

star

BUSINESS

AT A GLANCE

Packing industry is in slow lane due to economic uncertainty

The industry will not improve until the economy stabilises

Packaging industry dependent on other sectors



LOCAL DEMAND

Local manufacturers meet **80%** demand  
Rest of the demand is met thru imports



MARKET SIZE

Tk **6,000** crore



TOTAL DEMAND

**2** lakh tonnes per year



TOTAL FACTORIES

About **100**



INVESTMENT

About Tk **5,000** cr



GROWTH RATE

**15%** for the last 20 years

The packaging industry is going through a bad patch because of the ongoing economic uncertainty, costlier US dollar and a rise in the prices of gas and power.

Safius Sami Alamgir  
President of Bangladesh Flexible Packaging Industries Association.



SK Sur Chowdhury

ACC seeks bank account details of SK Sur, family

STAR BUSINESS REPORT

The Anti-Corruption Commission (ACC) has asked banks to send account details of former Bangladesh Bank deputy governor SK Sur Chowdhury and his spouse and daughter as a part of an investigation in a tax evasion case against the three.

The banks were directed to provide detailed information of bank accounts, loans, fixed deposits and investments in savings certificates and records of transactions by September 7 this year.

The investigation is being carried out by a

The banks were directed to provide detailed information of bank accounts, loans, fixed deposits and investments

three-member ACC team.

Earlier in July 2021, the National Board of Revenue (NBR) directed banks to freeze bank accounts of Chowdhury and his spouse Suparna Sur Chowdhury on suspicion of tax evasion.

The Central Intelligence Cell of the NBR later detected tax evasion by Chowdhury and his spouse. Accordingly, NBR's field office finalised the amount. Chowdhury has filed an appeal at the tax office protesting the claim, said officials of the NBR.

Prior to it, the NBR had sought detailed information on all types of accounts and transactions of five persons, including SK Sur, former Bangladesh Bank executive director Md Shah Alam and their spouses.

Earlier, a close associate of alleged money launderer PK Halder confessed to a Dhaka court that SK Sur and Alam had assisted them in carrying out the financial scams.

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JAGARAN CHAKMA

The growth of the country's packaging industry is in a slow lane due to the persisting economic uncertainty and the impacts of the price hike of the US dollar, gas and electricity, according to industry people.

The packaging industry is a backward linkage sector and relies on sectors such as food-processing and readymade garments. As a result, the industry has been in trouble for the past 18 months owing to the slowdown that has hit the overall economy.

"Like other sectors, the packaging industry is going through a bad patch because of the ongoing economic uncertainty and the impact of the costlier US dollar and the increase in the prices for gas and power," said Safius Sami Alamgir, president of the Bangladesh Flexible Packaging Industries Association.

The sector expanded at an annual pace of 10 percent to 12 percent from 2000 to 2010 while at around 20 percent in the decade before the coronavirus

pandemic struck Bangladesh in keeping with steady economic growth, he said.

"The market grew on the back of a boom in the manufacturing of consumer products locally. But the demand has now stagnated due to the impact of the global economic crisis and higher inflationary pressure at home."

In Bangladesh, the overall market size of the packaging industry is around Tk 6,000 crore and the annual demand for packaging products stands at 2 lakh tonnes.

Alamgir is also the managing director of Tampaco Foils Ltd, one of the top manufacturers in Bangladesh and the pioneer in

the sector. It was set up in 1978.

Currently, there are more than 100 packaging factories in Bangladesh. However, the number of major manufacturers is low.

The large producers are Arbab Poly Pack Ltd, AGI, Famous Printing and Packaging, Merchant Packaging Industries, Premiallex Plastics, Shajinaz Eximpack, Meghna Packaging, r-pac Bangladesh, and Mohona Packages and they collectively meet more than half of the annual demand.

According to Alamgir, it costs Tk 100 crore to establish a medium-sized packaging factory and entrepreneurs in the sector have invested more than Tk



5,000 crore.

M Hossain Iraz, director for operations at Akij Biax Films Ltd (ABFL), also said the industry is going through a dull period since the other sectors it caters to are also struggling to survive.

The company entered the sector in 2018 with an investment of more than Tk 1,000 crore in a bid to capture a slice of the growing local market and diversify the country's export basket.

Iraz said ABFL is the only plant in the country that produces films for both single-layer unprinted flexible packaging and multilayer printed flexible packaging.

Its production capacity stands at 80,000 tonnes per annum.

He alleged that there are a number of importers who bring in packaging raw materials under bonded warehouse facilities and sell them in the local market although they are meant to be used in export-oriented goods alone.

"There is a need to ensure a competitive environment in the market so that compliant factories can survive."

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Banks move away from multiple exchange rates

USD buying and selling rates fixed at Tk 109.50 and Tk 110 respectively

STAR BUSINESS REPORT

Banks in Bangladesh have decided to enforce a uniform exchange rate of the US dollar from next week with a view to moving away from multiple prices of the American greenback blamed for the ongoing foreign currency instability.

The move is part of the central bank's effort to embrace a market-based exchange rate in line with the conditions attached to the International Monetary Fund's \$4.5 billion loan.

Yesterday, banks decided to buy the US dollar at Tk 109.50 and sell them at Tk 110 from the first working day of next week.

The Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB) fixed the single exchange rate during a virtual meeting, which was attended by the leaders of the two associations.

