developer's Singapore and Malaysia unit said in a statement, adding that its overall operation in the region was "safe and stable."

"Various debt management measures are considered to actively resolve the pressure of periodic liquidity, to ensure the company's long-term future development," it added, without elaborating.

Banks incorporated in the Southeast Asian nation had limited exposure to Country Garden, Malaysia's central bank said, adding that its Malaysia unit was servicing loans promptly.

"The current development with Country Garden Holdings Ltd in China is not expected to pose any material impact on the overall property market activity and prices in Malaysia," Bank Negara Malaysia told Reuters in an email.

The Chinese developer is building its largest overseas development, the massive Forest City project, across four reclaimed islands in the southern

Malaysian state of Johor bordering the wealthy city state of Singapore.

Beset by challenges since its 2016 launch, the project, now home to about 9,000 people, saw demand fall sharply following China's move to stem capital outflows and the Covid-19 pandemic.

Malaysians have also expressed concern at the prospect of a housing glut and environmental damage from a huge land reclamation effort.

The project aims to house 700,000 people by 2035 in a development that includes office towers, malls and schools, besides residential buildings.

The company statement comes after Malaysian Prime Minister Anwar Ibrahim said the project would be designated a "special financial zone" to attract investment, and help cut the cost of doing business there.

Rupee goes up marginally

REUTERS, Mumbai

The Indian rupee rose on Monday, but higher near-maturity US Treasury yields were expected to limit the upside for the currency.

The rupee was at 82.61 against the US dollar by 10:35 a.m. IST, compared with 82.6475 in the previous session. The domestic currency reached an intraday high of 82.5325.

The two-year US Treasury yield climbed to 5.10 percent, just two basis points shy of year-to-date highs. Federal Reserve Chair Jerome Powell reaffirmed on Friday that the central bank remains focused on hitting its 2 percent inflation target, signalling rates will likely remain higher for longer.

Higher US yields will keep the dollar bid and the rupee is not likely to see much upside from here, traders said.

The rupee is expected to be in the 82.40-82.80 range during the week, a foreign exchange trader at a state-run bank said.

"Possible equity flows (due to MSCI rebalancing) are likely to support the rupee."

Key US economic data is due this week including core PCE inflation and non-farm payroll numbers. India's GDP print for the June quarter will be released on Thursday.

"While India's GDP numbers are unlikely to have a sizeable impact, US data is something to watch for in case it springs positive or negative surprises," said Abhilash Koikarra, head of forex at Nuvama Professional Clients Group.

Nuvama is advising importers to cover their hedges around 82.40 levels and exporters to increase their hedging at 82.70/75 levels, Koikarra said.

Meanwhile, India's foreign exchange reserves posted the steepest decline in over six months, falling by \$7.27 billion from the prior week.

Fashion retailers in India

FROM PAGE B4

Wealthier people also continue to spend with premium SUV sales at a record high.

But worries are mounting about the threat that inflation and high interest rates pose to consumer spending.

"The biggest threat to India's growth will come from private consumption, which constitutes about 60 percent of GDP, which is weak already," Deutsche Bank economist Kaushik Das wrote in a report this month.

The bank has forecast India's economy to log slower growth of 6 percent this fiscal year compared to 7.2 percent last year.

In some encouraging signs, tomato prices have eased off peaks and India's central bank chief last week said vegetable prices, which have begun to soften, will decline from September.

Retail outlets and industry

executives are also hoping that the upcoming festival season - including Diwali in November when people like to make big purchases for gift-giving and for themselves - will bring some sales relief. But others are not necessarily optimistic.

"The expectation is always there that people spend during festive season... But we will have to wait and see what people spend on since the inflation factor has also come in," said Madan Sabnavis, chief economist at Bank of Baroda.

For now, consumers say they need to be more frugal given the increase in grocery bills.

"We are looking for branded clothes to fit our budget and are visiting showrooms where there are maximum discounts," said Anjali Mohanty, a housewife in the eastern city of Bhubaneswar who was shopping for jeans for her son.

"We have to adjust our family expenditure."

US seeks trade, tourism

FROM PAGE B4

"We want to have a stable commercial relationship, and core to that is regular communication," Raimondo said. "We need to communicate to avoid conflict."

Republicans in Congress have criticised the possibility Raimondo will establish a working group with China during the visit to discuss US semiconductor export controls.

