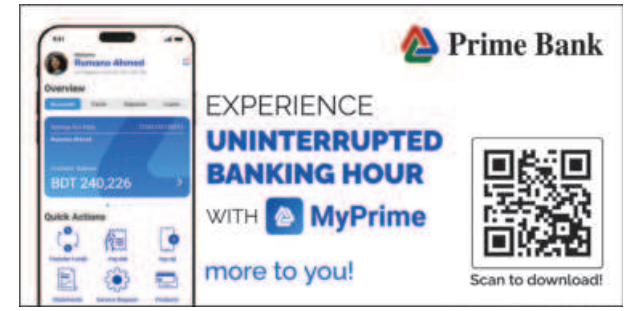


Star BUSINESS



Govt to sign deal with Airbus for satellite

STAR BUSINESS REPORT

Bangladesh will sign a letter of intent with France to buy its second earth observation satellite, which will be engaged in non-military uses such as environmental monitoring, meteorology and cartography.

A letter of intent (LOI) between Bangladesh Satellite Company Ltd (BSCL) and European company Airbus, in which France holds a major stake, is expected to be signed during French President Emmanuel Macron's two-day visit to Bangladesh. Macron arrived in Dhaka yesterday.

"The satellite that we will buy will travel through the orbit around 350 miles above the earth. This will be used mainly to observe the status of our crops and the sea. Currently, we don't have any monitoring capabilities across the vast sea," BSCL Chairman and CEO Shahjahan Mahmud told The Daily Star yesterday.

The agreement may be signed within a month or two after the price and other necessary conditions are finalised, he said.

Bangladesh's first geostationary communications and broadcasting satellite, Bangabandhu Satellite-1, was manufactured by French company Thales

READ MORE ON B3

MAJOR HIGHLIGHTS

Cotton waste export rising

Export earnings from cotton waste (fibres, threads and fabric pieces) stood at \$411m in FY23

Bangladesh produces 4,00,000 tonnes of cotton waste a year.

Had it been recycled, exportable garments worth \$6b could have been produced

Many mills produce yarn mixing virgin cotton with waste cotton

Cotton worth over \$3b was imported in 2021

A cotton waste collection hub needs to be built, say industry people

Demand for garments made from recycled cotton waste growing worldwide

New EU law proposes procuring only cotton waste-made garments from 2030

Cotton waste the new cash cow

But garment makers for reusing it thru recycling within the country

REFAYET ULLAH MIRDHA

Cotton waste is turning into a new cash cow for Bangladesh as it is increasingly being sold abroad although local garment exporters are in favour of retaining and recycling it.

Cotton waste refers to textile waste generated in the spinning, weaving and textile industry, coming in formats such as fibres, threads or fabric pieces depending on the stage of the transformation process.

Cotton waste exports marked a significant rise of 76.77 percent year-on-year to fetch \$84.85 million in the July-August period, the first two months of the current fiscal year, as per the

Export Promotion Bureau.

Last fiscal year, Bangladesh exported \$411.12 million worth of cotton waste. Even a few years ago, it was less than \$100 million.

Demand for cotton waste is rising worldwide with increased awareness among end consumers on the sustainable use of

garments through recycling.

With consumers in the West shifting to fast fashion, local garment suppliers are also modifying their production base to make use of more sustainable raw materials such as cotton waste.

Bangladesh generates around

4,00,000 tonnes of cotton waste a year. If recycled, it could be used to manufacture exportable garments worth \$6 billion. However, most of the cotton waste is being exported for its high price, driven by a higher demand.

Recently, Swedish retail giant H&M asked garment suppliers to use more cotton waste than raw cotton in manufacturing processes. Clothing retailers and brands prefer the reuse and recycling of garments to avoid environmental damage.

Moreover, owing to a new proposed European Union law, consumption of garments made from cotton waste will rise in the bloc.

READ MORE ON B3



Forex reserve slips below \$22b

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves slipped below \$22 billion yesterday after the central bank cleared import bills amounting to \$1.36 billion through the Asian Clearing Union (ACU) and sold US dollars to banks.

The ACU is an arrangement for settling payments for intra-regional transactions among eight countries.

After the adjustment of the payment, the gross forex reserves stood at around \$21.70 billion yesterday as per the International Monetary Fund (IMF) manual, said a senior central bank official,

After the adjustment of the payment, the gross forex reserves stood at around \$21.70 billion yesterday as per the International Monetary Fund (IMF) manual

seeking anonymity.

On Thursday, the BB cleared the payment for the imports of July and August. On the same day, it sold \$75 million to banks from the reserve as well.

Before the day, the reserve was around \$23 billion.

Md Mezbaul Haque, an executive director and spokesperson of the central bank, said the forex reserve stood at \$27.61 billion after the ACU payment as per the central bank's calculation.

He did not share the data on gross reserves in line with the IMF BPM6 manual.

On July 13, the BB began publishing foreign currency reserves in line with the manual in a move that will ensure that the country's dollar stockpile is reported accurately.

As per BPM6, gross foreign reserves include gold, cash US dollar, bonds and treasury bills, reserve position in the IMF, and special drawing rights holdings – which is a form of international money created by the IMF and defined as a weighted average of various convertible currencies.

Since the central bank's previous gross reserves computation factor in other components and subsequently, the number always ends up being markedly higher.

READ MORE ON B3

YOUR CHANCE TO NOMINATE

THE TORCH BEARERS OF ICT IS HERE ONCE AGAIN

8th



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Bangladesh Brand Forum honours 127 creative campaigns

STAR BUSINESS DESK

Bangladesh Brand Forum (BBF), in collaboration with Cannes Lions International Festival of Creativity, awarded 127 creative campaigns in the 12th edition of the prestigious advertising awards ceremony in Bangladesh, styled "Commward: Excellence in Creative Communication" at InterContinental Dhaka.