Bangladesh Bank Chief Economist Md Habibur Rahman made a presentation at the meeting.

The uniform US dollar rate came at a time when the country's forex reserve continued to decline.

On August 30, the gross international reserves stood at \$23.06 billion, according to the Bangladesh Bank, which began publishing foreign currency reserves as per the IMF's manual in July.

The reserves have fallen by about 25 percent in the past one year.

As of yesterday, the exchange rate was at Tk 109 per dollar for remittance, while it was Tk 109.50 for importers and Tk 108.50 for exporters as per a previous decision of the BAFEDA and the ABB.

As per the new decision, the exchange rate was revised upwards to Tk 109.50 per dollar for remitters and export bills and Tk 110 for importers.

The inter-bank exchange rate will be Tk 110 per dollar.

After the meeting, BAFEDA Chairman and Sonali Bank Managing Director Md Afzal Karim told The Daily Star: "This is a market-based exchange rate because we have fixed it after observing the market."

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STOCKS	
DSEX ▲	CASPI ▲
0.10% 6,299.49	0.09% 18,633.18

COMMODITIES	
Gold ▲	Oil ▲
\$1,944.67 (per ounce)	\$82.09 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.39% 64,831.41	▲ 0.88% 32,619.34	▲ 0.41% 3,233.30	▼ 0.55% 3,119.88



PHOTO: STAR/FILE

As Bangladesh is expected to be the ninth largest consumer market by 2030, the US wants to invest more in various sectors of the country.

US firms want to invest more in agri, services sectors

STAR BUSINESS REPORT

Businesses of the US want to invest more in agriculture and service sectors in Bangladesh as the country is expected to be the 9th largest consumer market globally by 2030, stated a visiting American business delegation yesterday.

Urging the government to offer tax holiday facilities in the two sectors, the delegation wanted to know about the prevailing facilities for investment in Bangladesh.

The query was made at a meeting between the delegation, led by Steven Kobos, president and chief executive officer of Excelerate Energy, and Finance Minister AHM Mustafa Kamal at the secretariat office in Dhaka.

The delegation included Atul Keshap, president of the US-Bangladesh Business Council, and Kevin Roepke, head of South Asia of the US Soybean Export Council.

"We have informed them that the rate of return for investment in Bangladesh is high," Kamal told journalists after the meeting.

He said to have assured ensuring the facilities if the US investors chose Bangladesh as an investment destination. "Besides, we will consider providing more incentives on a case-to-case basis depending on the nature of investments in the future," he added.

A representative from the National Board of Revenue informed the delegation of tax facilities on investments, said Kamal.

"They also sought government support to invest in a

READ MORE ON B3

Market diversification can raise RMG export

BGMEA says

STAR BUSINESS REPORT

Bangladesh can increase garment exports to \$100 billion by 2030 and account for 12 percent of the global trade through market diversification, innovation and technological and skills development, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

"We have proven our capability globally becoming the second largest apparel manufacturer with an about 8 percent market share and retaining our position since 2010," he said.

He made this comment at a seminar titled "Supply Chain Reconfiguration and Structured Trade Finance for the apparel industry" organised by HSBC Bank

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## Brac Bank gets award as a top sustainable bank

STAR BUSINESS DESK

Brac Bank has been awarded as one of the top sustainable banks in the country by the Bangladesh Bank in its "Sustainability Rating of 2022". The bank achieved this recognition for the third consecutive year, said a press release.

Tareq Refat Ullah Khan, deputy managing director and head of corporate banking at the bank, received the award from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

"This recognition will inspire us to expand our sustainability initiatives further. Our business model, centred around governance, transparency, ethics, and compliance, has paved the way for our remarkable achievements in green financing, sustainable CMSME and agriculture financing, and socially responsible endeavours," said Khan.

Among others, Nurun Nahar, deputy governor of the BB, Md Khurshid Alam, executive director (grade-I), Chowdhury Liakat Ali, director of sustainable finance department, and Ekram Kabir, head of communications at Brac Bank, were present.



Tareq Refat Ullah Khan, deputy managing director and head of corporate banking of Brac Bank, receives an award from Abdur Rouf Talukder, governor of the Bangladesh Bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

PHOTO: BRAC BANK



PHOTO: SHAHJALAL ISLAMI BANK

Mosleh Uddin Ahmed, managing director of Shahjalal Islami Bank, receives an award from Abdur Rouf Talukder, governor of the Bangladesh Bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

## Bangladesh Finance named top sustainable FI

STAR BUSINESS DESK

Bangladesh Finance has been recognised as a top sustainable financial institution (FI) by the Bangladesh Bank for its unwavering commitment to sustainability and responsible financial practices.

This achievement is the second consecutive year for the non-bank financial institution (NBFI), said a press release.

Md Kyser Hamid, managing director and CEO of the NBFI, received an award from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

"Bangladesh Finance's commitment to financing ventures extends beyond

metropolitan areas, reaching the farthest corners of the nation to support various micro and small-scale entrepreneurs," said Hamid.

This year's recognition was conferred upon the top four NBFIs and seven banks from both the public and private sectors.

The central bank highlighted the key criteria including a minimal non-performing loan ratio, sustainable financing for SMEs, green refinancing, CSR initiatives, extensive banking service coverage, and the principles of core banking sustainability that were considered in conferring this recognition. Among others, Nurun Nahar, deputy governor of the BB, and Md Khurshid Alam, executive director, were present.