Raimondo did not confirm plans for any working group but emphasised she would tell Chinese officials "When it comes to national security we don't negotiate. We don't give concessions. We don't compromise."

The United States is using government incentives and tax policy to wean American businesses off Chinese supply chains and ramp up US semiconductor production.

"Just because we're investing in America does not mean at all that we want to decouple from China's

economy," Raimondo said.

China's ambassador to the United States, Xie Feng, who met Raimondo last week, said China seeks "mutual respect, peaceful coexistence and win-win cooperation."

The White House this month moved to start prohibiting some US investment in sensitive technologies in China and plans to soon finalize sweeping export restrictions on advanced semiconductors adopted in October.

Raimondo, the fourth high-level US official to visit China recently, is the first commerce secretary to make the trip in seven years.

She spoke to more than 100 senior business leaders before the visit and vowed to raise their concerns.

"There are so many challenges to doing business in China and exporting to China and China's unfair trading practices have hurt American workers and companies," Raimondo said.

Brac Bank rated stable by S&P

STAR BUSINESS DESK

Brac Bank has been provided a "B-" credit rating with a stable outlook by S&P Global Ratings.

This is in contrast to a recent "Banking Industry Country Risk Assessment (BICRA) for Bangladesh" seeing a revision in industry risk trend from stable to negative, said a press release.

The US based institution provided the rating on August 8.

"Brac Bank's established franchise enables it to access foreign currency from its retail remittance and export-oriented clients. This somewhat alleviates the US dollar funding pressure facing the broader banking sector," it said in a statement.

"We believe the bank will navigate challenging operating conditions in Bangladesh and maintain its financial profile over the next 12-18 months," it added.



Sweets are being made at a shop in Barishal city yesterday. Sugar had been trading at a record Tk 140 per kg for several months, but prices declined marginally over the last two weeks after refiners cut their rates.

PHOTO: TITU DAS

PROBABLE SUGAR EXPORT BAN BY INDIA

Will Bangladesh be affected?

SOHEL PARVEZ

Sugar prices have risen globally over the last couple of months and it may go up if India bans export of the sweetener in the coming months.

Any such ban has implications for Bangladesh as the country meets over 98 percent of its annual requirement of 20 lakh tonnes through imports, said officials at local refineries.

The concern has arisen for a Reuters report last week stating, quoting three government sources, that India might ban sugar export in the next season for crushing sugarcane beginning in October.

This probable halt to shipments, the first in seven years, has been attributed to a lack of rain reducing sugarcane yields.

"India has a significant role in global sugar market. So, it will have an impact on a global scale and disrupt the global supply chain," said Mohiuddin Monem, additional managing director of Abdul Monem Ltd, which runs a sugar refinery.

Sugar prices surged 20 percent year-on-year to \$0.53 per kilogramme (kg) in the April-June quarter of 2023, according to the World Bank's Commodity Price Data. It has turned dearer, at least in the last

six months, as supplies became tight, according to reports by international media.

This resulted from crop losses in growing regions, including India, the second biggest exporter, a slow start to harvests in Brazil, the world's largest sugar exporter, and increased demand, stated the reports.

Locally, sugar has been traded at a record Tk 140 per kg for several months. Prices declined marginally over the last two weeks after refiners cut their rates.

The wholesale market registered a drop as well. However, prices have inched up over the last two days, said Abul Hashem, former vice president of Bangladesh Sugar Merchant Association.

Sugar was selling up to Tk 1.5 higher at Tk 125 or so per kg at wholesale, he said yesterday, adding that mills delivered sugar at Tk 126 per kg.

Hashem said any ban on sugar export by India would not have that much of an impact on the supply of the sweetener here.

But, he said, there is an upward trend in the booking rate in the global market.

If the upward trend continues and the cost of the US dollar remains on the uptick, prices of sugar may spike in the local market, unless the government

takes steps, he said.

Monem said any export restriction by India might not restrict supply of sugar for local refiners as they buy raw sugar from Brazil.

"Historically, Bangladesh imports 80-90 percent of the raw sugar from Brazil," said Monem, managing director of Abdul Monem Sugar Refinery Ltd, one of the country's five private refineries having a total processing capacity of nearly 50 lakh tonnes.

