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BUSINESS



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PM directs
to initiate
process to
secure loans
from NDB

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina yesterday directed the concerned departments to start the process of securing loans from the New Development Bank (NDB).

Talking to reporters at the planning ministry, Planning Minister MA Mannan said the premier made the comments while chairing a meeting of the Executive Committee of the National Economic Council (Ecnec).

In 2021, Bangladesh became a member of the NDB, becoming the first nation to be admitted into the institution after it was established in 2015 by the BRICS, an alliance of Brazil, Russia, India, China and South Africa.

"The NDB has opened up a new window for Bangladesh as the country would now be able to take loans from the bank

In 2021, Bangladesh became a member of the NDB, becoming the first nation to be admitted into the institution after it was established in 2015 by the BRICS

apart from other lenders like World Bank, Asian Development Bank, AIIB and IsDB," state-run news agency BSS quoted the prime minister as saying.

"This is the sign of our enhanced capacity and now we'll be able to take loans from where we'll get better outcomes through negotiations."

On Monday, the cabinet approved the "New Development Bank Act 2023".

On the same day, Cabinet Secretary Md Mahub Hossain said when a development partner issues a loan, it needs legal coverage.

The World Bank, the ADB and other lenders have also had the same legal coverage.

Bangladesh is at the final stage of borrowing \$800 million from the NDB for two projects, said Hossain.

READ MORE ON B3



SOPHISTICATED TECH

- 9 top cement manufacturers adopted sophisticated technologies called VRM and RP
- The 9 companies meet 85% of total demand



BENEFITS

- VRM and RP raise energy efficiency by 25%
- VRM and RP reduce pollution by 70%
- The technologies cut health hazards



TRADITIONAL METHOD

- Traditional ball mill production process pollutes area within 5km radius of the factory

What are VRM and RP?

VRM: A vertical roller mill is a type of grinding machine used to process raw materials and grind in the cement manufacturing process. Its popularity has shot up in recent years because of the features such as high energy efficiency, low pollutant generation and the requirement of small floor area.

RP: Roller press is an equipment applied to grind clinker, gypsum, coal, quartz sand, iron ore, blast furnace slag, and other materials.



PRODUCTION CAPACITY

- Production capacity of all factories now stands at 58 million tonnes per year



TOTAL DEMAND

- Local demand 35 million tonnes per year



MARKET SIZE

- Around Tk 35,000cr

Top cement makers
shifting to eco-friendly
production

Advanced technologies to cut energy use and pollution

JAGARAN CHAKMA

Bangladesh's major cement manufacturers are increasingly shifting to eco-friendly production processes with a view to cutting energy consumption and pollution and ensuring the sustainability of their business in a world that is getting more worried about industries' carbon footprint.

As part of their green transformation, the mills have replaced their traditional ball mills (TBMs) with sophisticated vertical roller mill (VRM) and roller press (RP) equipment, industry people said.

The roller press is an equipment applied to grind clinker, gypsum, coal, quartz sand, iron ore, blast furnace slag, and other materials.

A VRM is also a grinding machine used to process raw materials. Its popularity has shot up in recent years as it is energy efficient, emits a low level of pollutants and requires a small floor area.

According to local

manufacturers, although VRM and RP based manufacturing lines are three times costlier than the traditional ones, advanced technologies can help sustain businesses in the long run.

Nine large companies -- Shah Cement, Bashundhara, Fresh, Premier, Seven Rings, Crown, LafargeHolcim, HeidelbergCement, and Akij Cement -- that collectively control 85 percent of the domestic cement market have shifted to the sophisticated manufacturing process.

"VRM and RP-based production processes reduce energy consumption by 25

percent," said Mohammed Amirul Haque, managing director of Premier Cement.

"At the same time, they are environment-friendly and cut pollution by around 70 percent compared to the traditional production line," he said, adding that developed countries have switched to VRM and RP a long ago.

Premier Cement's three production units, which have a combined daily capacity of producing 26,000 tonnes of cement, have shifted to the VRM system.

In Bangladesh, there are 37 active cement factories, with a



total annual production capacity of 58 million tonnes against a demand of 35 million tonnes.

Haque claimed the RP-based system is cheaper than the VRM-based ones, but their eco-friendliness and energy efficiency levels are almost the same.

He said VRMs generally have a higher grinding efficiency compared to traditional ball mills.

However, he pointed out that there is a shortage of technicians and engineers needed to maintain the VRM and RP-based production lines and repair the equipment used.

"So, we need to hire experts from the European countries that also supply the equipment."

Md Moshir Rahman, head of business (marketing) at Akij Cement, says VRM and RP are eco-friendly but costly.

VRMs can, however, lead to lower operating costs over the long term thanks to their energy efficiency and reduced maintenance requirements, he said.

READ MORE ON B2

NEW UK TRADE BENEFIT
Bangladesh
can save £315m
a year: experts

STAR BUSINESS REPORT

Bangladesh will benefit the most from the UK's Developing Countries Trading Scheme (DCTS) as it will potentially save £315 million in tariffs annually on its exports to the European nation, according to experts.

The UK introduced its new Generalised System of Preferences (GSP), namely the DCTS, with effect from last January under which developing nations will enjoy duty-free benefits to the UK markets, except for arms.

"The scheme will support Bangladesh's smooth transition from LDC status and take the UK-Bangladesh trading relationship to greater heights," said British High Commissioner to Bangladesh Sarah Cooke yesterday.

"The scheme will support Bangladesh's smooth transition from LDC status and take the UK-Bangladesh trading relationship to greater heights," said British High Commissioner to Bangladesh Sarah Cooke yesterday.

It is more generous than GSP because it maximises benefits for developing nations and British buyers, she said.

The DCTS will mostly support Bangladesh because the UK formed the scheme especially keeping the country in mind, she said in an event at her Dhaka residence.

Cooke hoped that it would support the economic resilience of the country, although export diversification was still a challenge for Bangladesh.

In an online presentation, Sabiha Ahmed, trade preferences policy adviser at the Foreign, Commonwealth and Development Office of the UK, said Bangladesh would benefit from more generous rules of origin compared to the previous GSP.

The threshold for imported non-originating content increased from 70 percent to 75 percent for a large number of products, she said.

Bangladesh can source inputs from up to 95 countries without losing duty-free status by treating the inputs as originating in Bangladesh, she said.