Md Kyser Hamid, managing director of Bangladesh Finance, receives an award from Abdur Rouf Talukder, governor of the Bangladesh Bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

PHOTO: BANGLADESH FINANCE



PHOTO: CITY BROKERAGE

## Trust Bank top lender in BB sustainability rating

STAR BUSINESS DESK

Trust Bank has been recognised as one of the top seven banks in the "Sustainability Rating 2022" by the Bangladesh Bank.

Humaira Azam, managing director and CEO of the bank, received an award from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday, said a press release.

Among others, Nurun Nahar, deputy governor of the BB, Md Khurshid Alam, executive director, Chowdhury Liakat Ali, director of sustainable finance department, and Akhlasur Rahman Bhuiyan, deputy managing director and CRO of Trust Bank, were present.



Humaira Azam, managing director of Trust Bank, receives an award from Abdur Rouf Talukder, governor of the Bangladesh Bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

PHOTO: TRUST BANK

## Shahjalal Islami Bank gets recognition in sustainability rating

STAR BUSINESS DESK

Shahjalal Islami Bank Ltd received an award as a recognition of success for achieving a satisfactory position in the sustainable rating by the Bangladesh Bank.

Mosleh Uddin Ahmed, managing director and CEO of Shahjalal Islami Bank, received the award from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday, said a press release.

Among others, Nurun Nahar, deputy governor of the BB, Md Khurshid Alam, executive director of sustainable finance department, Chowdhury Liakat Ali, director of sustainable finance department, and Mohammed Ashfaqul Hoque, senior executive vice-president and head of sustainable finance unit of Shahjalal Islami Bank, were present.

## APA IMPLEMENTATION Sonali top among state banks

STAR BUSINESS DESK

For a third consecutive year Sonali Bank PLC has topped the chart among state-owned commercial banks under Financial Institutions Division in implementing its annual performance agreement (APA) in fiscal year 2022-23.

Maksuma Akter Banu, joint secretary to Financial Institutions Division alongside the APA focal point, issued a signed memo in this regard, said a press release.

## China factory activity shrinks

AFP, Beijing

China's factory activity contracted for a fifth straight month in August, official data showed on Thursday, as pressure mounts on Beijing to offer more policy support to bolster its sluggish economy.

The reading is the latest to indicate the nation's post-Covid recovery is running off the tracks owing to a decline in overseas demand as well as a drop-off in consumption at home.

**The survey results show that insufficient market demand remains a major problem facing enterprises today, said an expert**

The official manufacturing purchasing managers' index (PMI) — a key measure of factory output — came in at 49.7 in August, below the 50-point mark that separates expansion and contraction, according to the National Bureau of Statistics (NBS).

Still, the reading was slightly higher than the July reading and also beat forecasts.

The non-manufacturing PMI, which includes activity in the construction and services sectors, fell to 51.0, from 51.5 in July, according to NBS data.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 31, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	-2.22 ↓	-5.04 ↓
Coarse rice (kg)	Tk 48-Tk 50	-2 ↓	-10.91 ↓
Loose flour (kg)	Tk 45-Tk 50	-6.86 ↓	-9.52 ↓
Lentil (kg)	Tk 95-Tk 100	2.63 ↑	-9.3 ↓
Soybean (litre)	Tk 155-Tk 160	-3.08 ↓	-9.22 ↓
Potato (kg)	Tk 42-Tk 45	14.47 ↑	61.11 ↑
Onion (kg)	Tk 80-Tk 90	36 ↑	78.95 ↑
Egg (4 pcs)	Tk 50-Tk 53	5.1 ↑	32.05 ↑

SOURCE: TCB

## Nippon Paint opens warehouse in Manikganj

STAR BUSINESS DESK

Nippon Paint Bangladesh Limited has recently opened a 26,000 square feet warehouse in Manikganj equipped with the latest technology for safe and efficient storage and distribution of paint products across the country.

Yaw Seng Heng, group managing director of Nippon Paint Malaysia, inaugurated the facility, said a press release.

"We are committed to providing our customers with the best possible products and service," said Rajesh Sircar, deputy general manager of Nippon Paint Bangladesh Limited.



Yaw Seng Heng, group managing director of Nippon Paint Malaysia, cuts a cake to inaugurate a finished goods warehouse of Nippon Paint Bangladesh in Manikganj recently.

PHOTO: NIPPON PAINT BANGLADESH

## Indigo farming moving

FROM PAGE B4

Khairuddin Sarker, senior scientific officer of the BCSIR, said the sample provided by Nekhil showed that it is a good natural dye that is suitable for use in making fabrics and textiles.

As a result, a few other entrepreneurs joined hands with Nekhil to form a joint stock company called "Indigo Fields Ltd" that aims to once again popularise the natural dye at home and abroad.

At present, India, China, Vietnam and El Salvador are the only major dye exporters, leaving ample opportunity for Bangladesh to join the competition, he added.

Nekhil said that prominent trading firms, exporters and NGOs such as Aarong, Probortona, Esquire, The Source and Nodi Limited regularly collect indigo dye from his factory.

Moklesur Rahman, a senior manager of Nodi, said they source indigo dye from Nekhil's factory to colour export-oriented garment items that are free of health hazards. "Local garment units import synthetic dyes for millions of dollars each year. If those are replaced by locally produced natural dye, our country could save a huge amount of foreign currency," he added.