The awards were given across 25 categories in four ranks -- bronze, silver, gold and grand prix.

The 12th edition of Commward had five grand prix winners, 19 gold winners, 39 silver winners and 64 bronze winners, said a press release.

"The accolades presented today will remain a testament to our collective efforts to accept innovations and apply them for greater purposes," said Shariful Islam, founder and managing director of BBF.

Commward 2023 honoured Ramendu Majumdar, an actor, stage director, and theatre producer, with the outstanding lifetime achievement award for his contributions to industry.



Award-winning creative campaigners in the 12th edition of the prestigious advertising awards programme in Bangladesh styled "Commward: Excellence in Creative Communication" pose for photographs in the aftermath of the event at InterContinental Dhaka recently. Bangladesh Brand Forum (BBF), in collaboration with Cannes Lions International Festival of Creativity, organised the event.

PHOTO: BANGLADESH BRAND FORUM

It also awarded Adcomm Ltd for its contributions to the advertising sector.

Commward was preceded by the 12th edition of Communication

Summit', attended by global experts, including Partha Sinha, president of The Times of India Group and the Advertising Club in India, Kainaz

Karmakar, chief creative officer of Ogilvy India, and Ali Shahbaz, chief creative officer and M&C Saatchi Group Singapore.

Pubali Bank deposits up 90-fold in four decades

STAR BUSINESS DESK

Pubali Bank had deposits amounting to Tk 54,994 crore and current capital of approximately Tk 4,322 crore as of June this year.

When it had begun its journey as a privatised bank less than four decades ago, its deposits stood at Tk 614 crore, as per a board meeting of the lender at its head office in Dhaka recently.

Pubali Bank is operating at home and abroad with 501 branches, 170 sub-branches, 17 Islamic banking windows and a workforce of around 9,000 employees.

"This achievement reflects our commitment to good governance and our unwavering pursuit of growth," said Monzurur Rahman, the bank's chairman, while presiding over the meeting.

"We dedicate this occasion to our customers and reaffirm our dedication to contributing to Bangladesh's prosperity," he said in a press release of the commercial bank.

"Today's 1,400th board meeting demonstrates Pubali Bank's dedication to excellence and innovation. Our experience, values and ethics motivate us to take decisions that are in the best interests of our customers," said Mohammad Ali, managing director and CEO.

Hafiz Ahmed Mazumder, former chairman of the bank, Fahim Ahmed Faruk Chowdhury, Azizur Rahman, Md Abdur Razzak Mondal and Arif Ahmed Choudhury, directors, and Shahdeen Malik and Mohammad Naushad Ali Chowdhury, independent directors, were present.



Monzurur Rahman, chairman of Pubali Bank, and Hafiz Ahmed Mazumder, former chairman, cut a cake at the bank's head office in Dhaka recently celebrating its 1,400th board meeting.

PHOTO: PUBALI BANK

Turkey seeks to strengthen bilateral trade ties with Bangladesh: envoy

STAR BUSINESS DESK

Turkey has reaffirmed its commitment to strengthening bilateral trade ties with Bangladesh, said Turkish Ambassador to Dhaka Ramis Sen.

He made the commitment during a courtesy meeting with Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Mahbubul Alam at the FBCCI office in Dhaka yesterday, said a press release.

Sen praised Bangladesh's remarkable development and expressed Turkey's keen interest in expanding trade relations with the country.

He extended an invitation to visit Turkey to a business delegation led by FBCCI to strengthen collaboration between the two nations.

FBCCI President Alam said Bangladesh had recently embarked on the establishment of 100 special economic zones (EPZs) across the country, attracting both domestic and foreign investors.

He encouraged Turkish investors to seize this opportunity, facilitating their entry into Bangladesh's vast consumer market and opening the door to exporting products manufactured in Bangladesh's labour friendly climate.

Alam called for the removal of customs barriers to facilitate the export of garment products to Turkey, a move that could significantly boost the textile industry in Bangladesh.

Initiatives can be taken to expand business and trade between the two countries by identifying potential sectors and businessmen and organising Business to Business (B2B) meetings, he said.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 10, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	-2.22 ↓	0
Coarse rice (kg)	Tk 48-Tk 50	-2 ↓	-1.01 ↓
Loose flour (kg)	Tk 45-Tk 50	-6.86 ↓	-4.04 ↓
Lentil (kg)	Tk 95-Tk 100	2.63 ↑	-7.14 ↓
Soybean (litre)	Tk 155-Tk 160	-3.08 ↓	-9.74 ↓
Potato (kg)	Tk 42-Tk 45	14.47 ↑	58.18 ↑
Onion (kg)	Tk 80-Tk 90	13.33 ↑	100 ↑
Egg (4 pcs)	Tk 50-Tk 55	0	44.44 ↑

SOURCE: TCB



Mohammad Feroz Hossain, managing director of Exim Bank, delivers his speech at the bank's "Business Development Meeting" for Dhaka north and south region at its head office on Saturday. Among others, Md Humayun Kabir and Shah Md Abdul Bari, additional managing directors, Md Zoshim Uddin Bhuiyan and Maksuda Khanam, deputy managing directors, and Md Moidul Islam, regional manager for Dhaka, were present.

PHOTO: EXIM BANK

US, Vietnam upgrade ties

FROM PAGE B4

"We can trace a 50-year arc of progress between our nations, from conflict to normalization, to this new elevated status," he said.