READ MORE ON B3

STOCKS		
	DSEX ▲	CASPI ▲
	0.13% 6,290.99	0.12% 18,605.74

COMMODITIES		
	Gold ▼	Oil ▲
	\$1,918.99 (per ounce)	\$80.19 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.12% 65,075.82	▲ 0.18% 32,226.97	▲ 0.29% 3,223.09	▲ 1.20% 3,135.89



A worker is seen grafting a lychee tree at a farm in Kuniyari village of Pirojpur. He charges about Tk 800 per day for grafting trees. Grafting refers to the practice of slicing into a piece of a fruit tree, known as the scion, to bind it with another plant in order to propagate a new sapling with more desirable traits, such as disease resistance and improved yields.

PHOTO: TITU DAS

Bilateral trade
to rise if EPA is
signed with Korea
Korean envoy says

STAR BUSINESS REPORT

Bangladesh's bilateral trade and investment with Korea will increase if an economic partnership agreement (EPA) is signed, Korean Ambassador to Bangladesh Park Young-sik said yesterday.

The envoy spoke at a discussion on "Korea-Bangladesh Economic Cooperation" at Pan Pacific Sonargaon in Dhaka to celebrate the 50th anniversary of establishing diplomatic relations between the two nations.

Korean embassy in Dhaka, Korea Trade-Investment Promotion Agency (KOTRA) and Korea Bangladesh Chamber of Commerce and Industry (KBCCI) jointly organised the event.

Bangladesh has been negotiating with its major trading partners, including Korea, to sign trade pacts to retain the preferential trade benefits after the country's graduation to a developing nation in 2026.

The ambassador said Korea is the fifth largest investor in Bangladesh and recently the world's 10th largest economy has turned up as a major trading partner for Bangladesh in terms of export, import and investment.

Korea's RMG sector entered Bangladesh in late 1970s and the most recent Korean investments were made in the manufacturing industries such as automobile, mobile phones and electronics in joint ventures with the local partners, Young-sik said.

READ MORE ON B3

Policyholders
can take loan
from pension
scheme fund

STAR BUSINESS REPORT

The policyholders can take loans against the money they will deposit as subscription fee for the universal pension scheme, said Kabirul Ezdani Khan, executive chairman of the National Pension Authority.

The contributor can borrow up to 50 percent of the money to be deposited for the pension fund and the loan has to be paid in a maximum of 24 instalments, he said.

Moreover, a policyholder can take multiple loans from the pension scheme, but the second loan will be given only after the successful repayment of the first loan, he added.

Khan shared the information at a discussion held at the office of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) in Motijheel.

READ MORE ON B3

StanChart facilitates first LC application via H2H connectivity

STAR BUSINESS DESK

Standard Chartered Bangladesh has provided Genesis Fashions Ltd, a ready-made garments manufacturer and sister concern of the M&J Group, with the resources needed to submit trade applications via host-to-host (H2H) connectivity.

Luthful Arefin Khan, head of transaction banking of the bank, and Sheikh Mahfuzul Hoque, chief financial officer of the RMG manufacturer, signed an agreement to this end at the former's head office in Dhaka recently, said a press release.

This connectivity enables Genesis Fashions to directly apply for letters of credit and other trade products from their own ERP

system eliminating any duplication of work and thereby adding efficiency to the trade process.

The bank's H2H solution provides clients with an entirely paperless service that empowers them to minimise their carbon footprint while conducting trade processes with greater speed and efficiency.

"Host-to-host connectivity for trade is a major milestone in the trade digitisation journey – one that Standard Chartered is leading in this market. This makes end-to-end trade transaction processing faster by seamlessly connecting the client with the bank," said Naser Ezaz Bijoy, chief executive officer of the bank.

"Thus, I would like to congratulate Genesis Fashions



Luthful Arefin Khan, head of transaction banking of Standard Chartered Bangladesh, and Sheikh Mahfuzul Hoque, chief financial officer of Genesis Fashions Ltd, sign an agreement on H2H connectivity at the former's head office in Dhaka recently.

PHOTO: STANDARD CHARTERED BANGLADESH

Limited on becoming the first company in Bangladesh to forward a letter of credit application through this innovative channel," Naser said.

"We are very proud to be the first to complete a trade-based H2H transaction in Bangladesh with the support of Standard Chartered. This

solution greatly simplifies our procurement process and reduces our workload," said Munir Ahmed, a director of the RMG manufacturer.

Ukraine won't reduce winter wheat acreage

REUTERS, Kyiv

Ukrainian farmers are not expected to reduce the area of winter wheat they sow for the 2024 harvest despite higher logistics costs due to the wartime export crisis, a senior farming official told Reuters on Tuesday.

Ukraine is a major wheat producer and the demise of the Black Sea corridor used to safely export grain during the war spurred speculation that farmers could sow less wheat because of shrinking profit margins due to costlier export routes.

On Monday, the agriculture ministry quoted survey data as showing that farmers could indeed cut the area of winter wheat sowing, while increasing the area of winter rape for 2024 to a record high level.

Ukraine is a major wheat producer and the demise of the Black Sea corridor used to safely export grain spurred speculation that farmers could sow less wheat

However, First Deputy Agriculture Minister Taras Vysotskiy told Reuters on Tuesday that the possible reduction of winter wheat may total only 0.1 percent.

"Wheat not significantly - minus 0.1 percent" he said. The estimate has not previously been reported.

An expected reduction in the overall winter grain sowing area would come at the expense of other grains, he said, forecasting a drop of 5.4 percent in barley sowing this winter.

Ukraine sowed about 4.1 million hectares of winter wheat for the 2023 harvest, while the area under winter barley stood at around 615,000 hectares.

Ukraine is a traditional grower of winter wheat, which accounts for at least 95 percent of the country's overall wheat output.

Farmers have already completed the 2023 wheat harvest, threshing 21.94 million metric tons. The harvest totalled 20.7 million tons in 2022.



PHOTO: EASTERN BANK

Humaira Azam, managing director of Trust Bank, and Ali Reza Iftekhar, managing director of Eastern Bank, sign an agreement on money transfer service at the latter's head office in Gulshan, Dhaka on Monday.

EBL, Trust Bank sign deal on money transfer

STAR BUSINESS DESK

Eastern Bank Ltd (EBL) has signed an agreement with Trust Bank Ltd for the money transfer service Ria, a US-based global money transfer company whose Bangladesh agent is Trust Bank.