Living Blue, another prominent dye producer co-owned by Care Enterprise Inc and Nijera Cottage and Village Industry, has also been working in this field since 2006.

The company exported one tonne of indigo dye to the US in 2018, which was the largest shipment of its kind from the country.

However, Living Blue has had to cease its activities after facing setbacks during the coronavirus pandemic.

## Global rice supplies

FROM PAGE B4

\* July 28 - The United Arab Emirates bans rice exports and re-exports for four months, including rice of Indian origin.

\* July 29 - Philippine President Ferdinand Marcos Jr. says the country must boost its rice stocks and that he may seek a supply deal with India, worried about the potential impact of El Nino dry weather on the local harvest and about other suppliers. The Philippines is the world's second-largest rice importer.

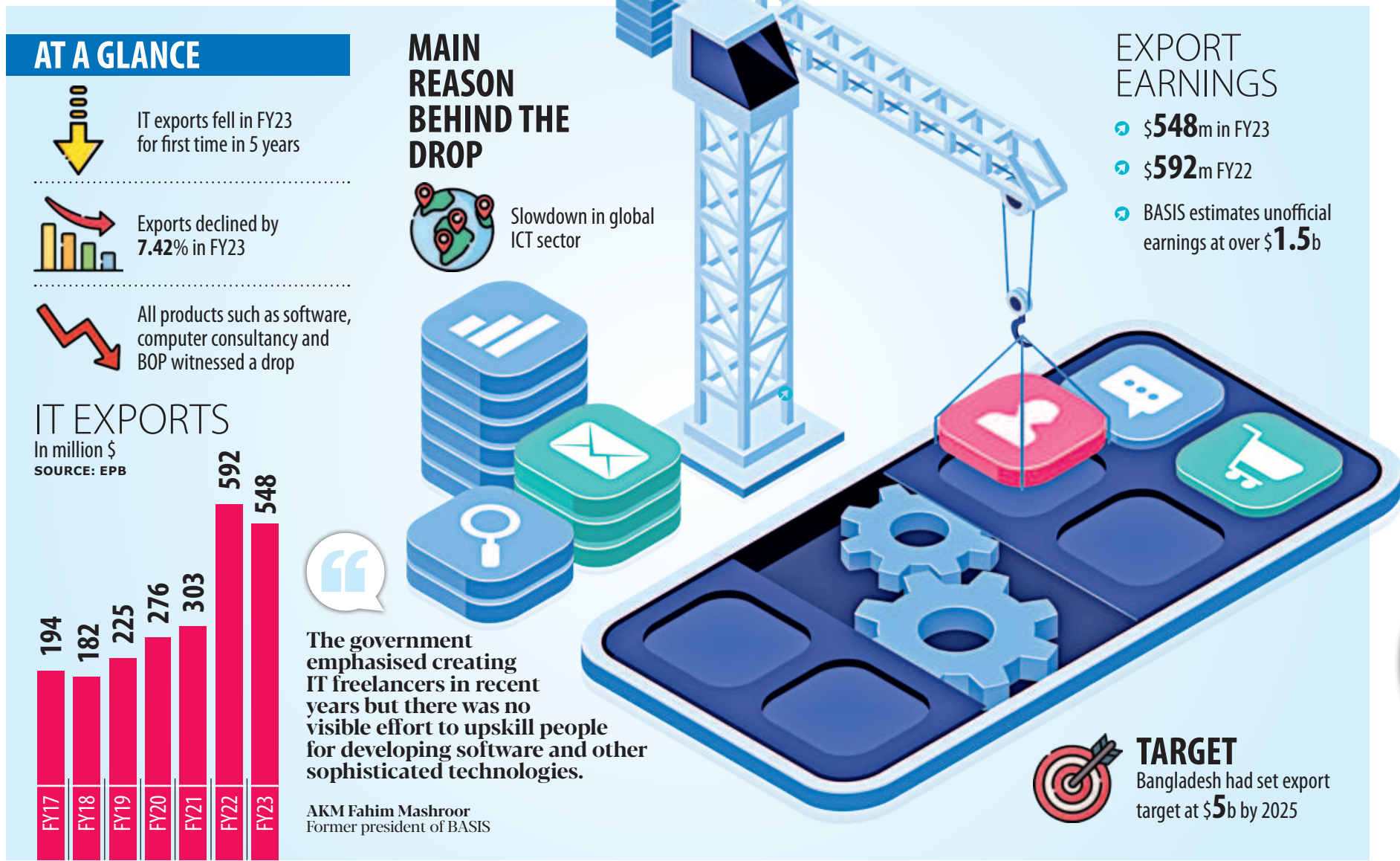
\* Aug 1 - Rice exporters in Thailand and Vietnam, the second and third biggest exporters, start re-negotiating prices on sales contracts for around half a million metric tons for August shipment.

\* Aug 4 - The United Nations food agency's rice price index rises 2.8 percent in July from a month earlier to its highest level in nearly 12 years.

\* Aug 7 - The Philippines says it may extend reduced import tariffs on rice and other commodities beyond 2023 to ease pressure on inflation.

\* Aug 11 - Retail prices for imported and locally produced rice in the Philippines have risen by 4 percent to 14 percent in around two weeks, government data shows, as global and domestic farmgate prices soared, adding pressure on food inflation.