Earlier this month, Reuters reported that estimates for Brazil's centre-south crop was raised to 3.87 crore tonnes from 3.38 crore tonnes in the previous season as mills were earmarking as much sugarcane as possible for sugar production and the weather has been favourable.

"Our reliance is on Brazil and if production increases in the Latin American country, there will be little or no impact on the international market, even if India restrict exports," he said.

Yet, global sugar production will be smaller than the expected consumption for a second straight season in 2023-24 as near-record Brazilian output will not be enough to offset reductions in other regions, the news agency reported citing analysts.

The Meghna Group of Industries (MGI) imported raw sugar from India in the April-October period last year, said Taslim Shahriar, senior assistant general manager at the MGI.

Later it could not make purchases from India as the neighbouring country imposed an export quota of 61 lakh tonnes, he said.

"We have been importing all our raw sugar from Brazil since then," he said, adding that the crop situation in Brazil was good.

"However, if all buyers become dependent on one supplier, it may affect prices. We will get sugar but we may need to pay higher prices," he said.

The revenue authority can reduce import tariff on sugar if it wants to give relief to consumers, suggested Taslim.

Altogether, total tax incidence on sugar reaches Tk 40 to Tk 42 per kg, he said.

However, Hashem said prices of sugar would fall gradually if the government cuts duty.

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Australian duty benefit to continue: BGMEA

STAR BUSINESS REPORT

Australia will continue to provide duty free access to Bangladesh's products even after it makes the LDC graduation in 2026, said a top leader of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday.

This was assured at a meeting between the BGMEA and the Australian government's Department of Foreign Affairs and Trade (DFAT) in Canberra in July 21 this year, said BGMEA President Faruque Hassan.

Gary Cowan, first assistant secretary to the DFAT's North and South Asia Division, gave the assurance during the meeting, Faruque told The Daily Star over WhatsApp.

A BGMEA delegation attended the meeting jointly hosted by the Bangladesh high commission to Australia and the Australian Chamber of Commerce and Industry (ACCI) in Sydney.

The meeting was attended by representatives from Australian brands and retailers, and ACCI members.

Australia is one of Bangladesh's non-traditional export destinations, receiving garments worth \$1.6 billion last fiscal year, which was less than half a billion dollars 10 years ago, the BGMEA said in a statement.

BGMEA seeks Korean investment in non-cotton textiles

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged the Korean businesses to invest in non-cotton textiles, man-made fibre (MMF) based yarns and fabrics, functional fabrics like polyester, viscose, spandex and mélange.

BGMEA President Faruque Hassan made the call in a meeting with Korean Ambassador to Bangladesh Park Young Sik at the BGMEA office in Dhaka.

In the meeting, Hassan highlighted the growing interests of Bangladesh's garment industry in diversifying into non-cotton products, including high-value fashion items based on MMF and technical textiles, according to a statement from the BGMEA.

Bangladesh is a promising destination for Korea to ship its MMF, textile machinery, chemical dyes and other raw materials while Korea is a potential garment export market for Bangladesh, Hassan said.

So, there are mutual benefits for both the countries, he said.

The BGMEA chief apprised the envoy of the association's initiative to organise Bangladesh Apparel Summit in Korea in November 2023 and sought his support in this regard.

China has no pain-free solutions for its slowing economy

REUTERS, Beijing/Hong Kong

Erin Yao would like to take street dance classes and travel, activities she could not do during three years of Covid-19 restrictions in China.

Instead of pursuing such goals, as many economists had expected consumers to do once China lifted those curbs, she is saving more of her salary than she did during the pandemic, when she felt compelled to stock up on basic necessities.

"I would ask myself if I have enough savings for treating an unexpected illness. If I lose my job, do I have enough money to sustain myself until I find a new one?" said the 30-year-old book editor.

Yao's reluctance to spend is the result of an economic growth model from the 1980s that many say has relied too heavily on investment in property, infrastructure and industry and not enough on empowering consumers to earn and buy more.

But while faltering growth in the world's No.2 economy has given rebalancing a new sense of urgency, transferring economic resources to households would require difficult decisions that would cause even more near-term pain.

Specifically, boosting households' share of national income would mean a decline in the share of other sectors, either businesses - in particular China's sprawling industries - or the government sector.

"Their fall will make a recession unavoidable," said Juan Orts, China economist at Fathom Consulting.