Vietnam is having to navigate frosty relations between Washington and Beijing as it seeks its own foothold in the international economic competition.

Top Chinese officials, possibly including President Xi Jinping, are expected to visit Vietnam in the coming days or weeks, officials and diplomats said, as Hanoi seeks to maintain good relations with all superpowers.

It also comes as Vietnam's longstanding relationship with Russia faces tests over the war in Ukraine, including talks with Russia over a new arms supply deal that could trigger US sanctions.

Reuters has seen documents describing talks for a credit facility that Russia would extend to Vietnam to buy heavy weaponry, including anti-ship missiles, antisubmarine aircraft and helicopters, anti-aircraft missile systems and fighter jets.

One of them, a letter sent in May by Vietnam's Prime Minister Pham Minh Chinh to the Russian government, showed interest in the possible new deal.

A Vietnamese military officer confirmed the authenticity of the letter and the talks for a new \$8 billion credit facility to buy heavy weaponry.

A spokesperson for Vietnam's foreign ministry did not respond to multiple requests for comment on the documents, which show Moscow pushing for months for a loan deal that would bypass Western sanctions on Moscow.

Hanoi is in similar talks with multiple arms suppliers including the United States. In recent weeks, Vietnam has engaged in several high-level defence meetings with top Russian officials.

Government of the People's Republic of Bangladesh
Ministry of Education
Bhola Govt. College
Bhola Sadar, Bhola
www.bhologovtcollege.edu.bd

Corrigendum of Invitation for Tender
Reference No. CEDP/BGCDP/2020-21/G-21/215 Date: 11.09.2023
The undersigned has to inform that due to unavoidable circumstances the amendment has been issued for procurement of following package:

Package name	Tender ID	Description	Original date & time	Revised date & time
G-21: Procurement of Furniture & Fixtures for Smart Class Rooms of Bhola Govt. College, Bhola	867485	Tender closing date and time	13-Sep-2023 14:00	18-Sep-2023 14:00
		Last date and time of tender security submission	13-Sep-2023 01.30pm	18-Sep-2023 13:00

All other things of published IFT (Reference No. CEDP/BGCDP/2020-21/G-21/214, Date: 30-Aug-2023) will remain unchanged.

Dr. Abdul Gafur
Professor Abdul Gafur
Principal
Bhola Govt. College, Bhola
Phone: 0491-61822
E-mail: bhologovtcollege@yahoo.com

GD-1381

Government of the People's Republic of Bangladesh
Office of the Upazila Health & Family Planning Officer
Golapganj, Sylhet
Email: golapganj@uhfpo.dghs.gov.bd

Ref No. UHC/golap/e-tender/2023-2024/763 Date: 10-09-2023

e-Tender Notice

This is an online Tender, where only e-Tenders will be accepted in e-GP Portal and no offline/ Hard copies will be accepted. To submit e-tender, please register on e-GP system portal (<https://www.eprocure.gov.bd>). For more details, please contact support desk contract numbers.

e-Tender is invited in e-GP system portal (<http://www.eprocure.gov.bd>) by Dr. SUDARSHAN SEN, UH&FPO, Upazila Health Complex, Golapganj, Sylhet for the Procurement of;

Tender Id	Name of Goods	Tender/Proposal Last Selling Date & Time	Tender/Proposal Closing/Opening Date & Time
872199	Procurement of Medicine for the F.Y 2023-2024 at Golapganj Upazila Health Complex, Sylhet.	26-September-2023 10:00	26-September-2023 12:00
872200	Procurement of Medical Equipment for the F.Y 2023-2024 at Golapganj Upazila Health Complex, Sylhet.	26-September-2023 10:00	26-September-2023 12:00
872201	Procurement of Gauge, Bandgae, Cotton etc for the F.Y 2023-2024 at Golapganj Upazila Health Complex, Sylhet.	26-September-2023 10:00	26-September-2023 12:00
872202	Procurement of Linen for the F.Y 2023-2024 at Golapganj Upazila Health Complex, Sylhet.	26-September-2023 10:00	26-September-2023 12:00
872203	Procurement of Chemical Reagents for the F.Y 2023-2024 at Golapganj Upazila Health Complex, Sylhet.	26-September-2023 10:00	26-September-2023 12:00
872204	Procurement of Furniture for the F.Y 2023-2024 at Golapganj Upazila Health Complex, Sylhet.	26-September-2023 10:00	26-September-2023 12:00

e-Tender details can be downloaded on e-GP system portal (<https://www.eprocure.gov.bd>) for pursuer.

e-Tender will be accepted only as stated in above list; accepted tenders will be opened online immediate as stated in above list.

Sudra
10 Sept 2023
(Dr. SUDARSHAN SEN)
Upazila Health & Family Planning Officer
Golapganj, Sylhet.

GD- 1380

Government of the People's Republic of Bangladesh
Office of the Chief Electrical Engineer (East)
Bangladesh Railway, CRB, Chattogram
Email: ceee@railway.gov.bd

No. 54.01.01500.115.02.417.17 Date: 07.09.2023

Tender Cancellation Notice
Due to unavoidable circumstances the following tender notice have been annulled in accordance with provision ITT clause 47.1

Package No.	Name of the Services	Invitation Reference No. & date
(i) NCS-1	(i) Procurement of skilled & unskilled labour service for Divisional Electrical Engineer (Chattogram)	(i) 54.01.1500.115.02.105.23, Date: 25.06.2023
(ii) NCS-2	(ii) Procurement of skilled & unskilled labour service for Divisional Electrical Engineer (Dhaka).	(ii) 54.01.1500.115.02.106.23, Date: 25.06.2023
(iii) NCS-3	(iii) Procurement of skilled & unskilled labour service for Divisional Electrical Engineer (Pahartali).	(iii) 54.01.1500.115.02.107.23, Date: 25.06.2023
(iv) NCS-4	(iv) Procurement of Skilled & unskilled labour service for Senior Assistant Electrical Engineer (AC) Pahartali.	(iv) 54.01.1500.115.02.108.23, Date: 25.06.2023

