

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.



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.

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.

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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.

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			

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

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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.

Top cement makers shifting

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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

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

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"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.