

Rules relaxed for hiring ex-bankers as directors

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday relaxed rules for banks regarding appointment of former bankers as directors of the lenders, according to a circular.

The central bank said bankers, who are appointed on a regular or contractual basis, will not be eligible to become a director of a bank within five years of their retirement or the end of their contract.

Prior to the directive, bankers were not allowed to become directors of the same bank after their retirement or the end of the contract.

The move comes more than two years after it restricted appointment of former bankers as board members of the same bank where they worked.

"We have eased the rule to bring similarity

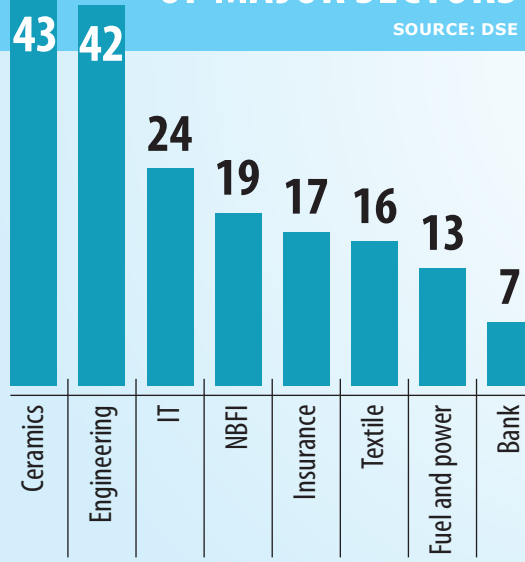
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REASONS BEHIND LOW PRICES OF STOCKS

- Huge NPLs
- Provision shortfall
- Lack of trust in earnings situation
- People are aware of the poor health of the sector
- Little scope for manipulation

PRICE TO EARNINGS RATIO OF MAJOR SECTORS

SOURCE: DSE



BY THE NUMBERS

- Listed companies: **356**
- Share price of **8** banks and **8** NBFs under face value
- **12** other companies' share prices are also below face value
- No stocks of banks and NBFs are above Tk **60**
- Value of **8** junk stocks above Tk **60**

NPL IN BANKS AND NON-BANKS

Tk **131,621** cr in March,
8.8% of total loans

RISKY LOANS

Tk **377,922** cr at the end of 2022

Investors barely show interest in bank, NBF stocks

High NPL, poor outlook to blame

AHSAN HABIB

Investors are hardly showing any interest to buy stocks of banks mainly due to the sector's key indicators portraying a gloomy outlook.

Moreover, manipulation is a big draw for investors here. With a higher free float of banking stocks than what companies have on an average, there is little scope for manipulation.

As a result, stocks of eight banks have remained below their face value of Tk 10 for the last couple of months amidst the scarcity of buyers.

The scenario is almost the same for stocks of eight non-bank financial institutions (NBFs).

Once stocks of banks and NBFs were the most lucrative in the market.

"The intrinsic value of the banks and NBFs are below their par value, if we calculate, so their share price also remains low," said Prof Mohammad Musa, a stock market analyst.

Dean of the school of business and economics at United International University, Musa has a number of publications on the capital market in

international platforms.

The intrinsic value is low for two reasons, one of which is for banks not being able to generate required cash flow for non-performing loans (NPLs) being too big, he said.

The other is that investors believe the banks and NBFs are not adequately keeping provision, for which their income may not prevail for long, he added.

The banking sector's NPLs stood at Tk 131,621 crore in March, up 16 per cent year-on-year, data from the Bangladesh Bank showed.

The NPLs accounted for 8.8 per cent of the banking sector's total outstanding loans of Tk

14,96,346 crore.

The banking sector's total risky loans amounted to Tk 377,922 crore at the end of last year, according to the Bangladesh Bank's Financial Stability Report.

Security Islami Bank Limited, Global Islami Bank PLC, ICB Islamic Bank Limited, National Bank Limited, ONE Bank Limited, Standard Bank Ltd and Union Bank Limited are now less than Tk 10.

Mills Limited and Shyampur Sugar Mills Limited saw their junk stocks trade at over Tk 100 though their par value is Tk 10.

They have shares ranging from 22 lakh to 70 lakh, the DSE data shows.

Banks and NBFs have shares in the range of 70 crore to 160 crore.

Banks and NBFs are more regulated than the average company, so investors should have had more confidence in them, said Shekh Mohammad Rashedul Hasan, managing director and CEO of UCB Asset Management.

However, analyses of the banking sector based on facts and figures are being published in newspapers almost every day and almost all of these are saying that the banks are going through a tough period, he said.

So, investors are finding it difficult to properly perceive the quality of the sector's assets, he said.

Moreover, they are confused over whether the sector was losing strength or not. As a result, their participation in the sector is low, he said.

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As there is a massive number of shares of the banks and NBFs, the big investors do not target those for manipulation, said Prof Mohammad Musa, a stock market analyst.



Prof Musa also blamed the huge free float of companies for the low share price. As there is a massive number of shares of the banks and NBFs, the big investors do not target those for manipulation, he said.

General investors too do not buy these products because their tendency is to mainly rush for stocks undergoing manipulation, he said.

There are 35 banks listed with the stock exchanges. Of them, stocks of AB Bank Limited, First

Those of another 12 are slightly above the face value.

There are a number of examples of stock prices of companies being high only due to them having a lower number of shares, Musa added.

Junk stocks of Jute Spinners Ltd were traded at Tk 334 yesterday. The company has 17 lakh shares.

