



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

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.

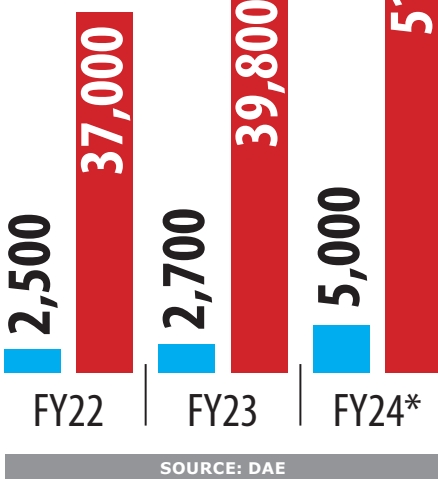
The government stepped in to bolster local production of onions in 2020, a year after domestic prices of the bulb soared to a historic high of Tk 250 per kilogramme resulting from a ban on onion shipments by India.

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

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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.

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."

PM directs to initiate

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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.