"We think that this is a price that Beijing is not willing to pay," said Orts, who sees China heading towards "Japanification," which refers to Tokyo's "lost decades" of economic stagnation since the 1990s.

In theory, Yao could spend more if she found a job paying more than her 8,000 yuan (\$1,097) monthly

salary, which is less than a fifth of what book editors earn in the United States, according to employment website Glassdoor.

But China's employment market is weak, with youth joblessness at record highs above 21 percent.

ANALYSIS

The private sector, responsible for 80 percent of new urban jobs, is still recovering from regulatory crackdowns on tech and other industries.

Policymakers have vowed to boost credit to firms, but businesses are ultimately constrained by frail domestic demand.

Another way to get people like Yao to spend is to address their insecurities. Many economists have called on China to boost its social safety net to rebalance the economy.

In Beijing, where Yao lives, three-to-24 month unemployment

benefits are worth up to 2,233 yuan a month, slightly less than what she pays in rent for her 12 square metre room. Her parents live in rural China and will soon reach retirement age, after which they can each receive meagre annual pensions of up to 1,500 yuan.

Yao spends 300 yuan a month on her father's medicines, the same as what a dance class costs.

"If the public medical insurance covered more expenses for the elderly, I would feel more secure," Yao said.

Financial uncertainty is also discouraging her from having children, she added. China's population is ageing and shrinking, especially in the 20-40 bracket, when people usually reach lifetime consumption peak.

Over the past month, various government departments have announced dozens of measures to boost consumption, heeding calls from a key Communist Party leadership meeting.



People carry shopping bags in a shopping district in Beijing. PHOTO: REUTERS

Worker outflow to Saudi Arabia Cater to job entrants

FROM PAGE B1

Remittance receipts stood at \$5.5 billion in the April-June quarter of FY23, which was 0.61 percent higher than the previous quarter.

In the last quarter of FY23, the highest volume of remittances was received from Saudi Arabia at \$1 billion.

Some \$829.41 million came from the UAE, \$720.81 million from the US, and \$615.30 million from the UK.

A total of 2.94 lakh workers, including 17,417 females, migrated in the quarter.

Around 103,578 Bangladeshis went to Saudi Arabia in search of jobs, accounting for 35.16 percent of the outbound migration.

Malaysia received 32.32 percent of the workers, Oman 10.29 percent, the UAE 5.88 percent, Singapore 4.65 percent, Kuwait 2.79 percent, and Qatar 2.68 percent, the BB report said.

MFS service charge set

FROM PAGE B1

The same service charge will be applicable for payment of instalment for UPS through MFSs, it said.

Once the subscription fee is deposited to the accounts of the pension authority, the MFS providers will have to send confirmation messages to the policyholders, according to the finance division circular.

The universal person scheme brings citizens aged above 18 to 50 under the coverage.

Initially the government has opened four different schemes - Progoti, Surokkha, Somota and Probash - for citizens including those working in the private sector and Bangladeshis working or living abroad.

FROM PAGE B1

"Navigating these would require constant dialogues among the public and private sectors along with multilateral organisations."

He said improving the business environment for the private sector, transcending financial obligations to support long term growth, and improving the effectiveness of public institutions are WB's priorities for Bangladesh.

At the discussion, participants stressed the need for skill development, a reassessment

and rearrangement of the entire education system, overcoming the export bias of incentive policies and the need to have a renewed focus on agriculture.

MCCI President Md Saiful Islam praised the WB as a major contributor to the development of business and commerce in Bangladesh.

He hoped to explore collaboration opportunities with the WB in the areas of developing business climate index, which the MCCI has already started doing through its BBX report, and climate change.

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demographic dividend, he added.

The ADB will support the government in expanding training partnerships with industries, universities, and training institutions to provide industry-aligned skills training for priority and emerging sectors, such as the automotive, light engineering, and pharmaceutical industries.

The programme will build the institutional capacity of training institutions to deliver advanced skills training with technology applications, such as smart textile technologies and green technologies.

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ADB to give \$300m

FROM PAGE B1

ADB Deputy Country Director for Bangladesh Jiangbo Ning and Economic Relations Division's Secretary Sharifa Khan signed an agreement to this end yesterday.