Imam Button Industries Limited, Northern Jute Manufacturing Company Limited, Zeal Bangla Sugar

Yarn prices go up on rising RMG orders for spring

REFAYET ULLAH MIRDHA

Yarn prices have been increasing in the domestic market over the last two weeks as demand from garment exporters is rising amid a hike in work orders from international clothing retailers and brands thanks to easing inflation in the West.

With customers increasing clothes purchases, retailers and brands are being able to clear out old stocks accumulating for a slowdown in sales amid the severe fallouts of Covid-19 and the Russia-Ukraine war.

Recovering from those lulls, garment exporters hope for a good rebound in work orders from major export destinations. Hope lies in the fact that countries like Bangladesh are being chosen

With customers increasing clothes purchases, retailers and brands are being able to clear out old stocks accumulating for a slowdown in sales amid fallouts of Covid-19 and war.

by buyers as an alternative to China.

The work orders being currently placed are for spring next year, meaning around March. Shipping of these clothes will begin in January.

The widely consumed 30 carded yarn, used for less expensive, more rustic projects, has been selling between \$3.50 and \$3.60 per kilogramme (kg) whereas it was \$2.90 to \$3.10 a month ago, said industry insiders.

Similarly, 30 combed yarn, which is used for high-quality woven fabrics and garments, is selling between \$4 and \$4.05 per kg whereas it was \$3.50 to \$3.60 a month ago.

The yarn prices are rising for the large volume of work orders currently coming in, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

However, Christmas shipments beginning in October might not fetch that much as stores still have unsold stocks, he said.

The post-pandemic recovery had led exporters to increasing their production by 25 percent, which is now coming to use, he added.

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STOCKS	
DSEX ▲	CASPI ▲
0.19%	0.16%
6,311.60	18,663.47

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

Two panels formed to probe high egg, chicken prices

STAR BUSINESS REPORT

Amidst the backdrop of the recent rise in egg and broiler chicken prices, the Bangladesh Competition Commission (BCC) has formed two committees to investigate whether a lack of fair competition in the poultry industry was playing a role.

Pradip Ranjan Chakraborty, chairperson of the BCC, said that committee members gathered information by talking to various traders and manufacturers after receiving a directive from the commerce ministry recently.

"They have already analysed the data," he said, adding that the report was being prepared and would be submitted to the ministry soon.

In an unprecedented scene in Bangladesh, the price of a dozen farmed brown eggs matched that of one kilogramme of broiler chicken in August, further denting the wallets of fixed and low-income groups.

At the time, retailers were selling 1 kg of broiler chicken at a maximum price of Tk 180 across various kitchen markets in Dhaka. Coincidentally, the highest price for 12 pieces of brown eggs was exactly the same.

It was only after officials of the Directorate of National Consumers Right Protection conducted raids across various markets that egg and broiler chicken prices decreased.

The BCC works to prevent, control and eradicate collusion, monopolies, oligopolies, abuse of a dominant position or any other anti-competitive practice in the market.



Hilsa production rose slightly to 5.66 lakh tonnes in fiscal 2021-22 from 5.65 lakh tonnes the previous year, according to an estimate by the Department of Fisheries. The picture was taken from a market in Barishal city recently.

PHOTO: TITU DAS

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Govt names 2nd spawning ground of hilsa

STAR BUSINESS REPORT

The government has announced the second spawning ground of hilsa and placed a ban on catching the fish during its peak spawning period in an effort to increase production, according to a notification by the fisheries and livestock ministry.

The new spawning ground covers 342.5 square kilometres having three different points of rivers, mainly the Boleshwar river in Bagerhat, Pirojpur, Barguna and Patuakhali districts.

The upper part of the breeding ground consists of Bogi Bandar of Sarankhola upazila in Bagerhat and Bhajora adjacent to Sapleja of Mathbaria upazila in Pirojpur.

The middle part of the breeding ground consists of Supati (Coast Guard Station) of Sarankhola at

Bank Asia holds Managers' Meet 2023

STAR BUSINESS DESK

Bank Asia Limited organised a daylong "Managers' Meet 2023" with the motto of "Time for Transformation" at the InterContinental Dhaka in the capital on Saturday.

The meeting reviewed the bank's business opportunities and challenges of the year 2023 and put forward recommendations and suggestions to meet the target and bring forth desired strategic changes.

Rumea A Hossain, chairman of the board executive committee of the bank, Dilwar H Choudhury, chairman of the board audit committee, Zalkia Rouf Chowdhury, Enam Chowdhury,



Rumea A Hossain, chairman of the board executive committee of Bank Asia, poses for photographs with participants of a "Managers' Meet 2023" at the InterContinental Dhaka in the capital on Saturday.

PHOTO: BANK ASIA

Nafees Khundker, Ashrafal Haq Chowdhury, directors, and Shafiuazzaman, president and managing director (current charge), attended the programme.

ANM Mahfuz, additional departmental heads and branch managing directors, along with heads of the bank totalling around 200 people were present.



Nazeem A Choudhury, deputy managing director of Prime Bank, and Syed Yameenul Huq, executive assistant manager and in-charge for sales and marketing at the Grand Sylhet Hotel & Resort, exchange signed documents of a memorandum of understanding at the former's head office in Dhaka recently.

PHOTO: PRIME BANK

Prime Bank, Grand Sylhet Hotel sign MoU

STAR BUSINESS DESK

Prime Bank has recently signed a memorandum of understanding (MoU) with Grand Sylhet Hotel & Resort regarding discounts on hotel services.