Humaira Azam, managing director and CEO of Trust Bank, and Ali Reza Iftekhar, managing director and CEO of EBL, inked the deal at the latter's head office in Gulshan on Monday, said a press release.

EBL's partnership with Trust Bank and Ria aims to boost the efficiency and accessibility of remittance services for expatriate Bangladeshis across the globe where Ria has widespread presence, it said.

AKM Nazmul Hossain, country manager of Bangladesh at the money transfer provider, and other senior officials from all the parties were present.

China's factory activity likely extended declines

REUTERS, Beijing

China's factory activity likely contracted for a fifth straight month in August, a Reuters poll showed on Tuesday, as weak demand threatens recovery prospects in the world's second-largest economy and pressures officials to prop up growth.

The official purchasing managers' index (PMI) is expected to have edged up to 49.4 in August, a marginal improvement on the 49.3 recorded in July, according to the monthly forecast of 34 economists in the poll.

An index reading above 50 indicates expansion in activity on a monthly basis

while below that signals contraction. Only two respondents forecast readings of 50 or above.

The last time the indicator pointed to contraction for more than three consecutive months was in the six months to October 2019, before the pandemic, suggesting negative sentiment among factory managers has become entrenched.

"Demand from key trading partners is diminishing. Both the US and Eurozone Manufacturing PMIs have fallen below the expansion threshold of 50 for nine and 14 consecutive months, respectively," Taimur Baig,

chief economist at DBS, wrote in a note. "ASEAN, China's top trading partner, has also decreased to a nearly two-year low of 50.8."

Major banks have downgraded their economic growth forecasts for the year to below the government's target of about 5 percent as recovery sputters on a worsening property slump, weak consumer spending and tumbling credit growth, prompting authorities to slash interest and promise further support.

Over the weekend, China announced a halving in stock-trading stamp duties and on Friday approved guidelines for affordable housing to

expand investment, although analysts anticipate home prices will show no growth this year.

Most analysts say policymakers are unlikely to deliver any aggressive stimulus amid worries about exacerbating debt risks.

The official manufacturing PMI, which largely focuses on big and state-owned firms, and its survey for the services sector, will be released on Thursday.

Last month, the services and construction sectors teetered on the brink of contraction - the last remaining bright spots in an economy otherwise struggling for signs of life.

UCB gets BB recognition in sustainability rating

STAR BUSINESS DESK

United Commercial Bank (UCB) PLC was honoured yesterday as one of top banks in "Sustainability Rating 2023" by the Bangladesh Bank.

The acknowledgement has been ensured as part of UCB's continuous dedication towards sustainable finance, green finance, corporate social responsibility and core banking sustainability, said a press release.

Arif Quadri, managing director and CEO of UCB, received the acknowledgement honour from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka.



Arif Quadri, managing director of United Commercial Bank, receives a sustainability rating from Abdur Rouf Talukder, governor of the Bangladesh Bank, at the latter's headquarters in Motijheel, Dhaka yesterday.

PHOTO: UNITED COMMERCIAL BANK

Dollar ticks up, yen under pressure

REUTERS, Singapore/London

The US dollar ticked up slightly on Tuesday after a strong run though traders held off from large bets ahead of a slew of economic data this week, while the Japanese yen languished near levels that triggered intervention last year.

Against a basket of currencies, the dollar edged up 0.14 percent to 104.88, after slipping 0.2 percent on Monday.

The index is up over 2 percent this month and is coming off a run of six weeks of gains as resilient US economic data bolstered expectations that rates may stay higher for longer.

That view gained more traction after Federal Reserve Chairman Jerome Powell suggested on Friday that further interest rate increases may be needed to cool still-too-high inflation, though his promise to move with care at upcoming meetings provided for some uncertainty.

"The message from Powell was that they are in data dependent mode and that puts more focus on the US numbers this week, particularly PCE deflator and payrolls," said Lee Hardman, senior currency analyst at MUFG.

Personal consumption expenditure data, the Fed's favoured inflation gauge, is due Thursday and non farm payrolls will come on Friday, though job openings figures for July released later on Tuesday will help set the tone. Economists polled by Reuters expect job openings to come in at 9.465 million, easing slightly from June.

Markets are pricing in a 78 percent chance of the Fed standing pat on interest rates next month, the CME FedWatch tool showed, but the odds of a hike by the November meeting are now at around 60 percent compared with 42 percent a week earlier.

"Meanwhile, in Europe we have the euro zone CPI report Thursday which

the market is putting a great deal of weight on with the ECB's decision in September seen as finely balanced," Hardman added.

The euro was flat at \$1.081, with Hardman saying the single currency had found support around the \$1.08 level, and sterling was last at \$1.260, steady on the day, moving off two-month lows from last week.

The widening gap in interest rates between Japan and the United States has pressured the yen, with the country's low yields making the currency an easy target for short-sellers and appropriate for funding trades.

The Japanese currency was a touch softer at 146.69 per dollar on Tuesday within a whisker of the 146.75 hit a day earlier, its weakest level since November 9. The Asian currency is down about 11 percent against the dollar for the year.

Wary traders have been on the look out for any signs of intervention from Japanese authorities.

ChatGPT turns to business

FROM PAGE B4

It added that companies including Carlyle, The Estée Lauder Companies and PwC were already early adopters of ChatGPT Enterprise.

The release came as ChatGPT is struggling to maintain the excitement that made it the world's fastest downloaded app in the weeks after its release.

That distinction was taken over last month by Threads, the Twitter rival from Facebook-owner Meta.

According to analytics company Similarweb, ChatGPT traffic dropped by nearly 10 percent in June and again in July, falls that could be attributed to school summer break, it said.

Similarweb estimates that roughly one quarter of ChatGPT's users worldwide fall in the 18-24 demographic.

OpenAI is also facing pushback from news publishers and other platforms -- including X, as Twitter is now known, and Reddit -- that are now blocking OpenAI web crawlers from mining their data for AI model training.

A pair of studies by pollster Pew Research Center released on Monday also pointed to doubts about AI and ChatGPT in particular.

Two-thirds of the US-based respondents who had heard of ChatGPT say their main concern is that the government will not go far enough in regulating its use.

The research also found that the use of ChatGPT for learning and work tasks has ticked up from 12 percent of those who had heard of ChatGPT in March to 16 percent in July.

Pew also reported that 52 percent of Americans say they feel more concerned than excited about the increased use of artificial intelligence.

FROM PAGE B1

The cement industry is one of the major sectors responsible for huge carbon emissions and air pollution, not just in Bangladesh, but also across the world.