"Improving skills is a key priority of Bangladesh for becoming a middle-income country in 2030 and a developed nation by 2041," Ning said while addressing the event.

Building on ADB's vast experience in skills development, this new programme will further enhance technology-oriented advanced skills and productivity, boost industry competitiveness, and help attain

Dollar kerb market

FROM PAGE B1

Afzal Karim said that if money changers impose a higher rate than the declared rate, the central bank will take action against them.

The spike in the dollar rate may hit the inflow of remittance as remitters turn to the illegal hundi markets to send funds to the beneficiaries.

In Bangladesh, a one-per cent deviation between the formal and informal exchange rate shifts 3.6 percent of remittances from the formal to the informal financial sector, said the World Bank in May.

Migrant workers sent home \$1.97 billion in July, down 5.86 percent

from a year earlier although a record number of workers left the country for jobs abroad in recent times.

In the last fiscal year of 2022-23, Bangladesh sent a record 11,44,993 workers abroad, up 15.8 percent from a year earlier, according to data from the Bureau of Manpower Employment and Training.

The forex market has been going through volatility for more than a year owing to a sharp fall in reserves, fuelled by higher import bills caused largely by the Russia-Ukraine war.

On August 23, the gross international reserves stood at \$23.16 billion, way lower than the pre-war levels, BB data showed.

Three Intraco subsidiaries to merge with parent company

STAR BUSINESS REPORT

Three subsidiaries of Intraco Refueling Station Limited are going to be merged with their parent company.

The three companies are M Hye & Co CNG Refueling Station Ltd (MHCCRSL), Nessa & Sons Ltd (NSL) and Good CNG Re-Fueling Station Ltd (GCRSL).

In a filing on the Dhaka Stock Exchange yesterday, Intraco said its board approved the merger proposal of MHCCRSL, NSL and GCRSL where Intraco Refueling Station will be the surviving entity.

The proposal is subject to the consent of the shareholders of Intraco, the permission of the Bangladesh Securities and Exchange Commission, banks and other creditors, approval of the general meeting of the subsidiaries and subject to the approval of the High Court, said the filing.

The three refuelling stations are respectively located in Habiganj, Dhaka and Pabna.

Set up in 2007, Intraco owns eight refuelling stations, according to the company's website.

Shares of Intraco jumped 9.84 percent to Tk 41.30 on the DSE yesterday.

Oil steadies

REUTERS, London

Oil was little changed on Monday after China took steps to bolster its flagging economy, though investors remained worried about the pace of growth as well as further US interest rate hikes that could dampen demand.

China halved stamp duty on stock trading in its latest attempt to boost struggling markets. The market is also keeping an eye on Tropical Storm Idalia and any risk it poses to oil and gas output in the US Gulf.

Brent crude slipped 15 cents, or 0.2 percent, to \$84.33 a barrel by 1045 GMT, with an earlier rally fizzling out just short of the \$85 mark. US West Texas Intermediate crude gained 5 cents to \$79.88.

The focus today is on "China actions to support its economy, Tropical Storm Idalia heading for Florida and whether Brent can regain momentum on a break above \$85," said Ole Hansen, head of commodity strategy at Saxo Bank.



Workers at Bogra Motors Pvt Ltd assemble filters that can be used in all types of automobiles. Located in the Bangladesh Small and Cottage Industries Corporation's industrial estate in Bogura, the factory has the capacity to manufacture export-quality products. PHOTO: MOSTAFA SHABUJ

Local company holds potential in automobile filter export

MOSTAFA SHABUJ, Bogura

Bogra Motors Pvt Ltd, a factory located in the Bangladesh Small and Cottage Industries Corporation's (BSCIC) industrial estate in Bogura, has achieved a remarkable feat as it can produce filters that can be used in automobiles both at home and abroad.

The owners say the company can manufacture filters for any types of automobiles and has created ample opportunities to earn foreign currencies by exporting them.

It all began in 1977 when two friends -- Aminul Islam and Ahmed Rezaur Rahman -- set up two workshops on two bighas of land in the Bogura BSCIC. At that time, old cars were repaired in one unit while cars were painted in another unit.

In 1989, they started manufacturing filters. Bogra Motors obtained ISO (International Organisation for Standardisation) certification in 2004 and is selling its products under the brand name of "Power".