Nazeem A Choudhury, deputy managing director of the bank, and Syed Yameenul Huq, executive assistant manager and in-charge for sales and marketing at the hotel, inked the MoU at the former's head office in Dhaka, said a press release.

Under the MoU, the bank's monarch (priority banking) customers, credit/debit cardholders, and the bank employees will enjoy up to 56 percent discounts on room rent and 10 percent discount on A-La Carte and set menu at the hotel.

Tamanna Quadry, head of priority banking of the bank, Masudul Haque Bhuiyan, head of cards and alternative delivery channel, Md Ashekur Rahman Dipu, assistant sales manager for sales and marketing at the hotel, and other senior officials from both organisations were present.

Standard Bank launches four deposit products

STAR BUSINESS DESK

Standard Bank has recently launched four deposit schemes to meet the growing customers' demand and expand its range of services.

The four deposit products, which will be operated in complete compliance with shariah, are: Nobabi - Mudaraba Millionaire Plus, Ameer - Mudaraba Kotipoti Plus, Sohojei Digan - Mudaraba Double Scheme and Uparjon - Mudaraba Monthly Income.

Md Habibur Rahman, managing director and CEO of the bank, launched the products as the chief guest at the bank's head office, said a press release.

Among others, Mohammad Mohon Miah, deputy managing director and head of IRM at the bank, Md Siddiqur Rahman, deputy managing director and chief operating officer, Md Ali Reza, acting company secretary, and other high officials of the bank were present.



Md Habibur Rahman, managing director of Standard Bank, attends the launching ceremony of four deposit schemes of the bank at its head office in Dhaka recently.

PHOTO: STANDARD BANK

Pragati Life Ins settles Tk 190cr claims in H1

STAR BUSINESS REPORT

Pragati Life Insurance has settled Tk 189.68 crore claims in the first half of 2023, an increase of 25.92 percent from the same period last year.

The company settled a total of 60,152 claims in the first half of the current year, including death claims, maturity claims, medical claims and other insurance benefits.

The average claim settlement time was 5 days. In 2022, the insurer settled Tk 315.75 crore claims with a claim settlement ratio of 98 percent, meaning that the company paid out 98 percent of all claims that were filed in 2022.

"We are working to improve our claim processing time to ensure that our customers receive their payments as soon as possible," said Md Jalalul Azim, chief executive officer of the insurer.

Saudi Aramco considers selling \$50b in shares

REUTERS

Saudi Aramco is considering selling a stake worth as much as \$50 billion through a secondary share offering on the Riyadh bourse after consultations with advisers, the Wall Street Journal reported on Friday.

The sale could happen before the end of the year, the report said, adding that Aramco has been "sounding out" potential investors, such as other multinational oil companies and sovereign-wealth funds, about participating in the deal.

The Kingdom has decided to host any new Aramco offering on the Riyadh exchange to avoid legal risks associated with an international listing, the report said, citing Saudi officials and other people familiar with the plan.

Saudi Aramco declined to comment when contacted by Reuters on Friday.

PRICE (SEP 3, 2023)	PRICES OF KEY ESSENTIALS IN DHAKA CITY		
	% 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 60	-6.86 ↓	-6.86 ↓
Lentil (kg)	Tk 95-Tk 100	2.63 ↑	-11.63 ↓
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 ↑	100 ↑
Egg (4 pcs)	Tk 50-Tk 53	5.1 ↑	32.05 ↑

SOURCE: TCB



AZM Shofiuddin Shamim, chairman of South Bangla Agriculture & Commerce (SBAC) Bank Ltd, presides over the 170th meeting of its board of directors at the lender's head office in Dhaka yesterday. Mohammed Ayub, vice-chairman of the bank, and Habibur Rahman, managing director and CEO, along with directors were present.

PHOTO: SBAC BANK

UK says inflation on track to come down

REUTERS, London

British finance minister Jeremy Hunt said on Saturday inflation was on track to halve by the end of 2023, vowing to focus on the goal as he laid out his priorities ahead of the reopening of parliament after the summer break.

Britain's inflation rate is forecast to fall to about 5 percent by the end of the year - half January's level - and meeting the target would mean one of the five key pledges Prime Minister Rishi Sunak made to voters for 2023 would be met.

Hunt said in a statement pressure on household budgets would start to ease as inflation cools. He also highlighted his efforts to increase productivity in the public sector to boost growth.

Hunt and Sunak are keen for voters

to start feeling more optimistic about the economy as the country heads for an election expected next year, with the opposition Labour Party currently far ahead in the polls.

"We are on track to halve inflation this year," said British Finance Minister Jeremy Hunt.

"We are on track to halve inflation this year and by sticking to our plan we will ease the pressure on families and businesses alike," Hunt said, ahead of lawmakers returning to parliament on Monday.

For July, Britain's annual consumer price inflation rate cooled to 6.8 percent - still the highest rate among

the Group of Seven economies.

"I do think we may see a blip in inflation in September but after that the Bank of England is saying it will fall down to around 5 percent," Hunt told the BBC on Sunday.

The BoE has forecast inflation falling to 4.9 percent by the end of this year - a faster decline than it had predicted in May.

Hunt's continued focus on inflation will disappoint some lawmakers from within the ruling Conservative Party who have called for tax cuts before the election, angry that British tax revenues are the highest as a share of the economy since the 1940s.