# IT exports fall for the first time in five years

MAHMUDUL HASAN

IT exports from Bangladesh have fallen for the first time in five years, which is an ominous sign for the government's export diversification efforts as the country is failing to produce big IT firms.

According to the Export Promotion Bureau (EPB), earnings of domestic IT firms declined by 7.42 percent compared to the previous year, reaching \$548.10 million in fiscal 2022-23.

This is also a big blow to the county's target of achieving \$5 billion in exports of IT and digital devices by 2025.

"The government emphasised creating IT freelancers in recent years but there was no visible effort to upskill people for developing software and other sophisticated technology," said AKM Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services (BASIS).

He explained that it is difficult to boost overall IT export earnings by simply increasing the number of freelancers in

the country as their individual incomes are minimal.

Mashroor also said India's IT exports is now worth more than \$200 billion because the country has been able to create firms like Infosys, Wipro and Tata Consultancy Services.

"Each of these companies earns billions of dollars and employ thousands of people by developing high-end software products," he said.

Besides, tech companies around the world have downsized the number of their employees and those people now work as freelancers. "So, this has also had an impact on the overall IT exports of Bangladesh," Mashroor said.

"Another reason is that the clients of our IT firms are small startups. As venture capital investment plummeted around the world, it has had a negative effect on our exports," he added.

All segments -- IT enabled services (ITESs), and software and computer consultancy -- have experienced a negative impact in FY23.

Revenues generated from shipments of ITESs, that encompass tasks such as graphic design, image editing and business process outsourcing, declined by 5.32 percent to \$458.62 million that year.

Similarly, export earnings from software decreased 19.66 per cent year-on-year to \$47.85 million.

The shipment of computer consultancy services fell 8.93 percent to \$34.76 million while installation, maintenance and repair of computer and peripheral equipment services witnessed a decline of 30.72 per cent to \$6.88 million.

"The trend of growth in exporting software was very encouraging in the last 1 or 2 years, but from the data of the last few months, we are seeing that export is falling," said Rashad Kabir, a director of BASIS.

"One of the main reasons might be that global inflation has forced most companies in Europe and the US to cut their costs, resulting in reduced software imports," he added.

The hiring of remote developers was a popular model of working during the

Covid-19 pandemic, when many software companies and individual developers from Bangladesh worked as offshore development partners.

"But in the last six months, companies have gone back to their traditional onsite work model, which might be another reason for the fall in software export," Rashad said.

He suggests Bangladesh IT companies focus on some untapped markets like Africa and Pan Pacific Asia, where there is a lot of scope to earn from providing IT/ITES. "Companies should also focus on developing their own products rather than only providing services," he added.

Syed Almas Kabir, a former president of BASIS who is revered for his erudition in the local IT market, said there are a few concerning factors for the decline in IT exports.

"One common factor is the global recession due to war and Covid-19. For this, firms around the world are not updating their IT installations. So, our export volume has declined in line with their lower investment," he added.

## Zaved Akhtar new chairman of Unilever Bangladesh

STAR BUSINESS REPORT

Zaved Akhtar has been unanimously elected as the chairman of the board of directors of Unilever Bangladesh Ltd (UBL), the country's leading fast moving consumer goods company, with effect from August 28.

The decision came from the company's 194th board meeting held on August 27.

The current CEO and managing director of the company, Akhtar will succeed Kedar Lele, who had served UBL as chairman since 2020.

Akhtar will continue to lead the Bangladesh business as managing director while assuming his new role as chairman of the six-decade-old company, Unilever said in a statement yesterday.

He will also be a member of the Unilever South Asia Leadership Team.

On this occasion, Rohit Jawa, president of Unilever for South Asia and CEO and managing director of Hindustan Unilever Limited, said: "I would like to thank Zaved for his outstanding leadership of our Bangladesh business. His efforts towards strengthening business outcomes through superior brands for our consumers, and at the same time, driving Unilever's Compass Commitments, are indeed commendable."

"I am delighted to welcome Zaved to the Unilever South Asia Leadership Team as the new Chairman of Unilever Bangladesh. I am confident that under his leadership, Unilever Bangladesh will grow stronger and continue to partner the country in its growth journey."

Akhtar joined Unilever Bangladesh in 2000 and he has worked in different roles in local, regional, and international capacities in his career spanning over two decades.

After successful completion of multiple international assignments, Akhtar was appointed as the CEO and managing director of Unilever Bangladesh in 2021.

## BHBFC tops in APA assessment

STAR BUSINESS DESK

The Bangladesh House Building Finance Corporation (BHBFC) has secured first position in the Annual Performance Agreement (APA) for financial year 2022-23.

This achievement is the fourth consecutive time for the state-owned non-bank financial institution (NBFI), said a press release.

This was confirmed in an assessment letter issued by the Financial Institutions Division (FID) of the Ministry of Finance on Wednesday.

As per the FID, the BHBFC secured 99.59 percent marks, which is the highest among all state-owned banks and NBFIs in the assessment.



Sabbir Hasan Nasir, executive director of Shwapno, and Abu Naser, operations director, attend the opening of an outlet on Ring Road at Adabar of Mohammadpur yesterday.

PHOTO: SHWAPNO

## Banks move away

FROM PAGE B1

"If banks violate the rate, the central bank will take action against them."

Policy Research Institute Executive Director Ahsan H Mansur, however, declined to accept the new rate as market-based.

He argued: "The dollar rate is Tk 118 in the kerb market and the real exchange rate is close to the kerb market."