So, the initiative of the local cement manufacturers will help them to be compliant and become a part of the global commitment aiming at reducing carbon emissions and air pollution, said Fahmida Khatun, executive director of the Centre for Policy Dialogue, a think-tank.

"Advanced technologies will help the industry reduce health hazards and improve efficiency. In the long run, entrepreneurs will benefit thanks to their adherence to compliance and a cut in the cost of production."

"Even green technologies will contribute to cement exports in the future."

Crown Cement has installed VRM in its fifth production line to increase cost efficiency and make the production process more eco-friendly.

The sixth unit, which is expected

Top cement makers shifting

to start its operation by this year, will also be VRM-based, said Md Mozharul Islam, company secretary of Crown Cement.

Prof Ahmad Kamruzzaman Majumder, chairman of the Department of Environment Science at Stamford University, said a TBM-based cement factory pollutes areas located within the 5-kilometre radius of the facility.

Air pollution caused by cement factories also creates health hazards for workers as well as the people living in the surrounding community during the manufacturing, loading and unloading of raw materials and finished goods, he said.

Thanks to the installation of VRMs and RPs, factories can control pollution inside the facilities but it might not be easy to curb the pollution brought about by the entire supply chain, according to Majumder.

Prof Majumder said they would complete a study within a short time to find out how much pollution will remain despite the adoption of modern technologies.

Toyota's Japan production

FROM PAGE B4

"Output was running at full capacity so there's little additional room for production," said Seiji Sugiyama, an analyst at Tokai Tokyo Research Institute.

Toyota was likely able to restart its Miyata plant in the southern prefecture of Fukuoka from 0700 GMT on Wednesday, public broadcaster NHK reported.

The spokesperson said it remained unclear when production at the factory would be restarted.

Tuesday's incident was also having a knock-on effect. Group firm Toyota Industries said it has partially suspended operations at two engine plants due to the automaker's glitch.

Toyota is a pioneer of just-in-time inventory management, which keeps down costs but means supply chain snarls put production at risk.

While the cause of the latest malfunction was unclear, corporate Japan has been on alert in recent days as businesses and government offices reported harassing phone calls.

The government said the calls were likely from China and related to Japan's release of treated radioactive water from the wrecked Fukushima nuclear power plant into the Pacific Ocean.

Toyota's share price closed down 0.21 percent at 2,431.5 yen after spending much of the morning deeper in negative territory.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 29, 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 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			



A delegation comprising top executives of the US-Bangladesh Business Council meets with Prime Minister Sheikh Hasina at her official Gono Bhaban residence in Dhaka yesterday. The prime minister called for larger investment from US companies in sectors, particularly power, energy, ICT and infrastructure.

PHOTO: PID

PM seeks more US investment

BSS

Prime Minister Sheikh Hasina yesterday called for larger investment from US companies in sectors, particularly power, energy, ICT and infrastructure.

"I believe US companies will take advantage and invest more in potential and productive sectors like power and energy, ICT, infrastructure, light engineering and electronics, automobile, agro-processing, pharmaceuticals, and ceramics," she said.

In her introductory speech in a meeting with the visiting executive business delegation from the US-Bangladesh Business Council at her official Gono Bhaban residence, she said that currently, Bangladesh has the most open foreign direct investment policies in South Asia.

The premier said the friendship and partnership between Bangladesh and the US proved to be mutually beneficial for both countries and rooted in mutual trust.

"Since independence, the US has been one of our trustworthy development partners, contributing to our socio-economic progress. Being the single largest source of FDI and export market for Bangladesh, I wish the US would continue to support its growth trajectory," she said.

The prime minister said that the US-Bangladesh Energy Taskforce and the US-Bangladesh Digital Economy Task Force will contribute to deepening the cooperation of companies from both countries to ensure their sustainable development.

Sheikh Hasina said Bangladesh had ensured the most attractive climate for investment that includes a liberalised industrial policy, one-stop service, an allowance for 100 percent foreign ownership, an easy exit policy, a 15-year tax exemption, a VAT exemption for imported machinery, and streamlined services.

To facilitate industrialisation, the government is establishing 100 economic zones, 109 hi-tech and software technology parks, and IT training and incubation centres across the country.

The premier said they are shortly going to open some megaprojects like Matarbari Deep Sea Port, Dhaka elevated expressway, part of Metro-rail in Dhaka, and Bangabandhu Tunnel in Chattogram.

"These infrastructures will further amplify both external connectivity and internal trade, thus acting as catalysts for growth," she said.

With its own market of 170 million people, she said Bangladesh is located in the heart of a market of nearly three billion consumers. She continued they, therefore, promote the concept of connectivity with our neighbours, which is becoming a reality.

"With its strategic location, Bangladesh is emerging as an ideal place for trade and investment in the region and beyond," she said.

Atul Keshap, president of the US-Bangladesh Business Council, led the delegation.

US businesses have expressed interest to invest in energy, aerospace, digital economy and healthcare sectors, said Salman F Rahman, the prime minister's adviser on private industry and investment, in a statement.

"US businesses have shown their interest to invest in the healthcare sector here so that patients do not need to go abroad," he said after a meeting with a 40-member delegation of the council at the Bangladesh Investment Development Authority's office.

The delegation included officials from US companies Blackstone, Meta, Excelerate Energy, Chevron, ExxonMobil and Boeing, according to the press release.

The adviser said big companies from the US have already invested in Bangladesh. "They are willing to invest more," he said, adding that American companies see bright prospects in the government's Smart Bangladesh vision.

Rahman, also a lawmaker, said the US businesses do not have any concerns regarding the upcoming election in Bangladesh.

"The American companies do not see any risk in investing here. Rather, they are hopeful about the potential of Bangladesh."

Govt now offers incentives on summer onion varieties

STAR BUSINESS REPORT

The government will provide an additional Tk 16.2 crore as incentives to farmers to encourage them to cultivate the summer varieties of onions in its efforts to reduce import dependence and become self-reliant.

Some 18,000 small and marginal farmers will get incentive in the form of seed, non-urea fertiliser and cash, said the agriculture ministry in a statement yesterday.

The move comes at a time when onion prices have shot up in the wake of a 40 percent export duty imposed by India, a major source of onion for Bangladesh, in the third week of this month to cool down its local market.

Bangladesh can meet up to 75 percent of its requirement through local production.

It has to import the rest, particularly from India, to address its annual demand for the popular vegetable, used as spice here.