Revised economic data published on Friday provided a welcome boost to the government as it showed the economy recovered faster from the pandemic than previously thought.

Some US shoppers fearful as organised retail theft rises

AFP, New York

Ann McGee, a New Yorker from the borough of Queens, doesn't like the recent sensation she has when entering stores: fear.

"It's not normal to be scared" when shopping, McGee told AFP.

She's behind a recent petition denouncing the insecurity caused by rising retail theft - sometimes by thieves operating in groups and threatening anyone near them with violence - in her neighborhood.

US retailers across the country have reported a sharp rise in theft in the last few months, alongside a worrying increase in violence.

"You cannot accept the fact that these people can go into stores without fear and choose to rob these stores and get away with it," she said.

McGee, a grandmother and a resident of the borough for the last 41 years, said she is so concerned for her safety that she now leaves her purse and jewelry - including her

wedding ring - at home when she goes shopping.

"It's not fair," she said. "We can't even go to stores without fear of getting hurt."

"It has to stop and the only way to get things done is if people start getting involved," she said. "It's time to rally - I want to start a class action."

In response to the recent rise in theft, some shops have begun locking up basic items like toothpaste, deodorant and tissues behind transparent doors.

The drugstore chain CVS was targeted in June by McGee's petition, which she also sent to her local councilman, Democrat Robert Holden.

Holden reached out to the group's chief executive Karen Lynch to denounce what he called "rampant retail theft" in four CVS stores and the lack of action by the company to alert the police.

"Failing to report retail theft

constitutes a dereliction of duty and poses serious consequences," he wrote in a letter to Lynch.

"It inadvertently incentivizes criminals to continue their unlawful activities while putting CVS staff and consumers in unnecessary danger," he added.

Holden's office told AFP that he received a response from CVS's head of security, who pledged that all incidents would be reported to the police from now on.

But on the ground "nothing has changed," when it comes to security, according to McGee.

"Everything is all locked up, it's horrible. I feel like a criminal," said McGee, a mother of four.

"I don't like shopping like this," she added.

"The other day, I went to CVS to buy some air freshener to put in my car. Everything was locked up," she continued. "I didn't buy it; I didn't want to wait for an attendant just for that."

'China to widen market access for service industry'

REUTERS

Chinese President Xi Jinping said on Saturday that China would widen market access in the service industry and promote cross-border services trade.

Speaking via video at the China International Fair for Trade in Services (CIFTIS) in Beijing, Xi said China would focus on expanding the domestic market, increasing imports of high-quality services and reforming the country's basic data system.

The remarks come as China's trade slumped in recent months as weaker demand threatens recovery prospects in the world's second-largest economy, prompting top leaders to introduce further policy support.

Indian automakers

FROM PAGE B4

Two-wheeler maker TVS Motor Company reported a 5 percent increase in sales, while Bajaj Auto registered a decline of 31 percent. Eicher Motors' total motorcycles sales grew 11 percent.

Two-wheeler sales provide a glimpse of the financial health of India's rural economy and demand in the country's largest consumption segment, which mostly comprises of lower middle-income households.

"Medium and heavy commercial vehicle segments are holding very strong, while passenger vehicles have started showing good traction after a pause," said Amit Hiranandani, automobile sector lead analyst at brokerage SMIFS.

In general, August and September

are inventory filling months, with wholesale numbers looking reasonably good as most dealers are optimistic across segments due to upcoming festivals, he added.

In the commercial vehicles (CV) segment, sales volumes for Eicher Motors' trucks and buses climbed 30.4 percent year-on-year in August.

CV sales for Ashok Leyland and Tata Motors rose 9 percent and 4.9 percent, respectively.

However, Escorts Kubota said tractor sales - indicative of demand in the rural economy and the state of farm incomes - declined 2.1 percent in August, partly due to deficient monsoons.

The Nifty auto index settled 1.65 percent higher after the data was released.

Canada posts surprise GDP decline

AFP, Ottawa

Canada's economy saw an unexpected 0.2 percent annualized decline in the second quarter, government data showed Friday, as housing investment and consumption slowed.

Statistics Canada said the economic slowdown was "attributable to continued declines in housing investment, smaller inventory accumulation, as well as slower international exports and household spending."

It was significantly lower than the Bank of Canada's forecast of 1.5 percent growth and analysts' consensus around 1.2 percent growth.



Md Mahub ur Rahman, centre, chief executive officer of HSBC Bangladesh, attends a press conference on the "3rd HSBC Business Excellence Awards" at the Pan Pacific Sonargaon Dhaka yesterday. PHOTO: HSBC BANGLADESH

Third edition of HSBC Business Excellence Awards launched

STAR BUSINESS REPORT

HSBC has launched a third edition of "HSBC Business Excellence Awards" to honour business entities and entrepreneurs for their contribution in the sustainable economic growth of Bangladesh.

With the theme "Bangladesh: Proudly Resilient, Globally Excellent", this year's awards will be conferred in eight categories, HSBC officials said in a press conference at Pan Pacific Sonargaon Dhaka yesterday.

The categories include ones for garment units with an annual export turnover of \$50 million and above, supply chain and backward linkage companies with an annual export turnover of \$10 million and non-traditional and emerging sector entities with a turnover of \$3 million and above.

There are also ones for companies providing import substitutes of \$10 million and above, drawing foreign investment in the form of capital and technology, excelling in sustainability and making use of top innovations and technology.