A senior official of a private commercial bank who attended the meeting said the meeting also discussed the ongoing volatility in the forex market driven by higher import bills against moderate export and remittance earnings.

He said the uniform rate is close to the real effective exchange rate (REER), which stands at Tk 110.50 to Tk 111 per dollar.

The official said banks were asked to stop imposing multiple rates for remittances, export bills and importers in order to stabilise the

foreign exchange market.

The meeting described hundi, a cross-border illegal money transfer system, as a major challenge.

"Banks have been asked to curb hundi."

Before the coronavirus pandemic, hundi cartels accounted for nearly half of remittance transfers to Bangladesh as the segment offered better US dollar rates than banks and other financial service providers.

Migrant workers sent \$21.61 billion to Bangladesh in the just-concluded fiscal year.

The central bank is committed to implementing a unified and market-driven single exchange rate considering prevailing market conditions as per the conditions agreed with the IMF.

Introducing a single exchange rate system for exports, imports and remittances will be an automatic stabiliser against any external imbalances, said the BB in June in its

monetary policy statement.

Centre for Policy Dialogue Executive Director Fahmida Khatun said the forex market mechanism could not work when the exchange rate is fixed.

"It is not a sustainable solution when the exchange rate is fixed artificially. We badly need a market-based exchange rate."

The economist called the falling trend of the reserve a major concern for the economy.

PRI's Mansur warns that if the wide gap between the formal and informal exchange rates continues, remittance earnings through the formal sector will continue to fall.

"There will be a shortage of US dollars in the inter-bank market when remittance flow using the informal sector goes up."

The former official of the IMF said the local currency would have to be made attractive by hiking the interest rate.

## Market diversification

FROM PAGE B1

Bangladesh at The Westin Dhaka last Tuesday.

HSBC can play a pivotal role to introduce innovative solutions and create awareness among Bangladesh apparel exporters in view of changing market dynamics, Hassan added.

Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh, said HSBC was grateful to the Bangladesh apparel industry for putting the trust in them as a partner in the sector's growth.

"Leveraging our international connectivity and expertise in structured trade solutions, we will continue to support the evolving needs of the industry in a rapidly changing global supply chain landscape," he said.

Stuart Rogers, regional head of international markets, commercial banking for Asia-Pacific, HSBC, said HSBC was one of the leading trade finance providers in Bangladesh, catering for approximately 10 percent of the country's trade volume.

## ACC seeks bank account details

FROM PAGE B1

PK Halder, former managing director of NRB Global Bank and Reliance Finance Limited, and his associates had allegedly siphoned off about Tk 10,200 crore from four non-banking financial institutions.

The confession led to Alam being stripped of the responsibility of monitoring two central bank departments, Department of Financial Institutions and Markets and the Department of Banking Inspection-2.

Chowdhury could not be reached for comments despite repeated phone calls and text message.

## Packaging industry bears

FROM PAGE B1

Pran RFL Group set up a packaging plant in 2010 to produce items that would be used by its own factories.

The conglomerate sells packaging items to other companies on a very limited scale after meeting its demand. Sometimes, it has to purchase from others when it needs extra products, said Kamruzzaman Kamal, marketing director of the company.

He said the demand is low since consumers' purchasing capacity has eroded owing to higher inflation.

Inflation in Bangladesh has stayed at an elevated level for more than a year.

The Consumer Price Index rose to a 12-year high of 9.02 percent in 2022-23 against the government's revised target of 7.5 percent, according to the Bangladesh Bureau of Statistics.

Kamrul Islam Likhon, general

manager of Arbab Poly Pack, blames over-investment and over-capacity of the existing manufacturers for their current woes.

The overall manufacturing capacity of the sector has reached around 4 lakh tonnes against a demand for packaging materials of 2 lakh tonnes, he said.

"We entered the market 38 years ago when the number of manufacturers was low and the business growth was healthy."

Despite the over-capacity, Bangladesh still has to rely on the external market to meet 20 percent of the demand for packaging materials since there are some products that local manufacturers don't produce.

Tampaco Foils' Alamgir does not see any possibility for the packaging industry to return to the pre-crisis growth trajectory until the economy returns to normalcy.

## US firms want to invest more in agri

FROM PAGE B1

digital payment system," said Sharifa Khan, secretary to Economic Relations Division.

Kamal was asked about a recent survey conducted by the Japan External Trade Organisation which found that about 71 percent of Japanese investors were dissatisfied with the general business environment in Bangladesh.

"What have the Japanese companies invested in...? They have only one (major investment), that is tobacco manufacturing," responded the finance minister.

He was also asked about another recent survey which found some 70 percent of its respondents of the opinion that Bangladesh's economy was heading in the wrong direction.

Anyone who says that the economy is not in good shape does not understand the economy that well,

said Kamal, adding, "Now the whole world recognises that Bangladesh is a role model."

The survey was jointly conducted by The Asia Foundation in Bangladesh and the Brac Institute of Governance and Development.

"How well off does the economy further need to be?" he asked.

On the ongoing high inflation, Kamal said, "When we took charge (came to office), how much was inflation? It was 12.3 percent. From there, our inflation is now 7.5 percent even in this situation."

On why prices of goods were increasing, he said, "The Russia-Ukraine war has started, no one knows when it will end. How long will you run the economy as planned in this uncertainty?"

"Still, our economy is doing very well. Everyone says Bangladesh's economy is doing well," he added.