Md. Habibur Rahman
Md. Habibur Rahman
Chief Electrical Engineer (East) (Add. C)
Bangladesh Railway, CRB, Chattogram

এস(২৩)(২৬৪)
GD-1377

Trust Bank to buy 2.21cr shares of Trust Axiata Digital

STAR BUSINESS REPORT

Trust Bank Limited (TBL) has decided to buy 2.21 crore ordinary shares of Trust Axiata Digital Ltd from Axiata Digital Services Sdn Bhd.

The board of the bank made the decision, according to a disclosure on the Dhaka Stock Exchange yesterday.

The price of each share will be Tk 10.

Of the shares, 2,20,49,990 will be purchased in the name of TBL while 10 shares will be in the name of TBL Managing Director and Chief Executive Officer Humaira Azam.

By purchasing these shares, Trust Bank will take 100 percent control over the management of Trust Axiata Digital Ltd, the filing said.

UK, Singapore partner to boost economic growth

REUTERS

The British government has signed a partnership with Singapore to grow its economy and enhance shared security, Downing Street said on Friday, adding it was the UK's first treaty since leaving the European Union.

British Prime Minister Rishi Sunak will meet Singaporean counterpart Lee Hsien Loong at the G20 Summit in India to sign the partnership and work to conclude a bilateral investment treaty, Downing Street said.

They said the partnership will give Singaporean companies more confidence to invest in Britain and vice-versa, while also creating jobs.

The British government added that the partnership will strengthen security cooperation, science and technology innovation, and research and development, including countering cyber threats, through a partnership between Singapore's Digital and Intelligence Service and Britain.



Potato production this year has reached a record high of 1.04 crore tonnes, according to the Bangladesh Bureau of Statistics. The Department of Agricultural Extension estimates it to be 1.12 crore tonnes. Yet, Bangladesh Cold Storage Association questioned both, claiming it was not more than 85 lakh tonnes.

PHOTO: STAR/FILE

Cold storage owners question potato output estimates

STAR BUSINESS REPORT

Bangladesh Cold Storage Association (BCSA) yesterday questioned the estimates of government agencies of potato production reaching record highs this year, claiming it to be much lower.

Total production will not be more than 85 lakh tonnes although the Department of Agricultural Extension (DAE) estimates it to be 1.12 crore tonnes, said the association.

Two government agencies, however, said their estimates were correct.

"Cold storage owners are blamed for hikes in potato prices. This is not right," said BCSA President Mostafa Azad Chowdhury at a press conference at its office in Dhaka.

The trade body organised the briefing to share its views regarding hikes in the price of potato, one of the most popular vegetables, over the last two weeks.

Annual demand for the tuber in Bangladesh is around 90 lakh tonnes and there should be a surplus of 22 lakh tonnes if the DAE estimate is taken into account,

said the BCSA.

"If potato production had indeed been high, where are these surplus potatoes?" asked Chowdhury, adding that 20 percent of the capacity of cold storages owned by the BCSA members have remained unutilised.

Regarding the price, he said the retail price should not be more than Tk 35 to Tk 36 per kilogramme (kg).

Potato was selling for Tk 42 to Tk 45 per kg in Dhaka's markets yesterday, which is 57 percent higher than that a year ago, according to the Trading Corporation of Bangladesh.

Estimating stocks in markets to be low, some unscrupulous traders who had stored potatoes intentionally reduced the release of their stocks to artificially hike the price, said Chowdhury.

Replying to a query regarding sharing potato storage data with the commerce ministry, he said, "If the government asks cold storage owners to submit details of the stocks, we must provide it."

Govt Agencies Refute

Tajul Islam Patwary, director general of

the DAE, said the BCSA's claim of potato production being lower than that estimated by government agencies was not true.

The DAE and Bangladesh Bureau of Statistics (BBS) came up with very close estimates, he said. The BBS estimate is 1.04 crore tonnes.

"Where did they (BCSA) get their figure of 85 lakh tonnes?" he asked.

On the cold storage capacities remaining unutilised, he said not every farmer keeps their potatoes in cold storages and much of the stocks are still in kitchen markets.

"We have conducted our agriculture survey and published it according to the global standard of the Food and Agriculture Organization (FAO) under the United Nation," said Md Matiar Rahman, director general of the BBS.

"From the area selection to output process, we follow the methodology of the FAO to calculate production. Every year, we follow the same method," he said.

Though there is a margin of error, it does not lead to that big of a fluctuation in the figure, he added.

Dollar gains for 8th straight week

REUTERS, New York

The US dollar index registered an eighth straight week of gains on Friday while global stock indexes ended slightly higher on the day ahead of key US inflation data next week.

The dollar index's weekly winning streak was its longest since 2014, bolstered by recent data suggesting the US economy is still resilient. For the day, the index was nearly flat at 105.08.