Besides, the global lender will also recognise individuals or organisations for special contributions to the country's socioeconomic growth, excellence in innovation, job creation and supporting the community.

Bangladesh can export \$6b RMG made from recycled yarn

Experts say at a seminar

STAR BUSINESS REPORT

Bangladesh can export \$6 billion worth of garment items if it can locally process the 400,000 tonnes of recycled yarn and fabrics the local garment makers produce every year, experts said today.

They shared the data at a seminar on "Switch to upstream circularity dialogue: pre-consumer textile waste in Bangladesh" held at the Amari Hotel in Dhaka.

Garment exporters, researchers and senior government officials also attended the event organised under the Switch to Circular Economy Value Chains project (SWITCH2CE) in collaboration with Chatham House, Circle Economy and European Investment Bank.

At the event, the apparel manufacturers also want a ban on export of clothing wastages.

The exporters said they want to make garments from the wastes as the European nations—the major markets for Bangladesh—are making a law for importing apparels made from recycled yarn.

The recycled yarn and fabrics will create the next opportunity for Bangladesh as the international retailers and brands are preferring clothing items made from recycled yarn, said Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Moreover, making of garment items from recycled yarn will also help Bangladesh in obtaining the GSP Plus facility in the European Union (EU) as those garment items would be made following their guidelines, he said.

M Masrur Reaz, chairman of Policy Exchange Bangladesh, stressed the need for taking a holistic vision, which provides direction, clarity and stance of the country in terms of circularity for utilising the new opportunity.

Vidya Amrit Khan, director of the BGMEA, said the circularity is going to be new normal of the garment industry to address the issues about sustainability, traceability and climate change.

Saber Hossain Chowdhury, chair of the parliamentary standing committee on the ministry of environment, forest and climate change and special envoy to the prime minister for climate change; Bernd Spanier, deputy head of mission of the delegation of European Union to Bangladesh; Mark Draeck, chief technical adviser on SWITCH2CE at UNIDO, and Holly Syrett, director of impact programmes and sustainability at Global Fashion Agenda, also spoke.

Change attitude towards lending to SMEs

Industries minister tells banks, financial institutions

STAR BUSINESS REPORT

Banks and non-bank financial institutions should change their attitude towards lending to small and medium enterprises (SMEs) and ease access to finance, Industries Minister Nurul Majid Mahmud Humayun said yesterday.

"We are now giving more importance to big and influential businesses. But they don't repay. They just gobble up the money," the minister opined while speaking as the chief guest at the closing ceremony of the National Policy Dialogue on Priorities for SME Development in Bangladesh.

The SME Foundation, in association with International Labour Organization (ILO) Bangladesh, organised the event at Parjatan Bhaban in the capital's Agargaon.

Humayun said that providing small entrepreneurs with access to finance would pay off immensely as they could contribute to the economy in every corner of the country. "They will never run away after taking money. Rather, businesses from Gulshan and Banani are capable of flying after taking money," the minister added.

At the event, Nazim Hasan Sattar, general manager of the SME Foundation, and Gunjan Dallakot, ILO's SME development specialist in Bangladesh, jointly presented the keynote paper.

"There are many policies from different agencies, often uncoordinated and overlapping in Bangladesh," said Sattar.

While policy implementation remains an issue, he reminded that there was no single policy covering entire cottage, micro, small and medium enterprises (CMSME) in the country. "There is a general lack of concrete policy action to promote SMEs' productivity, competitiveness and market access, including in the export markets," he added.

The government should also look into alternative financing sources like equity investment, blended financial products and convertibles, Dallakot said. He further added that the scope and coverage of digital financial services in the country needed to be expanded.

"Credit rating agencies, monitoring mechanisms and tracking systems need to be developed to complement access to finance initiatives," he added. Dallakot also suggested developing a mechanism for low-cost and accessible standards and quality certification for CMSMEs' products and services in line with international standards.

Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, questioned why women entrepreneurs were asked to show a guarantor while taking loans. "The lending process should be eased for women entrepreneurs to help them contribute to the economy," said Alam.

However, he urged coordination among ministries such as the finance and commerce ministries to ease the cost of doing business.

Among others, Md Ehsan E Elahi, secretary at the Ministry of Labour and Employment, Toumo Poutiainen, country director of ILO's Bangladesh Office, and Md Mafizur Rahman, managing director of the SME Foundation, also spoke at the event. Prof Md Masudur Rahman, chairperson of the SME Foundation, presided over the event.

With the theme "Bangladesh: Proudly Resilient, Globally Excellent", this year's awards will be conferred in eight categories, HSBC officials said.

The commerce ministry and the British high commission in Dhaka are partners of the programme.

A jury board comprising representatives from the HSBC, the ministry and the high commission will finalise the awardees based on annual contribution to the national exports and economy, diversity, responsibility, sustainable business practices, governance strengths, regulatory compliance etc.

The nomination forms and other details of the programme are now available at HSBC's Bangladesh website and the nomination phase will remain open until October 1 this year.

"We are delighted to be recognising the exceptional businesses," Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, told yesterday's press conference.

They have contributed to Bangladesh's trade growth, fulfilled domestic demand or facilitated development of infrastructure as Bangladesh prepares to thrive in a post-LDC graduation scenario, he said.

"Through these awards, we recognise the achievements of the country's most successful enterprises and entrepreneurs and recognise their relentless efforts to make Bangladesh's mark in the global arena," said Gerard Haughey, country head of wholesale banking at HSBC Bangladesh.

