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A major portion of the cement, steel and paint used in the construction of Dhaka Elevated Expressway was manufactured by 10 local companies. Local products in place of imported alternatives are also being used in around a dozen mega projects being implemented by the government at present. This is not only saving foreign currency but also building the capacity of the local companies. Exporters believe the Hazrat Shahjalal International Airport-Farmgate segment of the expressway, which was opened yesterday, would boost their sales through competitive advantages gained from time and energy savings. The photo was taken at Kuril last week.

PHOTO: NAIMUR RAHMAN

# Construction materials industry thriving on mega projects

Cement, steel production saw significant growth in past decade

JAGARAN CHAKMA

The construction materials industry of Bangladesh has registered massive growth over the past decade as some mega projects are providing ample opportunity for capacity building and ensuring world-class products, according to industry insiders.

Local companies need to ensure quality products as well as display sufficient production capacity and operational efficiency to participate with international firms in implementing mega projects, they said.

At present, the government is implementing around a dozen mega projects using locally made construction materials instead of imported alternatives.

For example, at least 10 local companies are contributing materials, such as cement, steel and paint, for constructing the country's first elevated expressway in Dhaka.

And if the products being provided by these local companies were substandard in any way, then the international firm implementing the project would opt for imports, they added.

As such, a major portion of the Tk 8,940 crore project is being constructed using local materials.



### STEEL SECTOR

- Of the total consumption, public sector accounts for 40%
- Production capacity of steel manufacturers now 9m tonnes per year, up from 5m 10 years ago

### CEMENT SECTOR

- Of the total consumption, govt accounts for 45%
- Cement sector's production capacity now 6m tonnes per year, up from 2m a decade ago

### KEY POINT

- 10 local construction materials manufacturers contributed to the construction of the elevated expressway

Of the 10 local contributors, six are cement companies while two are steel makers and the others make paint and PVC products.

Sources say the cement makers are: Shah Cement Ltd, Crown Cement PLC, Bashundhara Industrial Complex Ltd, Heidelberg Cement, Seven Circle (Bangladesh) Ltd and Premier Cement Ltd.

The BSRM and GPH Ispat are providing steel for the project while two concerns of RFL Group – RFL Pipe and Fittings, and Rainbow Paints – are supplying the necessary pipes and road marking materials.

"It is a matter of pride that we are participating in building the elevated expressway. We provided a significant amount of cement for the project," said Mohammed Amirul Haque, founder managing director and CEO of Premier Cement.

According to him, local firms have long been contributing to the economy by improving the efficiency and quality of their products for use in mega development projects.

For example, local cement manufacturers have increased their production capacity to 58 lakh tonnes per annum while it was 20 lakh tonnes at best just 10 years ago.

"The public sector accounts for about 45 percent of the total consumption," he said, adding that cooperation between local and international firms is needed to ensure better quality products and increase supply.

As such, government mega projects and other development initiatives directly contribute to the growth of local manufacturers while also improving the environmental compliance and efficiency of their units.

"Besides, this cooperation opens an avenue for exports [by facilitating a relationship between local suppliers and international construction companies]," Haque said.

RN Paul, managing director of RFL Group, said they are providing soil, waste and rainwater pipes and fittings for the drainage system of the elevated expressway as well as road marking materials.

"So, we are providing two products for the entire project. We are proud to be a partner of the project," he added.

Paul also said if international firms involve local companies in their projects, then the latter would gain experience and confidence as well as a sense of responsibility.

READ MORE ON B3

## Elevated expressway to save time, cost Say exporters

STAR BUSINESS REPORT

The opening of an elevated expressway in Dhaka yesterday will save time and money from now on, enabling businesses to enhance their competitiveness and boost exports, said exporters yesterday.

The expressway, which signifies Bangladesh's entry to a new era, will also improve the country's image, with the economy growing by around 6 percent annually over the last two decades, they said.

"It will contribute a lot to the facelifting of the country," said Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, one of the country's leading chambers of commerce.

"Our competitiveness will increase while we will do better in the case of doing business ranking," he said.

The expressway, which signifies Bangladesh's entry to a new era, will also improve the country's image, with the economy growing by around 6 percent annually over the last two decades, exporters said

Prime Minister Sheikh Hasina inaugurated the 11.5-kilometre (km) Hazrat Shahjalal International Airport-Farmgate segment of the 19.73-km Dhaka Elevated Expressway, which is being built under public private partnership at nearly Tk 9,000 crore.

A lot of time is wasted on the Dhaka's roads for traffic jam and fuel is burned and the opportunity cost of this is high, said Islam.

"So, we will save time and money. At the same, we will contribute to reducing global warming if we take into account the impact of metro rail," he said.

However, benefits from the partial opening of the expressway might be initially limited, added Islam, also managing director of Picard Bangladesh Ltd, a leading leather goods exporting firm in Ashulia, northwest of Dhaka.

Businesses will be able to reap the full benefit of the expressway once construction is complete, fully connecting the airport to Kutubkhali on the Dhaka-Chattogram highway, he said.

Construction of another expressway in Ashulia is going on at full speed, he said.