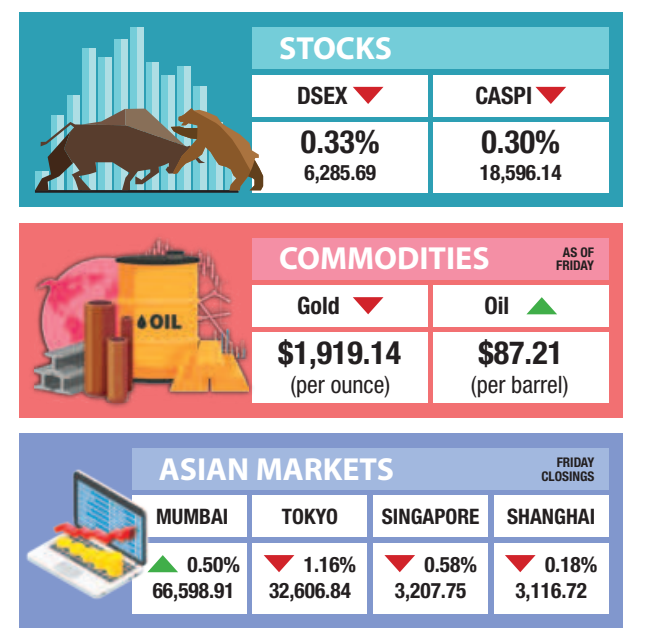
In contrast, China's onshore yuan ended its domestic session at its weakest since 2007 amid concern about China's slowing economy.

Strong US economic data this week have left some investors worried that even if the Federal Reserve leaves rates unchanged this month, they could remain high for longer than anticipated.

Investors are waiting for the US Consumer Price Index reading for August, due Wednesday, especially with oil prices rising.

"The dollar has been higher on the back of obviously stronger US data ..., suggesting that the Fed perhaps has another rate hike before the end of the year," said Quincy Krosby, chief global strategist at LPL Financial in Charlotte, North Carolina.

Wall Street's three major stock indexes ended barely higher, with shares of Apple up just 0.3 percent. Apple had fallen in the last two sessions on news reports of China curbing iPhone use by state employees.



Md Saidul Islam, chairman of Jamuna Bank, attends a "Town Hall Meeting" of the bank for Chattogram Zone in the port city on Saturday. Mirza Elias Uddin Ahmed, managing director, presided over the programme, where high-ups from the head office of the bank and branch managers of Chattogram Zone were present.

PHOTO: JAMUNA BANK

Bengal Bank inks remit deal with National Exchange Company

STAR BUSINESS DESK

Bengal Commercial Bank recently signed an agreement with National Exchange Company SRL to enhance remittance services.

Tarik Morshed, managing director and CEO of the bank, and Mohammed Idrish Farazy, chairman of the exchange company, inked the deal, said a press release.

Under the agreement, Bangladeshi immigrants living in Italy can send remittance to any branch of the bank without any hassle through this exchange company.



Tarik Morshed, managing director of Bengal Commercial Bank, and Mohammed Idrish Farazy, chairman of National Exchange Company SRL, exchange signed documents of an agreement on remittance services at the bank's head office in Dhaka recently.

PHOTO: BENGAL COMMERCIAL BANK

Govt to sign

FROM PAGE B1

Alenia Space and launched on 12 May 2018.

The communication satellite travels through the orbit at 22,500 miles above the earth. It is used mainly for television and V-SAT (very-small aperture terminal).

"We are getting a good response from the Bangabandhu Satellite-1," Mahmud said.

He added that Bangladesh wanted technology transfer regarding satellites and that Airbus had agreed to set up a plant in Bangladesh to manufacture small satellites.

"We will need more satellites because the shelf life of a satellite is around seven to eight years. We may also think of selling satellites in the future."

On February 2 last year, state-run BSCL signed a cooperation contract with Russian company Glavkosmos with the aim of launching the

nation's second satellite by 2023.

Under the contract, Glavkosmos was tasked with manufacturing and launching an earth observation satellite for over \$430 million.

However, Russia invaded Ukraine within weeks of the deal, complicating the launch of the satellite as the US and its allies imposed sanctions on Russia.

At the time, Mahmud told The Daily Star the war could impact the launch of the satellite within the targeted time.

Asked yesterday if BSCL was replacing the Russian satellite with the French one, Mahmud replied: "I wouldn't say that we are abandoning the intent to launch satellites through collaborations with Russia. That remains a part of our plan. The government has instructed us to consider this option."

"We are hopeful that this satellite will be launched by 2025."

Cotton waste

FROM PAGE B1

The EU will not buy garments from factories which do not use cotton waste from 2030.

The move is a push towards what is popularly known as circular fashion.

Circular fashion is a closed-loop system making new materials out of old materials, reducing the number of natural resources used to make clothing and diverting products from landfills.

Annually \$400 million worth of cotton waste is exported from Bangladesh, which local garment exporters are very much against, said Md Shahidullah Azim, vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA has already urged the government to ban the export of cotton waste so that such raw

materials are readily available in the domestic market for local garment manufacturers.

"This is because more use of cotton waste means more value-addition and more employment as the demand for garments made from cotton waste is rapidly increasing worldwide," Azim said.

A cotton waste collection hub needs to be built so that there is no waste of valuable materials, he said, urging the government to waive the VAT on the sale of cotton waste in the country.

Bhaluka-based Simco Spinning & Textiles Ltd is currently producing 20 tonnes of recycled yarn a day, said its executive director Md Abdur Rouf.

The mill is facing a shortage of raw materials as a section of traders are exporting them to avail better prices, said Rouf.

"The shortage will further be compounded if mills expand their production capacity to meet demand," he said, adding that the prices of the raw materials are high in the local markets as demand is also high.

Many local factories have already started producing garments from cotton waste, said Vidiya Amrit Khan, director in charge of the standing committee of the Circular Fashion Partnership project at the BGMEA.

Over the past decade, local garment suppliers were mainly busy enhancing compliance to regulations at the factory level, she said.