Talukdar Noman Anwar, country head for communications at HSBC Bangladesh, shared rules and regulations of the programme.



The Nepal government said in its budget statement presented on May 29 that inflation was gradually moderating, but it remains above the desired limit. PHOTO: THE KATHMANDU POST

Nepalis hit by rising prices

ANN/ THE KATHMANDU POST

While a series of measures by India to tighten food, exports has pushed up local prices, the government is making life harder for Nepalis by increasing taxes on food, say analysts.

After India ordered a ban on exports of non-basmati rice on July 20, the price of rice shot up by Rs200 to Rs400 per 20-kg bag. Coming just ahead of the autumn festival season, it is a big blow to Nepali consumers.

India issued the embargo in response to rising food prices, high inflation and fear of rice shortages due to El Nino disruptions as the country heads into the festive season and elections.

Nepalis had barely recovered from the shock when India slapped a 40 percent export duty on onion on August 19. The spicy bulb suddenly became scarce in domestic markets.

Onion is indispensable to South Asian cooking, and India is the world's largest exporter. According to insiders, the customs duty is intended to stem exports to neighbouring countries and cool inflation in vegetable products.

India's neighbours will have to live with higher prices of onions because of the steep export duty till December 31.

And on Friday, India imposed a 20 percent export duty on parboiled rice with immediate effect. Experts say the move could further reduce shipments by the world's largest exporter and lift global rice prices, which are already close to 12-year highs.

India extended a ban on wheat exports after curbing rice shipments in September 2022. The southern neighbour has also capped sugar exports this year as cane yields dropped.

As if costlier food from India was not enough, the Nepal government has been finding new ways to tax its inflation-stricken citizens.

No value-added tax can be levied on potatoes, onions and other daily consumable farm products as per the Value Added Tax Act of 1996. But that was a minor hurdle for the government which promptly amended the law through the Financial Bill 2023, and removed 170 goods from the tax-free list.

So, the new fiscal year began with 13 percent VAT on vegetables and other food items on top of the 9 percent agriculture service charge and 1.5 percent advance tax for a total of 23.5 percent in taxes.

The Financial Bill has imposed 13 percent VAT on imported onions, potatoes, garlic, peas, frozen green leafy vegetables, collard greens, beans, spinach, sweet corn and other green vegetables.

"The government's tax policy shows that Nepal is not a welfare state," said Nara Bahadur Thapa, former executive director of Nepal Rastra Bank.

"If consumer interests were a top priority, no taxes would be imposed on food items. This is a totally wrong strategy."

Govt names

FROM PAGE B1

Bagerhat and Ruhita of Patharghata at Barguna.

And the lower part of the spawning ground is the point adjacent to Pokkhir char of Sarankhola in Bagerhat; Lebur Bagan of Latachapali union of Kalapara, Patuakhali, said the notification published yesterday.

A senior official of the fisheries ministry said hilsa fish migrate from the sea through the Boleswar river that passes through these districts. This is why the area has been declared as a spawning ground to increase production of the fish.

The government earlier declared a hilsa spawning ground covering nearly 7,000 square kilometres involving Mayani point of Mirsharai in Chattogram, Paschim Syed Awlia point in Bhola, and the north Kutubdia, Cox's Bazar and Lata Chapati point at Kalapara in Patuakhali.

Accordingly, in order to increase production of the fish, the government usually bans hilsa catching for 22 days during the peak spawning period in October.

In its notification, the fisheries ministry said it would remain open for receiving opinions or objections from any person within two months of the notification.

Hilsa production, which has been growing gradually over the years, rose slightly to 5.66 lakh tonnes in fiscal 2021-22 from 5.65 lakh tonnes the previous year, according to an estimate by the Department of Fisheries.

Investors barely show

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Among 23 NBFIs, stocks of Bangladesh Industrial Finance Company Limited, Fareast Finance & Investment Limited, FAS Finance & Investment Limited, First Finance Limited, International Leasing and Financial Services Limited, People's Leasing and Financial Services Limited, Premier Leasing and Finance Limited and Union Capital Limited were under their face value.

A lack of confidence is plaguing the whole sector, for which some bank stocks are undervalued, added Hasan of UCB Asset Management.

No bank and NBFI stocks are above Tk 60 while eight junk stocks, out of a total of 23, are being traded above the amount, the DSE data showed.

A top official of a listed bank, preferring anonymity, said some of the banks and NBFIs were feeling the pressure of the high NPLs but they abide by some corporate governance and were under regulations of the central bank.

Some of the banks and NBFIs are paying dividends too, so, in some cases, they are undervalued mainly due to most investors paying heed to rumours, he said.

And manipulating bank and NBFI stocks is tough due to them prevailing in high numbers, he clarified.

"If you see the stock market, many other listed companies do not even have any factories, or production has remained stopped for many years, (yet) these stocks are also traded above the share price of banks and NBFIs," he said.

It means that most investors of the stock market rush for stocks undergoing manipulation, he added.

In the banking sector, stock prices of 28 percent or 16 banks and NBFIs are under the par value. In comparison, 4 percent or 12 companies in all other sectors combined are prevailing below the face value, the DSE data shows.

Among the 12 companies, 10 are in the textile sector. Most of the companies' performances are not up to the mark and they have a huge number of shares.

Rules relaxed

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regarding the appointment of directors with non-bank financial institutions," said a senior official of the central bank.