Running from Dhaka Export Processing Zone via Ashulia and Abdullahpur, the 20-km Dhaka Ashulia Elevated Expressway will connect to Dhaka Elevated Expressway near the airport.

Its construction is scheduled to be completed in June 2026.

The partial opening of Dhaka Elevated Expressway will reduce pressure of vehicles

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STOCKS		WEEK-ON WEEK
DSEX ▲	CASPI ▲	
0.31%	0.33%	
6,299.50	18,633.18	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$1,940.13 (per ounce)	\$86.09 (per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.86%	▲ 0.28%	▲ 0.41%	▲ 0.43%	
65,387.16	32,710.62	3,233.30	3,133.25	

## Major currencies getting stronger against taka

MD MEHEDI HASAN

Almost all major foreign currencies like the European Union's euro, British pound sterling, Chinese renminbi, Japanese yen and Indian rupee are following in the footsteps of the US dollar in becoming stronger against the local currency.

The inter-bank selling rate for each US dollar stood at Tk 109.50 last Thursday, up from Tk 95 exactly a year back. For each euro, it was Tk 119.66, up from Tk 95.15 in the previous year.

Till July of this year, the Swiss franc made the highest appreciation of 28.25 percent year-on-year against the taka.

It was followed by the euro (25.54 percent), pound sterling (24.4 percent), Saudi riyal (15.96 percent), US dollar (15.83 percent), Australian dollar (13.82 percent), Indian rupee (11.86 percent), yen (11.59 percent) and renminbi (8.89 percent).

Around 90 percent of foreign trade is conducted through the US dollar while the remaining 10 percent through other foreign currencies, bankers said.

Although the use of other foreign currencies continues to rise, the growth is not very high, they said.

The US dollar is considered to be the most sustainable foreign currency in foreign trade, Mirza Elias Uddin Ahmed,

managing director and CEO of Jamuna Bank, told The Daily Star.

Unlike the US dollar, the values of other foreign currencies make very quick transitions against the local currency. That is why the US dollar is a more trusted currency, said the banker.

Till July of this year, the Swiss franc made the highest appreciation of 28.25 percent year-on-year against the taka.

The gains made by the US dollar prompted other currencies to follow suit because the US dollar is considered as a reference for fixing other rates, he pointed out.

"We, however, are also conducting foreign trade through other currencies such as euro, pound and renminbi considering the cross-currency rate," said Ahmed.

The taka has weakened against almost all the foreign currencies mainly due to supplies being slow against high demand, said Mohammad Ali, managing director and CEO of Pubali Bank.

READ MORE ON B3



### AT A GLANCE



Around 90% foreign trade conducted thru dollar



Swiss franc appreciated highest 28.25% against taka in one year



Dollar considered the most sustainable currency in trade

### AN EXPERT SAYS...

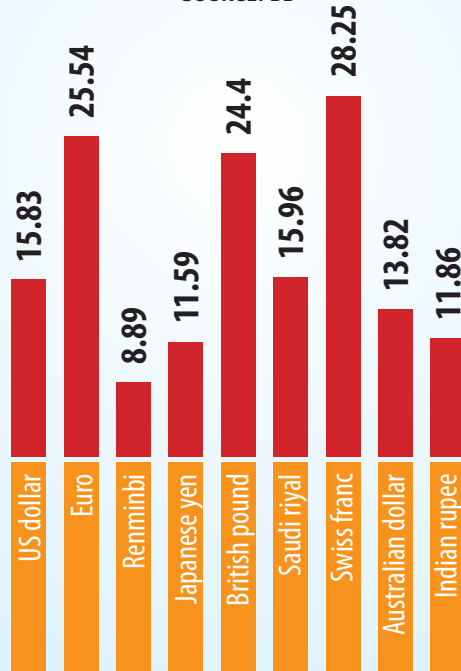
Taka will not be strong if inflation doesn't come down



### TAKA AGAINST MAJOR CURRENCIES

Devaluation (%) during July 2022 to July 2023

SOURCE: BB



The gains made by the US dollar prompted other currencies to follow suit because the dollar is considered as a reference for fixing other rates

Mirza Elias Uddin Ahmed  
Managing director and CEO of Jamuna Bank



# Bank Asia launches service for low value cross-border payment

STAR BUSINESS DESK

Bank Asia Limited has launched a “Swift Go” service through JPMorgan Chase Bank, NA to facilitate low value (up to \$10,000) cross-border payments for small and medium enterprises.

The Society for Worldwide Interbank Financial Telecommunication (SWIFT) has introduced this service for easy as well as direct transfer of payment within four hours (maximum) of the same day with detailed tracking of receipt and payment by the beneficiary and payee.

Shafiuzzaman, president and managing director (current charge), inaugurates the service at Bank Asia Tower in Karwan Bazar, Dhaka on August 31, said a press release.

Sazzad Anam, executive director and head at JPMorgan Chase Bangladesh Office, Arpita Ghosh, country manager for Bangladesh at SWIFT, ANM Mahfuz, additional managing director of Bank Asia, Md Zia Arfin, head of international division, and other senior officials from both organisations were present.