## Banks can now invest more in stock market

STAR BUSINESS REPORT

Bonds, debentures and Shariah-based products like sukuk from now on cannot be shown as a component of banks' stock market exposure, according to a circular of Bangladesh Bank yesterday.

The change has been brought about through amendments to Bank Company Act, 1991 this year, said the central bank.

Changes have accordingly been brought about in the way the Statement Regarding Total Investment in Capital Market (TICM) needs to be provided and scheduled banks are asked to take note of it when submitting the TICM to the BB, it added.

This will give scheduled banks the chance to increase investment in the stock market, said a top official of a scheduled bank, preferring anonymity.

There is a regulatory limit to a bank's stock market exposure and with bonds, debentures and Shariah-based products no longer falling under it, more can be directly invested in the stock market, he said.

The current situation of the stock market does not emanate the assurance based on which one can gain the confidence to invest in it. This is the primary reason many banks do not invest in the stock market, he said.

So, their investment will not rise until the confidence grows among them, he added.

## Oil price goes up

REUTERS, London

Oil prices rose on Thursday, boosted by a large drawdown in US crude inventories and production cuts by Opec+, but a slowdown in China's manufacturing activity limited gains.

Brent crude futures for October, expiring on Thursday, rose 45 cents, or 0.5 percent, to \$86.31 a barrel by 1004 GMT. The more active November contract was up 25 cents, or 0.3 percent, at \$85.49.

US West Texas Intermediate crude futures for October rose 29 cents, or 0.4 percent, to \$81.29.

US government data on Wednesday showed the country's crude inventories fell by a larger than expected 10.6 million barrels last week, depleted by high exports and refinery runs.



Farmers are seen harvesting indigo plants from a farm in Kholeya village in Gangachara upazila of Rangpur. The leaves are processed into a natural dye for clothing and other garment items while the stalks and stems can be used as fertiliser and fuel.

PHOTO: EAM ASADUZZAMAN

# Indigo farming moving towards promising future

EAM ASADUZZAMAN

The history of indigo farming under British rule is still cause for indignation among many in Bangladesh as it reminds of the tyranny faced in having to cultivate the plant in place of food crops.

Originating in the Middle East, the indigo plant was once so scarce that the eponymous colour extracted from its leaves became associated with wealth and power, driving up demand among affluent people.

Additionally, the natural dye made from indigo is particularly suitable for colouring cotton garments, making it a profitable industry that helped the British consolidate their hold on the Indian subcontinent.

However, indigo farmers in the main growing region comprising Bangladesh and West Bengal were paid unfairly low prices for the shrub as the European colonists had monopolised its cultivation.

Under these greatly unfavourable conditions, a prolonged famine that claimed millions of lives ensued until the farmers finally rose against their British plantation owners in the Indigo Rebellion of 1859-60.

And although the movement had helped effect positive change in the industry, the advent of synthetic dye coupled with the need for more essential crops effectively put an end to indigo cultivation.

Now though, indigo farming is



showing signs of recovery in Bangladesh as some farmers in Rangpur and Nilphamari are cultivating the plant on a small scale.

Known as Malgas to locals, they use the plant's leaves as compost to increase soil fertility while the stalks and branches are burnt as fuel.

Still, cultivating indigo for its original purpose could help the country tap into a multi-million-dollar business as the use of natural dyes is increasing worldwide amid growing health awareness.

Studies have shown that some synthetic dyes could be health hazardous while natural dyes are non-toxic and environment-

friendly for being made from sustainable sources.

The indigo plant was "rediscovered" in Bangladesh by Indian consultant Tushar Kumar, who came to work in the country under a CARE Foundation project in Rangpur back in 2006.

Inspired by his success at growing indigo, a US-based NGO called the Mennonite Central Committee arranged training for local farmers on how to extract dye from the plant that same year.

Nekhil Chandra Ray, a resident of Horkoli Thakurtari village in Gangachara upazila of Rangpur who received the training, has since emerged as a pioneer in producing indigo dye.

"I set up a dyeing factory on 37 decimals of land along the Dinajpur-Rangpur-Dhaka highway," he said, adding that the industry is facilitating growth in his area by providing employment opportunities.

For example, some 720 farmers from villages in Rangpur and Nilphamari are now contracted by Nekhil's factory to grow indigo on about 1,000 bighas of land.

Moksed Ali of Parhat village in Kishoreganj upazila of Nilphamari said he cultivates indigo on one acre of land to produce 3,000 kilogrammes of leaves, which sell for about Tk 5 per kilogramme (kg).

Abdul Hye, a farmer of Balabari village in Taraganj upazila of Rangpur, said he sowed a kilogramme of indigo seeds in April and harvested the plant in August without any use of fertilisers or irrigation.

Nekhil's factory currently employs about 100 workers, who are paid Tk 250 daily.

He explained that about 300 kgs of leaves are required to produce a single kilogramme of dye at a cost of about Tk 3,000 to Tk 3,500.

The dye is then sold for between Tk 5,000 and Tk 8,000 per kg depending on quality.

The demand for Nekhil's dye has been increasing as its quality was certified by Bangladesh Council of Scientific and Industrial Research (BCSIR) on February 28 earlier this year.

READ MORE ON B2

## DIGITAL DARE Gear up for 3D printed food

MAHTAB UDDIN AHMED

You're hungry? Not up to preparing a meal? No worries! Just enter your menu choices into a computer and your dinner appears before you.