In August last year, the BB restricted appointment of external auditors, legal adviser, adviser, consultant or officials who have worked in a financial institution in the previous five years as a board member of the same organisation.

Yarn prices go up

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Local garment exporters prefer using locally-made yarn instead of imported ones to maintain the current lead times of 45 days to 60 days demanded by buyers, whereas earlier it was 90 days to 120 days, he said.

A good volume of work orders came to Bangladesh for next spring and demand for yarn has also started rising, said Razeed Haider, managing director at Outpace Spinning Mills Ltd.

Whether this demand will prevail remains to be seen because there have been instances where it later went down, he said.

Sale of yarn for both export-oriented and domestic markets have started increasing, said Khورش Alam, chairman of Little Group, which also produces yarn for the domestic market.

Demand has increased also for improvements in power supply in major weaving areas using electricity-run looms like in Narsingdi, Narayanganj and Sirajganj, he said.

Demand rose for old yarn stocks being sold off, said Monsoor Ahmed, chief executive officer of the Bangladesh Textile Mills Association (BTMA), the platform for primary textile millers.

But most spinning mills have been running at 50 percent to 60 percent capacity due to gas supply shortages at industrial units, he said.

Improvement in sales of yarn is still slow, said BTMA President Mohammad Ali Khokon.



A partial view of the premier seaport of the country in Chattogram. Six incidents of theft and piracy took place in vessels arriving at the port in the six months to July this year.

PHOTO: STAR/FILE

Himadri's share price up 60-fold BSEC opens probe

STAR BUSINESS REPORT

The stock price of Himadri Ltd, listed with the SME board of the Dhaka Stock Exchange, soared 60-fold in the last four months, prompting an investigation from the Bangladesh Securities and Exchange Commission (BSEC).

Stocks of the company, which traded for Tk 68 just four months ago, rose to Tk 4,085 yesterday, DSE data showed. The increase has seen the company's market value cross Tk 300 crore despite paid-up capital of Tk 75 lakh.

But at the same time that its stock price is rapidly rising, its directors have been busy selling shares, albeit some of those sales were at the direction of the BSEC. Shareholdings of the company's sponsors and/or directors stood at 98 percent on June 30, 2022, but had fallen to 65 percent at the end of June this year.

Given the situation, the BSEC ordered the DSE last week to investigate the unusual rise in the company's share price. The DSE was asked to submit an investigation report within 10 working days.

A top official of a stock brokerage firm expressed surprise that the small company's stock price was soaring continuously, especially during a period that has seen the stock market struggle to get buyers, leaving many well-performing stocks untraded.

He added that the regulator should have investigated earlier, before investors had purchased shares at high prices.

Himadri Ltd, a cold storage company, was transferred to the SME board in 2021 from the Over the Counter (OTC) market. It provided 10 percent cash dividend to its shareholders for the 2022 fiscal year.

Theft, piracy on the rise at Ctg port

Appointing private watchmen from CPA cell made mandatory

DWAIPAYAN BARUA, Ctg

Theft and piracy have become a matter of concern for the Chittagong Port Authority (CPA) as six such incidents took place in vessels arriving at the port in the six months to July this year.

So, the port authority has made it mandatory for the shipping agents to appoint private watchmen from the CPA Watchmen Booking Cell for the arriving vessels anchored either at the port jetties or at the outer anchorage.

Normally, shipping agents take watchmen from the CPA Watchmen Booking Cell only for the vessels berthed at the port's main jetties while they usually deploy watchmen from some CPA enlisted private vendors for the vessels at outer anchorage and dolphin jetties.

Meanwhile, the shipping agents' association has opposed the directive on mandatory engagement of watchmen from CPA Booking Cell, saying it would increase their costs by five to six times.

According to the CPA, six vessels named MV Zafar Hanif, MT Success, MV NCC Messila, MV Team Focus, MT Orion Express and MV Meelina fell victim to theft and piracy in six months to July.

Five of these were anchored at the outer anchorage while the other was in a dolphin jetty.

One each of such incidents occurred in February and May and two each in June and July.

On June 8, the CPA Security Department held a meeting with the representatives of Coast Guard, police, Rapid Action Battalion and others where

a decision was taken on mandatory engagement of watchmen only from the CPA Cell for all ships.

Through a letter on August 21, the CPA director for security informed Bangladesh Shipping Agents Association (BSAA) about the decision and request all to comply with it.

According to the CPA, six vessels named MV Zafar Hanif, MT Success, MV NCC Messila, MV Team Focus, MT Orion Express and MV Meelina fell victim to theft and piracy in six months to July.

But on August 30 through a letter, BSAA Chairman Syed Mohammad Arif opposed the decision and requested the CPA director to stop implementing it.

The CPA took the decision without discussing the issue with the agents' association, Arif said.

He told The Daily Star that the CPA renders security services to safeguard ships at the port with combined efforts of the Port Security Department, Coast Guard, Bangladesh Marine Police and others.

At that time, custom officers and ship handling operators' staff also remain present on board in order to monitor everything until the completion of operation, he said.

"So, there is no logical ground for deployment of additional watchmen for

security purposes."

He said deployment of watchmen taken from CPA enlisted vendors for security of vessels at the outer anchorage has been prevailing for many years and payment of whom were borne by the respective vendors.

The CPA should not recruit watchmen from private firms if additional security is needed for vessels, rather the cost must be incorporated in the port tariff through gazette, he said.

Only then, the realisation of the spending for additional watchmen from foreign shipping lines would be logical, Arif said.