Shafiuzzaman, president and managing director (current charge) of Bank Asia, inaugurates the “Swift Go” service through JPMorgan Chase Bank, NA to facilitate low value (up to \$10,000) cross-border payments for small and medium enterprises, at Bank Asia Tower in Karwan Bazar, Dhaka on August 31. PHOTO: BANK ASIA

## India’s factory activity hits 3-month high

REUTERS, Bengaluru

India's factory growth accelerated at the fastest pace in three months in August, driven by strong growth in new orders and output, according to a private survey that however also showed job creation was at a four-month low.

That is good news for Asia's third-largest economy, which grew 7.8 percent in April-June, slightly above a Reuters forecast of 7.7 percent, led by robust demand, and was expected to remain a bright spot in the global economy.

The Manufacturing Purchasing Managers' Index, compiled by S&P Global, jumped to 58.6 last month from 57.7 in July, the highest since May and confounding a Reuters poll expectation for a drop to 57.5.

This marked a sustained expansion, with 26 months above the 50-mark separating growth from contraction, the longest stretch since March 2020 when pandemic-induced lockdowns were imposed.

**Asia's third-largest economy grew 7.8 percent in April-June led by robust demand.**

“The PMI results for India painted a vibrant picture of the nation's manufacturing landscape in August. Robust and accelerated increases in new orders and production suggest... strong contribution to second quarter (fiscal) economic growth,” noted Pollyanna De Lima, economics associate director at S&P Global.

“Companies' strategic focus towards a global orientation were evident via a sharp and quicker expansion in international sales. Export-centric tactics should help ensure that production remains on an upward path in the coming months.”

New orders and output, indicators of demand strength, expanded at the fastest pace since January 2021 and October 2020, respectively. Export orders accelerated to the fastest rate in 10 months.

But that did not translate into faster employment generation. Job creation, while remaining positive for the fifth straight month, slowed to the lowest level since April.



PHOTO: ISLAMI BANK BANGLADESH

Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, attends a discussion on “Compliance of Shariah in Banking Operations” for its clients at Islami Bank Tower in Dhaka recently.

## Islami Bank holds meeting on shariah compliance

STAR BUSINESS DESK

Islami Bank Bangladesh PLC recently organised a discussion meeting on “Compliance of Shariah in Banking Operations” for its clients at Islami Bank Tower in Dhaka.

Mohammed Monirul Moula, managing director and CEO of the bank, attended the programme, while Obaid Ullah Hamzah, chairman of shariah supervisory committee of the bank, addressed the event as the chief guest, said a press release.

Mizanur Rahman, head of Dhaka central zone (current charge) of the bank, presided over the programme.

Md Mahbub-a-Alam, head of head office complex corporate branch, Md Shamsuddoha, executive vice-president of shariah secretariat, Md Gakir Hossain, head of local office corporate branch, along with officials and clients of Dhaka central zone and six corporate branches were present.

## Dhaka Mercantile Co-Operative Bank wins award

STAR BUSINESS DESK

Dhaka Mercantile Co-Operative Bank Ltd has recently been awarded “The Bizz Europe Award 2023” by a US-based organisation The World Confederation of Business (Worldcob) for its excellent performance in the business sector, especially microcredit in Bangladesh.

Group Captain (retd) Abu Zafar Chowdhury, chief adviser of the bank, received the award on behalf of the organisation at Corinthia Hotel in Portugal's Lisbon, said a press release.

Brigadier General (retd) Md Mahmudur Rahman Khandker, director, Mohammed Didar Uddin, manager of corporate branch in Dhaka, and Md Wahiduzzaman, senior investment officer of Savar branch, were present.



PHOTO: DHAKA MERCANTILE CO-OPERATIVE BANK

Group Captain (retd) Abu Zafar Chowdhury, chief adviser of Dhaka Mercantile Co-Operative Bank, poses for photographs after receiving an award on behalf of the organisation in Lisbon, Portugal recently.



Shwokatul Alam, executive director (current charge) of Bangladesh Bank Barishal office, attends a skills development training organised by United Commercial Bank for agricultural entrepreneurs at Barishal Club auditorium in Barishal district recently.

PHOTO: UNITED COMMERCIAL BANK

## UCB holds training for agri entrepreneurs

STAR BUSINESS DESK

United Commercial Bank (UCB) recently organised a daylong skills development training in Barishal under its Agro CSR Project 2023.

A total of 300 agricultural entrepreneurs from 10 upazilas of the district took part in the training programme held at the Barisal Club auditorium.

Shwokatul Alam, executive director (current charge) of Bangladesh Bank Barisal office, attended the programme as the chief guest, said a press release. Alam appreciated the initiatives taken by the UCB and discussed the role of Bangladesh Bank in agriculture financing.

ATM Tahmiduzzaman, deputy managing director and company secretary of the bank, Md Mohsinur Rahman, head of SME of the bank, and Saiful Islam, Barisal branch manager, were present.

Among others, Rezaul Karim Siddique, presenter of Mati O Manush at Bangladesh Television, Saikat Guho Piklu, an agriculture information analyst, Md Muradul Hasan, deputy director of the Department of Agriculture Extension, Md Nurul Alam, district livestock officer, and Bimal Chandra Das, upazila fisheries officer of Ilish, were also present.