"But in recent times they have been focusing more on circular fashion and setting up new technologies.

So, it is expected that more garment factories will start making use of cotton waste and grabbing a bigger share of the global market."

Spinners are not getting adequate amounts of cotton waste as the generation of cotton waste has been low over the last couple of years, said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association.

But production of yarn from cotton waste is growing gradually with the increased usage of the recycled material worldwide, he said.

Many local mills are producing yarn mixing virgin cotton with cotton waste. But the low production of yarn from cotton waste means the country is missing out on the opportunity to manufacture apparel out of recycled materials in tune with skyrocketing demand globally.

In 2019, Bangladesh's garment factories and fabric mills produced approximately 577,000 tonnes of cotton waste, according to the Circular Fashion Partnership project led by Global Fashion Agenda, in partnership with Reverse Resources and the BGMEA.

Of the volume, almost half was 100 per cent pure cotton. If it was recycled within Bangladesh, cotton imports could have decreased by around 15 per cent, therefore saving \$500 million, as per the project.

Bangladesh heavily relies on the import of textile fibre. Around 1.63 million tonnes of cotton were imported in 2019 whose value was estimated to be \$3.5 billion.

Summit teams up

FROM PAGE B4

benefit the importers of food commodities and industrial raw materials such as cotton and steel from India as well as Bangladesh garment exporters."

SAPL is an off-dock service provider and handles around 22.50 percent of the country's containerised exports and 10.50 percent of the import volume, according to the company's website.

"We have been very impressed with Summit Alliance's understanding of the challenges and opportunities of the Indo-Bangladesh trade lane," said Amit Kumar, director of Pristine Logistics.

"We look forward to supporting the trade of Bangladesh and India with this initiative."

Through the development of world-class rail-based cargo hubs, SAPL and Pristine Logistics seek to enhance the existing rail logistics infrastructure in Bangladesh, the press release said.

The joint venture aims to facilitate the needs of the exporters and importers by providing long-haul rail services from Indian locations to the border and interiors of Bangladesh.

Furthermore, it would provide services such as warehousing, empty storage, container repair, packaging, labelling, consolidation and import and export bonding followed by multi-modal transport options for last-mile distribution and connectivity to the gateway ports both via rail and road.

A listed logistics company, SAPL's stocks closed unchanged at Tk 27.20 on the Dhaka Stock Exchange yesterday.

Forex reserve

FROM PAGE B1

Under the ACU, Bangladesh clears import bills every two months and the reserve usually falls after the payment is made.

The ACU is a Tehran-based organisation of India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka.

Bangladesh's reserves have kept falling since it surged to a record high of \$48 billion in August 2021, driven by a spike in import payments in the post-pandemic period that continued even after the outbreak of the Russia-Ukraine war.

The central bank has had to continue pumping US dollars into

banks as their stocks of the American greenback have dried up.

The BB sold \$2.24 billion in July and August, the first two months of the current fiscal year. In the last fiscal year, which ended in June, it injected \$13.50 billion.

When the IMF approved a \$4.5 billion loan to Bangladesh in January, it imposed some conditions. One of the conditions has been to maintain a minimum net international reserve of \$24.46 billion at the end of June, but the BB failed to meet the condition.

In February, the lender released \$476.27 million as the first tranche of the loan and the country is expected to receive the second tranche by

November.

Moinul Islam, a former professor of economics at the University of Chattogram, warns Bangladesh will face more challenging times if the depletion of the reserves can't be stopped.

"The government will have to take immediate action to tackle hundi in order to increase remittance flow through formal channels. Otherwise, the reserve will continue to drop."

Last month, migrant workers sent home \$1.59 billion, down 21.5 percent year-on-year, in what has been the sharpest drop since April 2020, despite record outflows of Bangladeshis going abroad for jobs in recent times.

RAIL LOGISTICS Summit teams up with Indian firm

STAR BUSINESS REPORT

Summit Alliance Port Limited (SAPL) has signed a memorandum of understanding with Pristine Logistics & Infraprojects Limited, one of the largest integrated rail terminal operators in India, to form a joint venture to improve rail logistics in Bangladesh.

It will mainly work to develop rail-linked inland container depots, container freight stations and multimodal logistics parks at strategically important locations in Bangladesh.

"By entering this MoU with Pristine, we have identified a well-accomplished technical partner to work with us to reach the next milestone in the country's integrated rail logistics journey," said Jowher Rizvi, managing director of SAPL, in a press release.

The ongoing expansion of the country's rail network in combination with the private sector's development of strategically located rail-based cargo hubs will provide new, cost-efficient logistics options, he said.

"So, it will greatly
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ANNUAL IMPORT OF MILK AND DAIRY PRODUCTS

in crore taka;