Locally grown onion was retailing at a maximum of Tk 90 a kilogramme (kg) in

Dhaka yesterday, up from Tk 65 a month ago.

Imported onion was available for Tk 75 per kg, up 66 percent from that a month ago.

The Ministry of Agriculture (MoA) earlier this year provided Tk 16 crore to promote cultivation of summer onions in its efforts to increase supply of domestically produced bulbs during the lean period – from October to November.

Locally grown onion was retailing at a maximum of Tk 90 a kilogramme (kg) in Dhaka yesterday, up from Tk 65 a month ago.

The government stepped in to bolster local production of onions in 2020, a year after domestic prices of the bulb soared to a historic high of Tk 250 per kilogramme resulting from a ban on onion shipments by India.

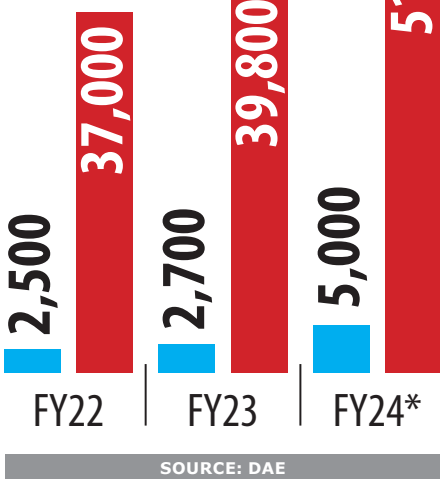
Since fiscal year 2021-22, cultivation of onion during the summer season has

CULTIVATION OF SUMMER ONION

*Target

■ Area (hectares)

■ Production (tonnes)



SOURCE: DAE

been growing.

Acreage of the bulb, a popular vegetable mainly used as a spice, grew 8 percent year-on-year to 2,700 hectares in fiscal year 2022-23.

Farmers bagged nearly 40,000 tonnes of onion during the year, as per the Department of Agricultural Extension (DAE).

For the current season, the DAE targets to bring 5,000 hectares of land under the cultivation of summer onion to produce 51,000 tonnes.

The agriculture ministry yesterday said it would provide one kg of onion seed, 20 kg of diammonium phosphate, 20 kg of muriate of potash, and Tk 2,000 for land preparation as well as labour cost to farmers for the cultivation of each bigha of land.

The late varieties of onions can be planted in the November-December period and be harvested in the January-February period, said the ministry.

The MoA said it was providing the stimulus for onion planting from a rehabilitation scheme. The incentive will soon be distributed, it added.

Chinese investors rush to offshore funds to offset domestic risks

REUTERS, Hong Kong/Shanghai

Disillusioned with a weak stock market at home, geopolitical risks and a falling currency, Chinese investors are pouring money into investment products with exposure to overseas assets that will also help diversify their portfolios.

Retail money has gushed into exchange traded funds (ETFs) and mutual funds issued under the Qualified Domestic Institutional Investor (QDII) programme, one of the few channels for Chinese money to be invested abroad, leaving managers of these funds scrambling for more quotas under the strictly managed scheme.

Those investing in QDII products are no longer content staying close to home in Hong Kong equities but are seeking funds that give them

access to US, Japanese and even emerging markets such as Vietnam and India as the Chinese economy stumbles, analysts said.

A record 38 QDII funds had been launched this year until August 17, outpacing the 31 funds launched in 2022, Morningstar data shows.

"Demand for US stocks has emerged since late last year and has strengthened this year due to the lucrative returns. The Nasdaq ETF sold exceptionally well," said Ivan Shi, head of research at Shanghai-based fund consultancy Z-Ben Advisors.

The total QDII quota of roughly \$165.5 billion is almost used up, and there is demand for more, fund managers say, as domestic investors seek alternatives to falling stock and property values at home.

Money has been leaving China's

shores all year, not just through QDII funds but also its Stock Connect and Bond Connect links with Hong Kong, complicating authorities' efforts to stabilise the yuan and revive confidence.

The blue chip CSI300 index is among the world's worst-performing major indexes this year, down roughly 2 percent, after tumbling 22 percent in 2022. The yuan is down more than 5 percent against the US dollar this year.

In contrast, the Dow Jones Industrial Average is up 4.3 percent and Nasdaq has jumped roughly 30 percent.

Asset managers are finding the State Administration of Foreign Exchange (SAFE) is slow in approving further QDII quota, having already granted \$5.8 billion in quotas in two rounds this year.

Bilateral trade to rise

FROM PAGE B1

On export front, Korea is becoming a major export destination for Bangladesh products, especially for the apparels because of competitive prices.

The merchandise export to Korea grew by 122.71 percent in eight years to \$623.79 million in 2022-23 fiscal year, up from \$280.09 million in 2015-16 fiscal year, according to data from the Export Promotion Bureau.

The partnership between Bangladesh's Desh Garment and Korea's Daewoo Corporation in 1979 planted the seed of Bangladesh's garment industry, the Korean envoy said.

Since then, bilateral economic relations have flourished in many ways, benefiting both the economies and the two-way trade surpassed \$3 billion-dollar mark last year for the first time, he said.

Before the LDC graduation in 2026, Bangladesh government needs to pay attention to increase productivity of the manufacturing sector, he said.

Young sik also urged Bangladesh

to form policies to stop smuggling of mobile phones as illegally imported handsets meet 50 percent of its demand in the country.

The manufacturing sector of Bangladesh should produce more cars locally, as 85 percent of the cars sold here are reconditioned, the ambassador said.

State Minister for Foreign Affairs Shahriar Alam said currently Bangladesh enjoys duty-benefit on export to Korea for 95 percent or over 4,000 of its products under the Asia Pacific Trade Agreement.

Alam urged the Korean government for further expansion of the product coverage under the duty benefit, especially beyond 2026.

He said Japan will also review its generalised system of preferences by June 2024 so that the duty benefit to Bangladesh can be extended for 10 more years up to 2034.

Ahsan H Mansur, executive director of the Policy Research Institute, said a massive investment is needed in the education sector for

building a smart nation.

Bangladesh should utilise its demographic dividend to increase industrial productivity, he said.

He also suggested for building smart, updated, green and sustainable industries to build a smart Bangladesh, Mansur also said.

Some 68 Korean companies have so far registered with the Bangladesh Investment Development Authority (Bida), said Shah Mohammad Mahboob, director general for international investment promotion of the Bida.