## Third tea auction centre

FROM PAGE B4

Sujan, Local Lawmaker of Panchagarh-1 Majharul Haque Prodhon and Senior Secretary of Commerce Ministry Tapan Kanti Ghosh spoke at the event.

The event was chaired by the Deputy Commissioner of Panchagarh Md Jahurul Islam.

At least 12,079 acres of land are under tea cultivation across five northern districts, namely Panchagarh, Thakurgaon, Nilphamari, Lalmonirhat and Dinajpur.

Last year, a total of about 1.78 crore kgs of processed tea worth Tk 260 crore were produced from

plain land tea gardens, accounting for 19 percent of overall cultivation in the country, as per data of the Bangladesh Tea Board.

Tea cultivation in the flatlands of Panchagarh began in the late 1990s thanks to effective directives from Prime Minister Sheikh Hasina along with the favourable weather and soil conditions.

However, tea cultivation soon expanded to other nearby districts. In the last two decades, the northern region including Panchagarh and Thakurgaon have emerged as the second largest tea producing area after Chattogram and Sylhet.

## US jobless rate jumps

FROM PAGE B4

The report followed news this week that job openings dropped to the lowest level in nearly 2-1/2 years in July.

The labor market is slowing in response to the US central bank's hefty rate hikes to cool demand in the economy.

“This is probably the final nail in the coffin for the chances of another rate hike by the Fed in September,” said Christopher Rupkey, chief economist at FWD BOND in New York.

Nonfarm payrolls increased by 187,000 jobs last month after rising by 157,000 in July. Job growth averaged 150,000 per month over the past three months, sharply down from 238,000 in the three months through May.

Economists polled by Reuters had

forecast payrolls would increase by 170,000 jobs last month. Employment gains, however, remain well above the roughly 100,000 jobs per month needed to keep up with the increase in the working-age population. The share of industries adding jobs was the highest in seven months, indicating underlying strength in the labor market.

A strike by Hollywood actors resulted in a decrease of 17,000 jobs in the motion picture and sound recording industries last month. The bankruptcy of trucking firm Yellow in early August led to 37,000 job losses in the truck transportation industry. Without these one-time drags, payrolls would have increased by about 241,000 in August.

## India’s rice area grows

FROM PAGE B4

Farmers had planted 19 million hectares with oilseeds, including soybeans, by Friday, against 19.2 million hectares a year earlier.

Corn was planted on 8.3 million hectares, up from 8 million hectares a year earlier. The cotton area was slightly smaller at 12.3 million hectares, while pulses planting fell

by 8.5 percent from a year ago to 11.9 million hectares.

The Ministry of Agriculture & Farmers' Welfare keeps updating the provisional sowing figures as it gathers more information from the state governments. The planting figures are also subject to revision depending on progress of the June-September monsoon season.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 2, 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 ↓	-9.26 ↓
Loose flour (kg)	Tk 45-Tk 50	-6.86 ↓	-6.86 ↓
Lentil (kg)	Tk 95-Tk 100	2.63 ↑	-9.3 ↓
Soybean (litre)	Tk 155-Tk 160	-3.08 ↓	-8.7 ↓
Potato (kg)	Tk 42-Tk 45	14.47 ↑	61.11 ↑
Onion (kg)	Tk 80-Tk 90	36 ↑	100 ↑
Egg (4 pcs)	Tk 50-Tk 53	5.1 ↑	32.05 ↑
SOURCE: TCB			

## Meghna Bank launches toll-free call centre

STAR BUSINESS DESK

Meghna Bank has recently launched a toll-free call centre (short code) in a bid to bring banking services closer to its customers.

Sohail RK Hussain, managing director and CEO of the bank, inaugurated the toll-free call centre at the lender's head office in Gulshan, said a press release.

“Today's launch of Bangladesh's first toll-free call centre is a testament to our commitment to bringing banking services closer to our customers. This initiative aligns perfectly with our vision of becoming the bank of choice for the people of Bangladesh,” said Hussain.

The toll-free call centre can be reached by dialing 16735 and will operate 24/7, ensuring round-the-clock access to banking support and information.

It will serve as a dedicated platform for customers to address their inquiries, seek assistance, and receive information about a wide array of banking services.



Sohail RK Hussain, managing director of Meghna Bank, attends the launching ceremony of a toll-free call centre at the bank's head office in Gulshan recently. PHOTO: MEGHNA BANK



## Factory activity of Japan shrinks

REUTERS, Tokyo

Japan's factory activity shrank for a third straight month in August, a survey showed on Friday, as manufacturers were squeezed by cost pressures from raw material inflation and rising wages.

The yen has come under pressure in recent months, weighed by the Bank of Japan's ultra-loose monetary policy, which has in turn inflated the costs of imported goods.

The final au Jibun Bank Japan manufacturing purchasing managers' index (PMI) was at 49.6, unchanged from the previous month and slightly down from the flash reading of 49.7. It was the third month the index has come in below the 50.0 threshold that separates growth from contraction.