Yes, that is the future of food and no science fiction. The day is nigh when the developed world would be sending a 3D food machine to a country hit with famine instead of shiploads of grains.

While we chew on such possibilities, 3D printing is already mainstream in the developed world, and making food this way is also starting to be tested.

The origin of 3D printing dates back to the early 1980s. And the first experiment of 3D printed food started back in 2006. Although the technology is still in its early stages, it was well-tested and promises to revolutionise the way we eat.

Some of the potential benefits of 3D printed food include a personalised menu for people with health conditions like allergies or dietary restrictions, catering to individual nutritional and palatable needs. It would be immensely beneficial for people trying to lose or gain weight or improve their overall health.

It would prevent food being wasted as only the exact required amount would be printed. It would also prevent overeating. In addition, it would also be more affordable in terms of offering ingredients with a price range to choose from.

However, there are certain challenges that need to be tackled before 3D printed food becomes mainstream. These challenges include availability of 3D printing machines, materials used to print food and more research to ensure health safety.

Despite the challenges, the future of 3D printed food looks promising, revolutionising not only the way we eat, but also by making food more personalised, nutritious, sustainable, and affordable.

Nasa is already using 3D printed food for astronauts in space with ingredients available in space, such as wheat flour, soy protein, and powdered eggs. Some restaurants in the developed world are using it to create customised desserts and snacks.

The Modern, a restaurant in New York City, offers a 3D printed chocolate chip cookie that is made to the precise specifications of the customer. There are companies that are developing 3D printers that can create food for people with specific dietary needs.

Redefine Meat, an Israeli company, is developing a 3D printer that can create plant-based meat, which looks and tastes like real meat with the Israeli prime minister sampling it with a nod recently. More importantly, plant-based meat is expected to reduce global food shortage in the future without compromising on nutrition and taste.

Food Ink, a company in the UK, offers the best experience of 3D food with everything 3D printed, including the utensils. A Japanese company has created a standardised cube form of food using 3D printers, much like the food eaten by Mr Spock on Enterprise, the starship. And plans are underway for a sushi restaurant that would offer edible cubic printout.

So, could 3D printed food become our food of the future? Only time will say as much of it rests on the plausible availability of affordable 3D printers and the outcome of the ongoing research on its health benefits.

What we eat today has a long history of innovation, collaboration and technology, and would no doubt leave our prehistoric ancestors starstruck. With the galloping advancement in technology, the future of food leaves much to the imagination.

We need to bring together policy-makers, scientists, engineers, farmers, chefs, entrepreneurs, and all other stakeholders together to create a better food system. Adopting to change and being futuristic is key to survive in the rapidly changing world that we live in. Can we visualise a scientist heading the food ministry of Bangladesh?

The author is founder and managing director of BuildCon Consultancies Ltd



## Global rice supplies tighten after India export ban

REUTERS, Singapore

Rice prices in key exporting countries including Thailand and Vietnam have climbed around 20 percent since India, the world's biggest shipper of the grain, banned shipments of a key variety in July, tightening global supplies.

Traders expect similar supply curbs by other exporters needing to ensure domestic food security, which has left importers scrambling to secure shipments.

Last year, India banned exports of broken rice and imposed duty on shipments of various grades, ending the price stability that had lasted for more than a decade.

Following are key events since late July that led to tighter supplies.

\* July 20 - India halts exports of its largest rice category, a move that would roughly halve shipments by the world's biggest exporter, triggering fears of further inflation in global food prices.

\* July 21 - Vietnam, the world's third largest rice exporter, calls on the country's food association to ensure domestic rice supplies are sufficient a day after India announced its ban.

\* July 21 - India's ban on non-basmati white rice exports results in the cancellation of contracts to supply around 2 million metric tons to the world market.

\* July 27 - Prices of rice exported from Vietnam and Thailand soar to their highest in more than a decade as India's export curbs spark worries about supply.

\* July 28 - India restricts exports of deoiled rice bran, used in the cattle feed industry, until November 30.

READ MORE ON B2

REUTERS, Shanghai/Singapore

Chinese exporters are using a complicated currency swap strategy to avoid converting their dollar earnings into yuan for fear of losing out on potential gains in the US currency, official data and conversations with companies show.

China's state banks are counterparties to some of these swap transactions that allow exporters to exchange their dollars for yuan, suggesting the country's currency regulator is comfortable with these trades even as authorities try to curb intense pressure on the yuan in spot markets.

Exporters such as Ding, a Shanghai-based businessman, are holding on tightly to their dollar earnings, reluctant to sell and convert them into yuan, which recently skidded to nine-month lows.

"My fellow exporter friends and I have been discussing if we want to use foreign exchange swap trades to get the yuan," said Ding, who trades in electronics and toys and prefers to go by his last name.

"The key concern is that the price of the dollar keeps going up."

The yuan has lost more than 5 percent against the US dollar so far this year, including a 2 percent drop this month alone, and is being dragged even lower by foreign capital flowing out of the

weakening economy.

The swaps allow exporters to place their dollars with banks and get yuan instead, but through a contract that will eventually reverse the flows and give them back their dollars.



A Chinese bank employee counts 100-yuan notes and US dollar bills at a bank counter in Nantong in China's eastern Jiangsu province.

PHOTO: AFP

## Chinese exporters using currency swaps to retain dollars