Over 70 percent of the foreign investments Bangladesh received last year were actually reinvestments made by the foreign companies, which highlights Bangladesh's popularity as a secured place for investment, he said.

Hyeok JEONG, a professor of the Graduate School of International Studies of the Seoul National University, presented the keynote paper at the event, where Zunaid Ahmed Palak, state minister for ICT, also spoke.

Bangladesh can save £315m

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The south Asian country will get the highest benefits of £315 million annually, she said.

Under the DCTS, Bangladesh will automatically move to an "Enhanced Preferences" tier in 2029, which will provide duty-free access to 98 percent of Bangladesh's exports to the UK, including garments, said Ahmed.

The DCTS is about boosting trade and prosperity and retention of the scheme is based on respect for human and labour rights though compliance with international conventions, she said.

This includes those focused on civil and political rights, anti-corruption, climate change and the environment, she said, adding that the UK would closely monitor these aspects.

Bangladesh has huge potential to grab the UK market as it accounts for only 0.7 percent of its \$688 billion imports, said Mohammad Abdur Razzaque, chairman of the

Research and Policy Integration for Development (RAPID).

The research firm identified more than 100 non-apparel items with high export potential, from leather goods and footwear, agro-food and processing, fish and shrimp, to light engineering products.

Apparel accounts for more than 90 percent of Bangladesh's exports to the UK. However, the UK's imports are highly diversified with the share of apparel products being just 3.4 percent, he clarified.

"It shows how big of a potential the UK market is for Bangladesh!" he said.

The main challenges to grabbing the market is a lack of knowledge and information about it and absence of established relationships with big brands and retailers of non-apparel products, said Razzaque while presenting a paper.

Moreover, exporters often find it difficult to meet the UK's standard and certification requirements, he

said. He recommended increasing incentives on identifying potential export sectors and launching globally recognised certification and necessary testing facilities.

In the pharmaceuticals sector, Bangladesh needs collaboration with the brains of the drug innovators of the UK, said Syed S Kaiser Kabir, CEO & managing director of Renata Ltd.

Because research and development are key to expanding and grabbing a bigger market in this sector, he added.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, MA Jabbar, managing director of DBL Group, Simeen Rahman, managing director & CEO of Eskayef Pharmaceuticals, Md Abdur Rahim Khan, additional secretary to the Ministry of Commerce, and Md Sameer Sattar, president of the Dhaka Chamber of Commerce & Industry, were present at the event.

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The projects are the Dhaka Narayanganj Gas Pipeline project and the Water Supply Project in the capital's Basila area.

Bangladesh has already agreed to pay \$188.4 million in paid-up capital for being a member of the new international lender. Paid-up capital is the amount of money a company has received from shareholders in exchange for shares of stock.

As a member, the country's total share in the bank will stand at \$942 million. Of the sum, \$753 million will be in the form of authorised capital.

Bangladesh will have to pay \$188.4 million in seven instalments in seven years. And it will be able to contribute \$753 million through the purchase of bonds of the bank later.

Right now, the country's share in the bank is 1.84 percent.

The NDB has an authorised capital of \$100 billion, which is open for subscription by members of the

United Nations.

Since its inception, the NDB has provided about \$30 billion in loan assistance to member countries for 80 different projects related to physical and social infrastructure and urban development.

The Ecneec yesterday approved 20 projects involving Tk 14,077.86 crore. Of them, 13 are new and seven are revised.

Of the project cost, Tk 12,409.44 crore will come from the government, Tk 619.38 crore from implementing agencies and the rest Tk 1,049.04 crore as project assistance.

The government has taken a project to construct a new building for Bagerhat Collectorate at a cost of Tk 130.20 crore. Other projects include the Tk 603.80 crore Modernisation of Hossain Shaheed Suhrawardy Children's Park.

A Tk 310 crore project has been approved to connect the 300-feet road in Purbachal with Madani Avenue.

The Ecneec meeting also approved the proposals that sought time extension for five projects without any revision to their costs.

Policyholders

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Since the launch of the scheme on August 17, the Progoti scheme, which is dedicated for the employees of private companies, has received the highest response, the executive director of the pension authority said.

Initially the money given by the public will be invested in treasury bonds and treasury bills, he said.

The Progoti scheme will play an important role in ensuring financial security for private sector workers and employees, MCCIPresident Saiful Islam said at the event. The government rolled out the much-anticipated universal pension scheme on August 17 with an aim to bring all citizens aged above 18 under the coverage.

US trade curbs threaten global supply chains

China says

AFP, Beijing

Beijing has raised “serious concerns” with the United States over Washington’s trade curbs on Chinese businesses, warning they could threaten the “security and stability” of global supply chains, state media reported Tuesday.

In a readout of Monday talks in Beijing between the Chinese commerce minister and his US counterpart Gina Raimondo, state news agency Xinhua said Wang Wentao had urged Washington to “match its words with actions”.

“Wang... raised serious concerns about issues including the US Section 301 tariffs on Chinese goods, its semiconductor policies, restrictions of two-way investment, discriminatory subsidies, and sanctions on Chinese enterprises,” Wang said, referring to a raft of US policies Washington defends as necessary to “de-risk” its supply chains.

“Unilateral and protectionist measures run counter to market rules and the principle of fair competition, and will only harm the security and stability of the global industrial and supply chains,” he added.

UK shop price inflation at 10-month low

REUTERS, London

Prices in British store chains rose in August at the slowest pace in nearly a year, according to industry data that offers further relief for consumers hit by high inflation and for the Bank of England which is trying to quash it.

The British Retail Consortium said annual shop price inflation cooled to 6.9 percent in August, its lowest since October 2022, weakening from 7.6 percent in July.

Food price inflation fell to 11.5 percent from July’s 13.4 percent, driven by slower increases for meat, potatoes and some cooking oils. Non-food inflation held at 4.7 percent.

“These figures would have been lower still had the government not increased alcohol duties earlier this month,” BRC Chief Executive Helen Dickinson said.

Prices rose in month-on-month terms by 0.5 percent having fallen the first time in two years in July from June.

Record potato production, yet prices going up

MD ASADU'Z ZAMAN and KONGKON KARMAKER

Potato prices are soaring even though farmers this year grew a record 1.04 crore tonnes, cutting the buying power of consumers, especially fixed and low-income people already battered by sustained high inflation.