Output and new orders, which contribute the most to the headline figure, remained in contraction, although the reduction in orders was slower than in July, data by S&P Global Market Intelligence showed.

Input cost inflation re-accelerated for the first time since September, while output price inflation slowed, squeezing companies' profits.

Rising wages also fuelled cost pressures, according to the survey, with the subindex for employment showing the weakest growth in 29 months.

"Firms noted that the filling of existing vacancies due to staff shortages were offset by a number of voluntary resignations as staff looked for higher paying jobs," said S&P's Usamah Bhatti.

The soft PMI reading comes a day after government data showed Japanese factory output falling more than expected in July, dented by weak demand for capital goods and electronic devices in China. China's official PMI on Thursday showed contraction for a fifth month in August.



Bangladesh should now go for developing improved varieties of flowers with the use of advanced technologies as the country has the potential of grabbing a big share of the global flower trade, said Agriculture Minister Muhammad Abdur Razzaque.

PHOTO: STAR/FILE

# Technology, ethics to help ensure sustainable development

Analysts say at Bangladesh Strategy Summit 2023

STAR BUSINESS REPORT

Analysts and economists yesterday recommended ensuring environmental, social and corporate governance (ESG), technological advancement and ethics in every stage of development activities to attain its sustainability.

Their comments came at a two-day Bangladesh Strategy Summit 2023 organised by Valor of Bangladesh at Radisson Blu Dhaka Water Garden with the theme of "Advancing Economic Sustainability".

The organiser describes itself as a platform to facilitate constructive dialogue focusing policy analysis and sustainability of different sectors of the country.

Sustainability refers to the ability to maintain or support a process continuously over time, said Anis A Khan, chairman of the Valor of Bangladesh.

It has five principles – protecting the ecosystem or the environment, conservation

of biodiversity of the planet, sustainable development of society, conservation of human resources and population control and management, he said.

This decade will be the one where governments and businesses act together to tackle the climate emergency alongside other environmental and societal challenges, he added.

So, collaboration, control, communication and commitment are necessary, he said.

Bangladesh's per capita income and GDP grew at handsome rates but income distribution was not up to the mark, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

So, Bangladesh needs reforms in many sectors in order to improve public services, which have been deteriorating and whose quality is not of the standard expected from a developing nation, he said.

He also suggested to adopting reforms in domestic revenue mobilisation, public

expenditure, capital market, energy and power sector, skill development and education, urban development and law and order situation.

Non-performing loans are rising alongside risky assets of the banking sector, so people are having more concerns about banks, said Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank.

As a result, some 16 percent of the money in circulation is with people whereas earlier it was 12 percent, he said, adding that banks were suffering from trust issues mainly due to a lack of governance.

When people do not pay back loans and banks cannot catch them and take punitive measures, it leads to even more people adopting the malpractice. "Now, it has become a disease," he added.

Masud Khan, chairman of Unilever Consumer Care, chaired the first panel discussion on "Strengthening Economic Resilience".

## Dollar gains after mixed jobs report

REUTERS, New York

The dollar gained against the euro and Japanese yen on Friday after the August jobs report showed a still strong labour market, despite some signs of deterioration.

Employers added 187,000 jobs in August, above expectations for a 170,000 gain. But data for July was revised lower to show 157,000 jobs added instead of the previously reported 187,000.

The unemployment rate rose to 3.8 percent, above the expected 3.5 percent. Average hourly earnings rose by 4.3 percent for the year, below expectations for a 4.4 percent gain.

"Today's jobs report provides investors the best of both worlds. It's the labour market softening just enough to keep the Fed at bay while it's strong enough to prevent an economic recession," said Michael Arone, chief investment strategist at State Street Global Advisors in Boston.

The dollar index was last up

0.58 percent at 104.23. It is up 0.08 percent on the week, overcoming price drops earlier in the week caused by softening economic data.

The euro fell 0.59 percent to \$1.0779, down 0.13 percent on the week against the US currency.

The greenback rose 0.42 percent to 146.145 Japanese yen, after earlier falling to 144.44, the lowest since August 11. It is down 0.12 percent on the week after dropping from a 10-month high of 147.375 on Tuesday.

Fed funds futures traders are now pricing in a 93 percent likelihood that the Federal Reserve will leave rates unchanged at its September meeting and see only a 36 percent chance of a hike in November, according to the CME Group's FedWatch Tool.

Fed Bank of Cleveland President Loretta Mester said on Friday that the US labour market remains strong despite signs of it coming into better balance, while noting future interest rate decisions will be made based on incoming data.

## Construction materials industry

FROM PAGE B1

"Participation with this type of international firm and mega project is not a matter of making business, rather it is an achievement of quality products," he added.

Paul explained that if local companies do not provide the required construction materials, then they would have to be imported at the cost of huge sums of foreign currency.

"So, local companies benefit and also help save foreign currency through such cooperation," he said.

Till date, a total of 66,000 tonnes of steel has been used in the elevated expressway project, with BSRM contributing a majority 52,000 tonnes.