Currently, the company has the capacity to produce more than 70,000 to 80,000 units of filters worth around Tk 2 crore annually. Last year, it manufactured filters worth Tk 20 crore.

It produces cabin filters, oil filters, fuel filters and air filters -- the four essential parts of the engine that are used to protect buses, trucks, cars, minibuses, motorcycles and other automobiles from any impurities.

"Renowned companies of the country are using our filters," said Md Nurul Islam, general manager of Bogra Motors.

The company, which employs 400 permanent and temporary staff, also exports

its products.

In 2022, Bogra Motors exported 3,000 units of filters to the United Kingdom, fetching \$11,250. In 2008, the company shipped goods worth \$12,196 to Canada, said Islam.

Officials at the Bogura BSCIC say Bogra Motors is the lone local company that has registered the export of filters. However, due to some limitations, the company is unable to continue the shipment.

The owners say the company can manufacture filters for any types of automobiles and has created ample opportunities to earn foreign currencies by exporting them.

A lack of adequate land in the BSCIC area is one of the main reasons, said one official.

Almost all the parts required to make filters are manufactured in the factory. Only raw materials such as filter papers, adhesive and a special kind of glue are imported. Islam said a separate production unit is needed to manufacture export-quality filters. "We don't have that space here, so we have not been able to keep exporting."

Besides, the production cost is rising day by day due to an increase in the prices of raw materials and continued load-shedding, he said.

Another problem the company is facing is low-quality imported filters have flooded the

market, according to the senior executive.

Some local producers are marketing their filters without any brand name. Contactors are cashing in on this opportunity and they market the filters using the names of foreign brands.

"Therefore, we are losing our market share," Islam said.

AKM Mahfuzur Rahman, deputy general manager of the Bogura BSCIC, also praised the quality of the products made by Bogra Motors.

"It is an industrial unit that has huge potential."

He said the company has already exported filters to Canada and the UK and will do more in the future.

"Apart from employing a lot of people, Bogra Motors is paying a huge amount of VAT and taxes to the government. It is also saving foreign exchanges by making export-quality filters."

One of the four owners of Bogra Motors is Tahmidul Islam Chandan.

He said they would build another unit outside the BSCIC industrial estate to produce filters for automobiles as well as those used in power plants.

"At present, filters used in power plants are imported. If filters are made in the country, a lot of foreign currencies will be saved."

He also talked about the challenges facing companies like Bogra Motors.

"There have already been many changes in the automobile industry in the world. Electric and hybrid cars are being produced. In this case, the use of oil filters will decrease. So, we will have to think differently to survive in the business."

EBL to sell land to meet regulatory requirement

STAR BUSINESS REPORT

Eastern Bank Ltd (EBL) has decided to sell 2.8 acres of land in the Purbachal area of Gazipur and the capital's Bashundhara to adjust its fixed asset-to-paid-up capital ratio.

The board of the private commercial lender made the decision as its fixed asset stands at more than 30 percent of the paid-up capital, said Md Abdullah Al Mamun, company secretary of EBL.

Paid-up capital, also known as equity capital, is the amount of money a company has received from shareholders in exchange for shares. A fixed-asset to equity-capital ratio is a ratio used to calculate a business's ability to satisfy long-term debt.

In compliance with the requirements of the regulatory authorities, the bank plans to sell the land at the prevailing market price, EBL said in a disclosure on the Dhaka Stock Exchange.

Mamun said the bank tried to sell the two plots in 2019 for the same reason but could not do so at that time. "That's why, the lender has made the fresh move."

Shares of EBL closed unchanged at Tk 29.40 on the DSE yesterday.

Fashion retailers in India suffer sales pain

REUTERS, New Delhi/Mumbai

Across India's malls and high streets, the mood at fashion shops is sombre - foot traffic is down, sales are low, and many brands are embarking on steeper-than-usual discounts for longer-than-usual periods of time.

The culprit? Sky-high food inflation after erratic monsoon rains damaged crops and disrupted supply chains.

Prices for tomatoes have rocketed, at one point close to five times since June, while those for onions, another staple in Indian cooking, have risen 80 percent in some areas like New Delhi. Food inflation for July hit a staggering 11.5 percent, far more than 4.6 percent in June and marking a three-year high.