Within one week, prices increased by Tk 5 per kilogramme (kg) to a maximum of Tk 45 in Dhaka’s markets, as per the Trading Corporation of Bangladesh, which is being blamed on supplies falling short of demand.

The current price is 57 percent higher than that a year ago.

Prices are going up as traders and farmers of large-scale operations, who store potatoes in cold storages for sale during the lean season, are taking it slow in releasing their stocks, according to stakeholders.

With planting starting in September, potatoes take 90 days to grow. Harvests from January ensures supplies for the next couple of months. However, by June, stocks in cold storages need to be released and this continues till the next harvest.

Stocks of the popular tuber become depleted at this stage of the year as demand rises for high prices of other vegetables.

The annual production figure came from the Bangladesh Bureau of Statistics, which says it was 2.83 percent higher than that in the preceding year.

Annual demand stands at around 1 crore tonnes, according to market players.

“This year’s production is a record high in Bangladesh’s history. Currently, there is no scarcity of potato in the country,” said Md Tajul Islam Patwary, director of field services at the Department of Agricultural Extension.

On the reason behind the price rise, he blamed a lack of market monitoring by agencies responsible, such as the Directorate of National Consumers’ Right Protection (DNCRP).

However, Bangladesh Cold Storage Association (BCSA) disagreed with the government’s production estimate, saying it would not exceed 80 lakh tonnes.

“We do not agree with the government data,” said Mostafa Azad Chowdhury, president of the BCSA, whose members own 181 out of the over 400 cold storages in the country.

Some 20 percent of the cold storage capacity of the BCSA members have remained

unused, he said. “If the potato production is high, where are these surplus potatoes?” he questioned.

He said traders were releasing stocks slowly as they know that farmers have exhausted their stocks.

Some vegetable vendors in the Agargaon kitchen market were found charging up to Tk 50 for every kg of potatoes

northwestern district of Dinaipur, said wholesale and retail prices had been stable until Eid-ul-Azha last month.

Just prior to Eid, each kilogramme was available at Tk 22 to Tk 25 in the district town. Shortly afterwards, the price shot up to Tk 35.

Since then, it has continued to rise at both retail and wholesale, with a recent increase

Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB), blamed a lack of market monitoring and a mentality of businesses to avail excess profits.

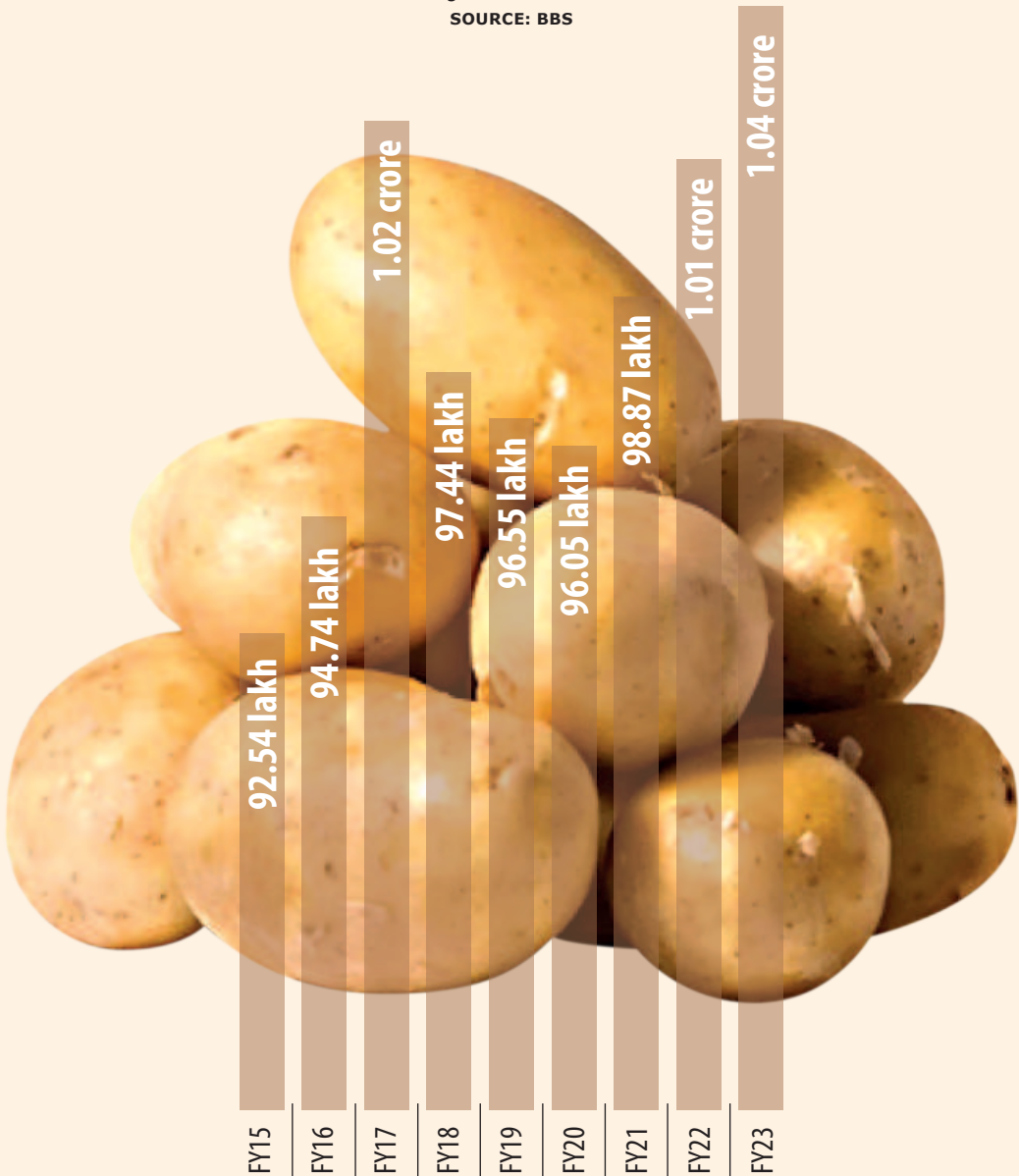
“When potato production remains at a surplus, the hike of price is not acceptable,” he said.

AHM Shafiquzzaman, director general of the DNCRP,

POTATO PRODUCTION

(Figures in tonnes)

SOURCE: BBS



yesterday.

One of them, Jewel Mollah, said he bought each kilogramme at Tk 42 from Karwan Bazar and was selling it for Tk 45.