Tapan Sengupta, deputy managing director of BSRM, said foreign firms consider a supplier's product quality and production capacity before making them an official source.

"They first give product specifications and test the product quality randomly before selecting the supplier," he added.

Sengupta also said they have the capacity to supply the required quantity and quality of products.

"The implementing agency accepted our products and we contributed by providing around 80 percent of the steel requirement," he added.

Sengupta acknowledged that involvement in this type of large project helps local construction material companies grow their capacity and achieve global standards.

He also said timely delivery is another important factor for participation with international construction firms as delays in the supply of materials slows project implementation and increases costs.

Bangladesh's steel industry is getting stronger though thanks to a construction boom and implementation of mega infrastructure projects, industry people say.

Government projects account for 40 percent of the total steel consumed in Bangladesh, up from 15 percent 13 years ago. Total

consumption stood at about 8 million tonnes in 2022.

Sheikh Masadul Alam Masud, founder chairman of the Bangladesh Steel Manufacturers Association, said the local steelmaking capacity has nearly doubled to about 90 lakh tonnes over the past decade.

He said development works, including large infrastructure projects taken by the government, encouraged millers to expand their production capacities.

"We started to increase the capacity after the government declared its Vision 2021," he said, adding that when the government constructs mega projects, the private sector shows interest to invest.

He also said the large infrastructure development projects are encouraging local steel mills to improve the quality of their products.

"This is because we have to compete with foreign firms to win international tenders," he added.

Masud said production capacity of steel mills would exceed 1 crore tonnes had the economy retained its

buoyancy amid the recent economic turmoil brought on by Covid-19 and the Russia-Ukraine war.

"The problem of electricity, gas and US dollar shortages coupled with a slowdown in public construction works has affected the sector," he added.

Rupali Chowdhury, managing director of Berger Paints Bangladesh Limited, said local construction material companies are benefiting from government development projects as it propels their capacity building and efficiency.

She sees huge potential for the sector in Bangladesh as the country will continue to see infrastructure development in the days ahead.

However, local companies cannot contribute to projects being implemented under a government-to-government basis even if they provide international standard products.

With this backdrop, she demanded the government include a provision in contracts for mandatory use of local products even in government-to-government projects.

## Flower exports can fetch \$500m a year

Agri minister says as a wholesale market opens in Gabtoli

STAR BUSINESS REPORT

Bangladesh can earn \$500 million a year by exporting flowers thanks to its increasing demand both at home and abroad, Agriculture Minister Muhammad Abdur Razzaque said.

"Around \$36 billion worth of flowers are sold worldwide every year and Bangladesh has the potential to capture \$500 million sales of the global flower market."

The minister made the comments while inaugurating a wholesale flower market and processing centre in Gabtoli of Dhaka built by the Department of Agricultural Marketing yesterday.

Flowers can play a big role in further growth of Bangladesh economy, the minister said.

Bangladesh should now go for developing improved varieties of flowers with the use of advanced technologies, he said. "Strict care should be taken to ensure that there is no mismanagement of any kind."

Tk 1,500 crore worth of flowers are sold every year in the country and 15 lakh people are employed in the domestic flower sector, traders said.

The traders will be able to process and export flowers from the wholesale market built by the Department of Agricultural Marketing, officials said.



A wholesale flower market and processing centre, built by the Department of Agricultural Marketing, opened in Gabtoli of Dhaka yesterday.

PHOTO: PALASH KHAN

## India cuts windfall tax on crude

REUTERS

The Indian government will cut the windfall tax on petroleum crude to 6,700 rupees (\$81.03) per metric ton from 7,100 rupees starting on Saturday, according to a government notification issued on Friday.

The government will also raise the windfall tax on diesel to 6 rupees per litre from 5.50 rupees, the notification said. The windfall tax on aviation turbine fuel will increase to 4 rupees per litre from 2 rupees, while the levy on petrol will remain at zero, according to the notification.

In August, the government raised the windfall tax on petroleum crude to 7,100 rupees per ton from 4,250 rupees per ton.

India imposed the windfall tax on crude oil producers in July last year and extended the levy on exports of gasoline, diesel and aviation fuel after private refiners wanted to make gains from robust refining margins in overseas markets, instead of selling at home.

## Elevated expressway to save

FROM PAGE B1

around airport area, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

Thus, it will contribute to easing of air shipment for garments, which accounts for roughly 85 percent of Bangladesh's \$55 billion export earnings, he said.

"A lot of our exports is time bound, and on many occasions, we have to air-ship apparels on a lead time of a couple of hours," he said, adding that the expressway would reduce cost and time for air shipment.

Garment exporters now use a lot of locally available raw materials. Transportation time of both inputs and outputs will decline, he added.

"We have to burn lakhs of litres

of fuel just because of traffic jam. This will reduce," he said, adding that pressure of vehicles on the road would ease once the Dhaka metro rail fully opened.

**"We have to burn lakhs of litres of fuel just because of traffic jam. This will reduce."**

Also, opening of the third terminal of Hazrat Shahjalal International Airport will ease pressure of air cargo shipment, he said.

"So, overall image of the country will be brightened alongside saving time and cost when the whole

expressway is done," he said.