As purse strings tighten, the pain felt by India's clothing and shoe retail sector - worth an estimated \$62 billion in 2022 according to Euromonitor International - is fanning concerns about the health of consumer spending which had already been slowing even before the shocking rises in food prices.

At a Zink London outlet in a Mumbai mall, for example, staff at the domestic women's clothing chain have been calling 10 customers each per day and sending product pictures via WhatsApp in an effort to bolster sales, according to a store manager who declined to be identified.

Interviews with managers at 25 other fashion outlets across four Indian cities who spoke with Reuters on condition of anonymity painted a similar downbeat picture.

Popular Indian and foreign brands including shoe retailers Japan's Asics and Skechers USA have been offering steep discounts, some as much as 70 percent, far bigger than normal and have also been extending their sale periods, said several store managers. Even when customers do purchase fashion items, they buy far fewer than they once would have, some of the managers also said.

Zink London, Asics and Skechers did not respond to Reuters requests for comments.

The downturn in fashion spending has also been accompanied by a slide in spending at restaurant chains like Domino's.

That said, Indian consumer spending is not uniformly down in the dumps. The country's biggest cinema operator PVR Inox recently clocked its highest daily box office revenue of \$5 million, driven by some hit Bollywood offerings.

READ MORE ON B2

US seeks trade, tourism boost in China talks

REUTERS, Beijing

US Commerce Secretary Gina Raimondo arrived in Beijing late on Sunday for a four-day visit aimed at boosting business ties between the world's two largest economies while declaring American national security trade measures off-limits for debate.

"If you wanted to put a tagline to the trip and the mission, it's protected what we must and promote where we can," Raimondo told reporters on Friday before departing for China. "I'm not going to pull my punches next week when I am there, but I intend to be practical."

Relations are tense as the United States works with allies to block China's access to advanced semiconductors, while Beijing is restricting shipments from prominent chip company Micron Technology and raided and fined US firm Mintz Group \$1.5 million for doing "unapproved statistical work."

Raimondo, who was greeted upon arrival by Chinese Commerce Ministry official Lin Feng, will hold bilateral meetings with Chinese officials on Monday and Tuesday in Beijing before she heads to Shanghai. She will be joined by US Ambassador to China Nicholas Burns.

Raimondo spoke to President Joe Biden on Thursday about her visit and his message was enhanced dialogue with China can ease tensions.

READ MORE ON B2

Stable US-China economic relationship is crucial

US commerce secretary says

REUTERS, Beijing

US Commerce Secretary Gina Raimondo opened talks with Chinese government officials on Monday, saying it is "profoundly important" for the world's two largest economies to have a stable economic relationship.

Raimondo is looking to boost business ties as US firms have reported increasing challenges with operating in China, while China has sharply criticised US efforts to block its access to advanced semiconductors.

Raimondo said the world expects the United States and China will have a stable economic relationship; the two countries share more than \$700 billion in annual trade.

"It's a complicated relationship. It's a challenging relationship. We will of course disagree on certain issues," Raimondo said. "I think we can make progress if we are direct, open and practical."

Raimondo, who is holding three days of talks with Chinese and business leaders to boost ties, met with

Commerce Minister Wang Wentao on Monday for just over two hours.

Wang told US-China economic relations matter not just to the two countries, but also the rest of the world and expressed appreciation of Raimondo's remarks that she likes trade

with China.

He said he was ready to work together to "foster a more favorable policy environment for stronger cooperation between our businesses to bolster bilateral trade and investment in a stable and predictable manner."



US Commerce Secretary Gina Raimondo (2nd-R) speaks during a meeting with Chinese Minister of Commerce Wang Wentao (2nd-L) at the Ministry of Commerce in Beijing yesterday. PHOTO: AFP

Raimondo said the United States and China have "worked over the summer to establish new information exchanges and working groups that will enable us to have more consistent engagement in our relationship."

Some Republicans in Congress have criticized the suggestion that the United States would agree to a working group with China on export controls on advanced semiconductor chips.

Raimondo has declared off-limits any discussion of US export curbs aimed at slowing Beijing's military advances.

"Of course, of matters of national security there is no room for compromise or negotiate," she said, adding the vast majority did not impact national security concerns.

At an event later on Monday, Raimondo showed off a number of personal care products made by US companies and sold in China to make the case that trade can flourish outside products with national security implications and said 99 percent of trade between the two countries is unrelated to export controls.