Nasir Uddin, a wholesaler in Karwan Bazar, one of Dhaka’s biggest kitchen markets, said each 65-kg bag was selling for Tk 2,470 where it was Tk 2,145 one or two weeks back.

The price hike has also hit north of the country, where a lion’s share has been produced.

Traders, particularly those in Rail-Bazarhat and Bahadurbazar of the

of Tk 5 per kilogramme.

Md Sumon Ali, a wholesaler in Railbazarhat, Dinaipur, said the frequent price fluctuations were primarily driven by shifts in supplies. He was charging up to Tk 45 per kilogramme on Monday.

Shafiqul Islam, another wholesaler in Dinaipur, linked the surge to market manipulation by big traders.

He said high prices of other vegetables have compelled consumers to switch to potatoes, thereby increasing potato consumption in the country.

said they lacked manpower to comprehensively monitor the market.

“It’s difficult to monitor all products in the kitchen market. When any product’s price becomes abnormal, we immediately take action,” he said.

“We don’t have the market price or details of production cost. The Department of Agricultural Marketing should have taken steps in this regard,” he said.

Seeking anonymity, a DNCRP official said market stocks did not reflect the agricultural data.

Toyota’s Japan production at standstill

System failure hits assembly plants

REUTERS, Tokyo

Toyota Motor Corp on Tuesday said it has suspended operations at all 14 of its assembly plants in Japan due to a production system malfunction, bringing domestic output to a standstill at the world’s biggest-selling automaker.

The glitch is preventing Toyota from ordering components and its cause is under investigation, though it is “likely not due to a cyberattack”, a spokesperson said.

Toyota suspended 12 plants in its home market from Tuesday morning and added the final two from the afternoon, the spokesperson said. It was unclear how much output would be lost.

The plants together account for about a third of the automaker’s global production, Reuters calculations showed.

Toyota’s domestic production had been on the rebound after a series of output cuts it blamed on semiconductor shortages. Output was up 29 percent in January-June, the first such increase in two years.

Its Japan output averaged about 13,500 vehicles daily in the first half of the year, Reuters calculations showed. That excludes vehicles from group automakers Daihatsu and Hino.

Operations were halted for a day last year when a supplier suffered a cyberattack, hampering Toyota’s ability to order parts. Toyota resumed operations using a back-up network.

Analysts said Toyota could be tested in making up for output lost during the outage, such as by running extra shifts.

READ MORE ON B2

India cuts prices of cooking gas

REUTERS, New Delhi

India cut the price of cooking gas for households on Tuesday by about 18 percent to rein in inflation ahead of crucial state and general elections.

The government reduced the price by 200 rupees (\$2.42) on a 14.2-kilogram (33 pounds) cooking gas cylinder sold to 330 million households, Information Minister Anurag Thakur told reporters.

The decision will impact about 100 million low-income families who form a key voter base and have felt the pinch of the rise in food prices over the last few months, as India’s annual inflation rose to a 15-month high in July.

Prime Minister Narendra Modi’s government has been criticised by the opposition over high inflation and the price of liquefied petroleum gas ahead of crucial elections in five states in the coming months and national elections in mid-2024.

The government will have to spend an additional 40 billion rupees for the enhanced cooking gas subsidy, in addition to about 76 billion rupees it has budgeted for the current fiscal year.

“The reduction in prices is aimed at providing direct relief to families and individuals, while also supporting the government’s larger goal of ensuring affordable access to essential items,” Oil Minister Hardeep Singh Puri said in a statement.

The cut will double the subsidy support provided to the country’s 96 million poor under a welfare programme, increasing it to 400 rupees per cylinder as part of the “Ujjwala scheme”.

The subsidy extension on cooking gas was one of the key factors that helped Modi win the 2019 general election.

The federal cabinet has also approved a plan to provide free cooking gas stove and connection to 7.5 million new beneficiaries under the scheme, Thakur said.

India imports about 60 percent of its liquefied petroleum gas requirement, and Thakur said LPG prices globally have surged 303 percent since April 2020.

ChatGPT turns to business as popularity wanes

AFP, San Francisco

OpenAI on Monday said it was launching a business version of ChatGPT as its artificial intelligence sensation grapples with declining usership nine months after its historic debut.

ChatGPT Enterprise will offer business customers a premium version of the bot, with “enterprise grade” security and privacy enhancements from previous versions, OpenAI said in a blog post.

The question of data security has become an important one for OpenAI, with major companies, including Apple, Amazon and Samsung, blocking employees from using ChatGPT out of fear that sensitive information will be divulged.

“Today marks another step towards an AI assistant for work that helps with any task, is customized for your organization, and that protects your company data,” OpenAI said.

The ChatGPT business version resembles Bing Chat Enterprise, an offering by Microsoft, which uses the same OpenAI technology through a major partnership.

ChatGPT Enterprise will be powered by GPT-4, OpenAI’s highest performing model, much like ChatGPT Plus, the company’s subscription version for individuals, but business customers will have special perks, including better speed.

“We believe AI can assist and elevate every aspect of our working lives and make teams more creative and productive,” the company said.

READ MORE ON B2

India’s 5 lakh tonnes of rice shipments postponed after new duty

REUTERS, Mumbai

India’s move to impose a 20 percent duty on exports of parboiled rice has prompted buyers and sellers to postpone shipments of around 500,000 metric tons to after mid-October to avoid paying the tax, three leading exporters told Reuters on Tuesday.

The delay in shipments from the world’s biggest exporter of rice could deplete inventories in importers such as Benin, Ghana, Côte d’Ivoire, and Liberia, and boost local prices in those countries, which are already near multi-year highs.

India, which is scrambling to rein in inflation ahead of state elections later this year, on Friday expanded curbs on rice exports with a 20 percent duty on parboiled rice that would be effective until October 15.

“Buyers are postponing the shipments; nobody is willing to pay the duty,” said Himanshu Agarwal, executive director at Satyam Balajee, an exporter.

Shipments of around 500,000 tons have been put on hold, said BV Krishna Rao, president of the Rice Exporters Association (REA).

Indian exporters were offering 5 percent broken parboiled variety last week at \$450-\$455 per metric ton, but since then have raised prices to a record

\$520 to \$540, exporters said, up nearly 40 percent from a year ago.

“Even before India imposed the duty, buyers were uncomfortable with the rising



Labourers use shovels to separate rice husk from the grain at a wholesale grain market in Amritsar.

PHOTO: AFP/FILE