SOURCE: BANGLADESH BANK

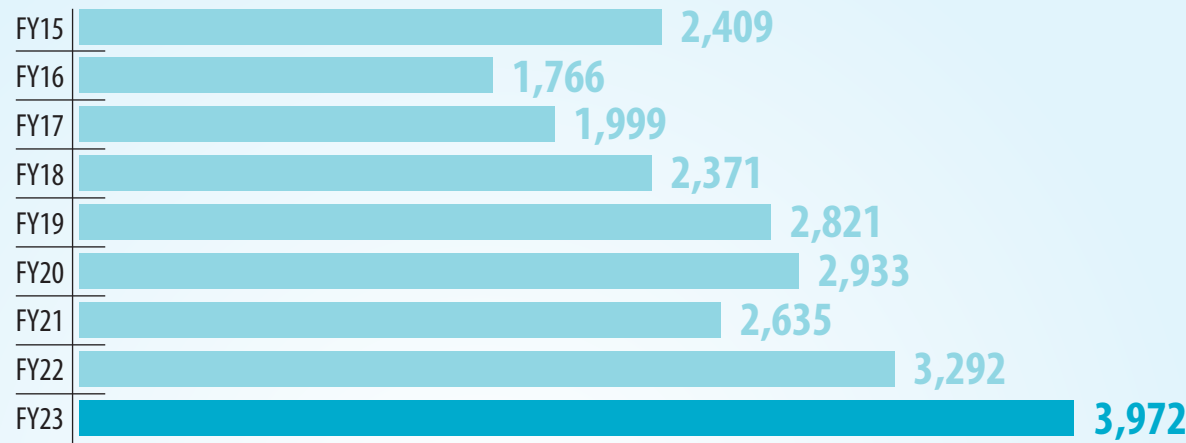


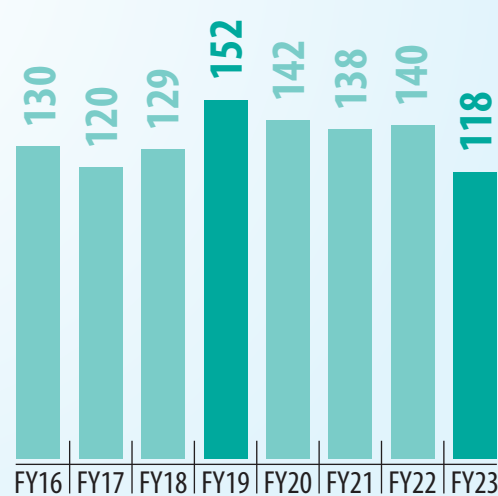
PHOTO: HABIBUR RAHMAN

We have seen a significant decline in volume in the economy segment as many cannot afford to spend on milk for tea or milk-based sweets.

SA Mallick, managing director of New Zealand Dairy Products Bangladesh Ltd

BANGLADESH'S ANNUAL IMPORT OF MILK AND CREAM

(in '000 tonnes) SOURCE: BBS



Powder milk imports dip to 8-year low as consumers tighten belts

Chinese company to invest \$19.5m in Mongla EPZ

STAR BUSINESS REPORT

Chinese company QSL S Garments Co Ltd will invest \$19.5 million to set up an RMG factory at the Mongla Export Processing Zone in Bagerhat.

The fully foreign-owned company will produce 6 million pieces of woven and knit garment products such as shirts, T-shirts, jackets, pants, and shorts at the factory annually, according to a press release.

The investment will generate employment opportunities for 2,598 Bangladeshi nationals, it said.

The company signed an agreement with the Bangladesh Export Processing Zones Authority (Bepza) at the Bepza Complex in Dhaka yesterday.

Bepza Member Nafisa Banu and QSL S Garments Managing Director Wanle Xuan inked the deal.

SOHEL PARVEZ

Bangladesh's imports of milk and cream plummeted to 118,000 tonnes in the last fiscal year of 2022-23, the lowest in eight years, after a section of consumers cut consumption of milk-based foods and beverages in a bid to manage costs amid heightened levels of inflation.

FY23's imports of milk and cream were nearly 16 percent lower than the volume imported the previous year, data from the Bangladesh Bureau of Statistics (BBS) showed.

Industry people attributed the drop to increased domestic production of milk and a reduction in consumption by budget-conscious consumers.

"Overall consumption has declined due to high inflation and the effects of the war in Ukraine and the Covid-19 pandemic," said SA Mallick, managing director of New Zealand Dairy Products Bangladesh Ltd.

"We have seen a significant decline in volume in the economy segment as many cannot afford to spend on milk for tea or milk-based sweets."

However, demand in the upper-middle-income segment remains unaffected, added Mallick.

The top official of New Zealand Dairy, which markets Diploma-branded powder milk, said difficulties in opening letters of credit (LCs) and increasing import costs due to the devaluation of the taka against the US dollar created more problems.

"Many traders who import skimmed milk powder have reduced their imports."

Since July 5 last year, the taka has fallen 17 percent in value against the greenback as Bangladesh grapples with a foreign exchange shortage resulting from a higher pressure for payments of imports and other bills compared to remittances and export earnings.

Although the import volume fell, Bangladesh spent nearly Tk 4,000 crore to buy milk and dairy products from the external markets in the last fiscal year, up 21 percent year-on-year, Bangladesh Bank data showed.

Consequently, overall import costs soared. However, although the import volume fell, Bangladesh spent nearly Tk 4,000 crore to buy milk and dairy products from the external markets in the last fiscal year, up 21 percent year-on-year, Bangladesh Bank data showed.

Accordingly, the prices of powder milk have risen over the past year, showed the market prices data by the Trading Corporation of Bangladesh.

"We are facing increasing challenges to import products," said Saleh Uz Zaman, head of communications at Arla Foods Bangladesh Ltd, the marketer of Dano-branded powder milk.

It can be attributed to both unavailability

of the US dollar, the difficulty in opening LCs, and unpredictable exchange rates, he said.

"However, we are always diligent in ensuring nutrition and dairy goodness for our customers at the best possible price."

Mallick echoed the sentiments, saying: "People will feel relieved if the exchange rate becomes stable."

Industry insiders said many consumers who used to drink milk tea have stopped doing so due to health concerns while increased costs of sugar and rice have also negatively affected the making of sweetened foods at home as many families are rationing expenses.

Bangladesh's consumers have been seeing their purchasing capacity worsen since the prices of goods and services began to rise more than a year ago.

Average inflation rose to 9.02 percent in the FY23 from 6.15 percent the previous year, according to the BBS.