It now takes more than two hours for a covered van that entered the capital at Jatrabari to go on and cross the airport, said Khairul Alam Suzan, vice president of Bangladesh Freight Forwarders Association.

But covered vans with goods cannot enter Dhaka city during the daytime.

They have to sit idle for up to 12 hours outside the capital to enter the city at night, he said.

So, transporters moving goods to and from factories charge businesses the fare for 24 hours, he said.

But once fully completed, the elevated expressways will eliminate the wait. Covered vans will be able to operate more trips than what they run now, added Suzan.





At least 12,079 acres of land are under tea cultivation across five northern districts, namely Panchagarh, Thakurgaon, Nilphamari, Lalmonirhat and Dinajpur.

## Third tea auction centre launched in Panchagarh

MD QUAMRUL ISLAM RUBAIYAT

A new tea auction centre began operations in Bangladesh's northwest bordering district of Panchagarh yesterday, making it the third establishment of its kind following the country's first in Chattogram and the second in Sreemangal.

Commerce Minister Tipu Munshi formally inaugurated the centre through a ceremony held at the Panchagarh Government Auditorium.

Following the inaugural ceremony, brokers started their bidding activities via a virtual platform.

Initially, 15 bidders vied for purchasing processed tea of Supreme Tea Ltd. Chowdhury Enterprise placed the highest bid during the fixed two-minute bidding session, buying 200 kilogrammes (kgs) of the product for Tk 543 per kg.

During the inaugural ceremony, Munshi said the aim of setting up a new auction centre would be fulfilled only after growers are ensured fair prices for their raw tea leaves.

"We set up the auction centre so that growers are not made anyone's puppet by being forced to sell their leaves at reduced prices," he added.

Local tea growers were previously compelled to sell their produce for Tk 15 per kg, which was lower than the Tk 18 per kg fixed by the Panchagarh District Tea Leaves Price Fixation Committee.

"If they continue to face the same situation, one day the production of tea leaves will be suspended here," Munshi said.

The commerce minister also pointed out that factory owners should care about the interests of growers.

"So, we will not support it if you want to deprive growers of fair prices," he added.

For example, some tea processing factories deduct as much as 50 percent of the total weight of tea leaves brought in by farmers citing high levels of moisture content.

"But this is completely unacceptable. No one should try to benefit from the hapless position of growers," Munshi said.

Among others, Railway Minister Advocate Nurul Islam

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## Jamuna Life Ins in crisis, Idra prescribes remedies

SUKANTA HALDER

Teetering on the verge of a crisis, Jamuna Life Insurance Company Limited has been prescribed some remedies by the insurance regulator, including preparation of a business action plan at the earliest for the next three years.

Steps must be taken to ensure continuation of over 60 percent of policies, such as by deferring 10 percent of first-year premium commission payments to agents till the second year, said the Insurance Development and Regulatory Authority (Idra).

Moreover, average management expenses must be reduced by 30 percent while customer claims settled timely, it said.

The directives were passed following a hearing at the Idra office on May 22 based on the regulator's analysis of the insurer's financials for the 2017-2021 period.

Such investigations were directed by Financial Institutions Division on July 24, 2022 on 13 life insurance companies approved in 2013 and 2014 over a number of allegations.

These include irregularities, corruption and commission payments to agents and administrative expenses exceeding that stipulated in Insurance Act, 2010.

Insurance companies base their business models around assuming and diversifying risk. It involves pooling risk from individual payers and redistributing it across a larger portfolio, according to

investopedia.com.

Most insurance companies generate revenue in two ways – charging premiums in exchange for insurance coverage, then reinvesting those premiums into other interest-generating assets, it says.

**"We think we can overcome the current problems in the next two years (by following Idra directives)," said Kamrul Hasan Khandaker, chief executive officer of Jamuna Life Insurance Company.**

Like all private businesses, insurance companies try to market effectively and minimise administrative costs, it adds.

None of these could be efficiently attained by Jamuna Life Insurance Company Limited.

The company's website does not contain any annual report from which its financials could be understood.

However, according to Idra's investigation documents on the five-year period, just 14.08 percent of the insurer's policies were continued by customers on an average in their first year. In 2021, the policy discontinuation rate stood at 41.84 percent.

Investments of premiums during the period yielded an average return of just 10.34 percent. In 2021, the insurer had assets worth Tk 22.61 crore and customer liabilities of Tk 8.3 crore.

What is more shocking is that the insurer has no life fund. Life funds are set up to pool a part of premiums from which associated policy claims and expenses can be later paid out.

And when it comes to management expenses, the insurer exceeded that stipulated in the insurance act by about 45.60 percent on an average during the five years. In 2021, it reached Tk 23 crore, exceeding the limit by 50.17 percent.

The expenses were incurred "to survive in the competition with many other companies", as per the insurer's chief executive officer, Kamrul Hasan Khandaker.

Talking to The Daily Star recently, he also blamed customers for the low rate of policy continuation.

"We think we can overcome the current problems in the next two years (by following Idra directives)," Khandaker said.

"Currently Jamuna Life does not have any pending claim," he claimed.