CPA Director for Security Lieutenant Colonel Mostafa Arif-ur Rahman Khan said many vendors hired by shipping agents do not properly appoint watchmen at the vessels at the outer anchorage, increasing the risk of thefts.

He said the private watchmen enlisted with the CPA Booking Cell, established in 2010, are trained ones and the CPA has control over them to evaluate their performance.

Six watchmen are needed to do duty in a vessel every day.

The BSAA leader said if watchmen from the CPA Watchmen Booking Cell are engaged in a vessel, the total cost will be over \$100 a day, which is five to six times higher than the presently engaged watchmen through vendors.

This increased cost will be paid by the shipping lines and would be passed on to the importers through carriers and finally the end consumers will feel the pinch, he said.

Oil jumps to highest in over seven months

REUTERS, New York

Oil prices rose on Friday to their highest in over half a year and snapped a two-week losing streak, buoyed by expectations of tightening supplies.

Saudi Arabia is widely expected to extend a voluntary 1 million barrel per day oil production cut into October, prolonging supply curbs engineered by the Organization of the Petroleum Exporting Countries (Opec) and allies, known collectively as Opec+, to support prices.

Russia, the world's second-largest oil exporter, has already agreed with Opec+ partners to cut oil exports next month, Deputy Prime Minister Alexander Novak said on Thursday.

Brent crude settled up \$1.66, or 1.9 percent, at \$88.49 a barrel. Earlier it gained to a session high of \$88.75 a barrel, the highest since Jan. 27.

US West Texas Intermediate crude (WTI) had risen \$1.39, roughly 1.7 percent, to \$85.02. It rose earlier to \$85.81, the highest since November 16.

Brent rose about 4.8 percent this week, the most it has increased in a week since late July. WTI advanced by 7.2 percent in the week, its biggest weekly gain since March.

"There is a realization the economy is not falling off the map, and signs that demand is near record highs," said Price Futures Group analyst Phil Flynn. "People have to face the cold, hard reality that supplies are below average."

The appetite for oil in the United States has been robust, with commercial crude inventories declining in five of the most recent six weeks, according to surveys conducted by the US Energy Information Administration.



PHOTO: REUTERS/FILE

Pumpjacks are seen during sunset at the Daqing oil field in Heilongjiang province, China.

A keenly watched US report on Friday also showed a rise in the unemployment rate and moderation in wage growth, bolstering expectations of a pause in interest rate hikes.

Meanwhile, expectations for demand recovery elsewhere are growing.

A downturn in euro zone manufacturing eased last month, suggesting the worst may be over for the bloc's beleaguered factories, while an unexpected rebound in China offered some hope for export-reliant economies, private surveys showed.

Both Opec and the International Energy Agency are depending on the world's biggest oil importer, China, to shore up oil demand over the rest of 2023, but the sluggish recovery of the country's economy has investors concerned.

The remainder of this year promises to bring supply shortage, partly owing to reasonably healthy global consumption and partly because of the Saudi determination to provide a high price floor, said Tamas Varga of oil broker PVM.

"Unless the Chinese economy stages a confident revival next year, the mood will sour markedly," he said.

In an indication of future supply, US oil rigs were unchanged at 512 this week, the measure holding at its lowest level since February 2022, energy services firm Baker Hughes said on Friday.

US manufacturing slump continues into 10th month

AFP, Washington

The slump in US manufacturing activity continued for a 10th consecutive month in August amid ongoing softness in new orders, survey data showed Friday, with some signs pointing to an improving situation.

The Institute for Supply Management's (ISM) manufacturing index came in higher than expected at 47.6 percent in August, up from 46.4 percent a month earlier.

The continued slowness in new manufacturing orders aligns with recent inflation figures, which showed a contraction in the prices of goods, while those of services continued to rise.

The Federal Reserve has been on an aggressive campaign since March last year to bring down high inflation through interest rate hikes, which hits consumer demand.

"The August composite index reading reflects companies managing outputs appropriately as order softness continues, but the month-over-month increase is a sign of improvement," ISM survey chief Timothy Fiore said in a statement.

The figure was 1.0 percentage points higher than the median expectation of economists surveyed by MarketWatch.

While it marked a sharp improvement, the August figure was still firmly below the 50-percent threshold indicating growth in the sector.

"The manufacturing ISM index improved more than expected in August, to the highest level since February," Rubela Farooqi, High Frequency Economics's chief US economist wrote in a note to clients.



Cars are seen parked at Maruti Suzuki's plant at Manesar, in the northern state of Haryana, India. Sales for Maruti Suzuki and Mahindra and Mahindra's private vehicles grew 16.4 percent and 25 percent, respectively, in August compared to a year earlier.

PHOTO: REUTERS/FILE

Indian automakers post rise in August sales

REUTERS, Bengaluru

Top Indian automakers on Friday posted an increase in passenger and commercial vehicle sales for August, as optimistic dealers loaded up vehicles ahead of the festive season.

In the passenger vehicles (PV) category, sales for Maruti Suzuki and Mahindra and Mahindra grew 16.4 percent and 25 percent, respectively, for the month compared to a year earlier. Tata Motors, however, posted a 3.5 percent decline in PV sales.

Shares of Maruti Suzuki scaled to a record high during the day. The automaker reported total sales of 189,082 units in August, its highest ever monthly sales volume, led by continued strong demand and launch of new models in the fast-growing sport-utility vehicles (SUV) segment.

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