"It seems that consumption has declined due to high inflation," said Kamruzzaman Kamal, director marketing at Pran-RFL Group, which markets both powder and processed liquid milk.

He said local milk production had risen but the spike would not be able to offset the decline in the rate of powder milk imports.

In Bangladesh, milk production has been steadily increasing over the years thanks to farmers' enthusiasm towards dairy farming.

Total domestic production of milk edged up 8 percent year-on-year to nearly 141,000 tonnes in the FY23, data from the Department of Livestock Services showed.

Can we learn anything from Sri Lanka?

MAMUN RASHID

Sri Lanka's worst economic crisis since its independence began in 2019. Experts attribute a plethora of reasons behind the crisis. First, after the end of the civil war in 2009, the country emphasised providing goods for the local market instead of trade, a decision that led to a continued trade deficit of more than \$3 billion each year. Along with trade policies, tax cuts in 2019 led to a loss of government revenue of over \$1.4 billion a year.

To tackle the reduction in foreign currency reserves, the country decided to ban imports of chemical fertilisers, which backfired because crop failures caused Sri Lanka to supplement food stocks by importing them.

In early 2022, Sri Lanka started facing shortages of fuel, power cuts, discontinuity of essential transportation services, and a ban in the sale of petrol and diesel for non-essentials. Offices and schools needed to remain shut down as a measure to conserve electricity.

In May 2022, Sri Lanka failed to make an interest payment on its foreign debt, the first in the country's history. All these factors led to protests, nationwide emergency and ultimately, a regime change.

At the onset of the crisis and the nation defaulting, the new Sri Lankan government took several courses of corrective measures. The country opted to restructure its loans with bilateral creditors i.e., India and China. This allowed it more time to repay loans owed to the countries.

Support was also received from the World Bank. With much of the reform commitment, the International Monetary Fund agreed to provide a \$3 billion loan on top of a \$600 million loan from the World Bank.

Sri Lanka raised taxes for higher earners from 12.5 percent to above 36 percent and on fuel and food and reduced public spending by better targeting social protection and restructuring state-owned enterprises.

The recent economic indicators of Sri Lanka show signs of recovery. From December 2022, tourism and remittances have started to rebound gradually, raising expectations of improvement in external balances.

In the first quarter of the financial year of 2023, there was a primary surplus for the first time since 2018. Interest rates and inflation are stabilising. Policy rates were cut twice – in June and July 2023 – by a total of 450 basis points in response to faster-than-expected easing of inflation.

The Lankan rupee is also showing recovery with a sharp appreciation of 12.1 percent in 2023 thanks to a continuous improvement in foreign currency reserves.

Moreover, Sri Lanka is expecting infrastructure-based foreign direct investment of \$2 billion in 2023. However, the country's domestic and external debt situation is still under the cloud and it needs to work on these fronts by increasing domestic revenue and foreign currency earnings through tourism and expatriate remittances.

While the economic condition in Bangladesh is nowhere near defaulting, given the depletion of forex reserves, the depreciation of the local currency and the increase in repayment of foreign loans starting in 2025, things are not looking good.

The country has taken steps to stabilise foreign currency reserves with policy measures restricting imports. Steps are also being taken to enhance revenue collection with the improvement in policy implementation. However, FDI inflows, the low rate of repatriation, and avoiding tax in the form of over-and under-invoicing are pertinent issues.

Improvement in government spending is another aspect that may be re-looked. Proper economic and social benefits of public investments must be ensured and state-owned enterprises can be restructured and made more efficient.

There must also be a constant focus on the necessary optimisation of the size of the government, the exchange rate stabilisation, and the quickening of the state-owned asset turnover.

The author is an economic analyst

More easing expected to push growth of China's economy

ANN, China Daily

China could carry out further property market easing and introduce more sizable fiscal support for infrastructure investment, in order to help the country's economic growth to pick up from the fourth quarter of this year, experts said on Tuesday.

Faced with the dual challenges of slackening domestic and external demand, China should now fully utilise the policy space to decisively shore up economic growth and prevent insufficient demand and weak expectations from forming a vicious cycle that reinforces each other, they said.

Latest data shows that China's economy continues to recover but the problem of sluggish demand remains prominent. With new export orders contracting and the growth in new orders slowing, China's services sector expanded last month by the slowest pace in eight months, a private survey showed.

The Caixin China General Services Purchasing Managers' Index fell to an eight-month low of 51.8 in August from 54.1 in July, media group Caixin said on Tuesday. A PMI reading of above 50 points to expansion, while one below that mark indicates contraction.

A property market downturn is seen as one of the key drags on domestic demand. The government has ramped up efforts to shore up the sector by lowering down payments and reducing the interest rates of new and existing mortgages, along with other measures to strengthen the broader economy, such as cutting stamp duty and personal income tax.



Workers assemble wind turbine wheels at a factory in Lianyungang Economic and Technological Development Zone in East China's Jiangsu province on Feb 28.

PHOTO: CHINA DAILY

US, Vietnam upgrade ties as Biden visits

REUTERS, Hanoi/Washington

US President Joe Biden secured deals with Vietnam on semiconductors and minerals as the strategic Southeast Asian nation elevated Washington to its highest diplomatic status alongside China and Russia.

The US has been pushing for the upgrade for months as it sees the manufacturing dynamo as a key country in its strategy to secure global supply chains from China-related risks.

A half-century after a lengthy and brutal Cold War-era conflict, Biden arrived in Hanoi to a ceremony organised by the ruling Communist Party that included school children waving American flags and honour guards carrying bayoneted rifles.

Biden noted the strides that had been taken toward improved ties.

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