Business was slow, so the company's assets, investments and life funds did not increase, Khandaker told the May 22 Idra hearing.

It is unacceptable to spend more than what is approved by law, said Mohammad Zainul Bari, chairman of Idra, at the hearing.

## The best practices of a dynamic CEO

MAMUN RASHID

I became a management committee (mancom) member of an Australian bank quite early. My climbing to the top role in the local office of a leading USA based bank was also relatively early. In those days, a CEO was kind of a CEO, no matter whether you drive change or not. Almost always the boss's man and focusing on upward management.

But in current times, the traditional notions of competition are fading away in the rearview mirror and new disruptive competitors are emerging and gathering their forces. In such times it is much more challenging to define what success looks like. So, if the CEO of the institution does not continue to also be the prime mover of change, then that institution will inevitably become complacent and easily fall prey to hungrier competition.

Despite the success that may have already been attained by a CEO, the learning process must never stop and must continually be enhanced. Conversations and interactions with customers/clients, employees, investors, analysts, board members and other stakeholders must continue but in addition to that, the ever-evolving leader must boldly seek out new connections and sources of knowledge and learning. Since the nature of competition is always changing, so must the ways of acquiring inputs and ammunition to combat the competition. The CEO must invest time on listening, learning and connecting the dots rather than just talking about their own successes.

High performing CEOs also seek out the outsider's perspective for adjusting their leadership style and this requires a clinical assessment that solicits feedback from a much broader range of stakeholders which previously may not have been tapped.

Crisis management has become a routine part of the CEO's primary role in the current world of business, especially after the recent pandemic and still currently ongoing war in eastern Europe that continues to negatively impact global supply chains and logistics. A crisis can arise from anywhere. Not all crises are company specific. Macroeconomic events, pandemics, international conflicts, natural disasters, social conflict, terrorist attacks, and countless other external factors can all create crisis conditions for CEOs.

A crisis can either end a CEO's otherwise great tenure or the crisis itself could be skillfully harnessed to push a company to higher and even more successful levels of post-crisis existence. This would depend on the agility and endurance capacity of not only the company but also its leadership.

Those leaders who achieve positive outcomes understand that the best time to prepare for a crisis is never on the day or after it has already occurred. Such leaders have the foresight to regularly stress-test the business and its strengths and weaknesses, well before a stressful event occurs.

This means "future-proofing" the business enterprise from today as well as actively making it stronger and more resilient. A key part of this involves investing time and energy into coaching, retention, performance management, and succession planning for the highest value creating roles, which also includes the CEO himself.

The title of CEO is the most powerful and sought-after one in the business world and it is undoubtedly the more exciting, rewarding and influential role than any other. Despite the glorious nature of this role, serving as the top leader of an organisation can be quite lonely, all-consuming, and highly stressful. Not all CEOs are able to live up to performance expectations even if they had a very distinguished and super successful past in other leadership level roles. The mighty standards and much broader expectations of stakeholders, directors, customers, employees, etc innately create a very tough environment that is merciless and comprised of relentless scrutiny in which one move can either dramatically make or break an otherwise excellent career history.

The writer is an economic analyst.



## India's rice area grows on higher prices

REUTERS, Mumbai

Indian farmers have planted 39.8 million hectares (98.3 million acres) with rice, up 3.7 percent on the same period last year, farm ministry data showed on Friday, as record high prices prompted farmers to expand the area.

Higher rice planting could alleviate supply concerns in the world's second biggest producer and consumer of the grain.

India surprised buyers in July by imposing a ban on the export of widely consumed non-basmati white rice, following a ban on broken rice exports last year.

New Delhi's decision to ban overseas shipments of its largest rice export category would be likely to roughly halve shipments by the world's largest exporter of the grain.

"Farmers are very interested in rice, but the weather is not supporting the planted crop. In southern states, the crop is facing moisture stress," said a New Delhi based dealer with a global trade house.

India had the driest August in more than a century as the country received 36% less rainfall than normal in 2023. Millions of India's growers start planting summer crops such as rice, corn, cotton, soybeans, sugarcane and peanuts from June 1, when monsoon rains typically begin lashing India.

The monsoon is critical as nearly half of India's farmland lacks irrigation. Farmers had planted 19 million hectares with oilseeds, including soybeans, by Friday, against 19.2 million hectares a year earlier.

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A person walks by a sign advertising employment at a fast-food restaurant in New York City. The US labour market is slowing in response to the central bank's hefty rate hikes to cool demand in the economy.

PHOTO: AFP/FILE

## US jobless rate jumps

REUTERS, Washington

US job growth picked up in August, but the unemployment rate jumped to 3.8 percent and wage gains moderated, suggesting that labour market conditions were easing and cementing expectations that the Federal Reserve will not raise interest rates this month.

The closely watched employment report from the Labor Department on Friday also showed 736,000 people entered the job market last month, boosting the participation rate to the highest level in 3-1/2 years. Concerns about an economic slowdown are probably luring people back into the labor market.

The economy created 110,000 fewer jobs than previously reported in June and July, which some economists suggested there had been business closures that were not previously captured.

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