

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.

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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.

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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.