

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.

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

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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

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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.

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.

STOCKS	
DSEX ▼	CASPI ▼
0.33%	0.30%
6,285.69	18,596.14

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▲	
\$1,919.14	\$87.21	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.50%	▼ 1.16%	▼ 0.58%	▼ 0.18%	
66,598.91	32,606.84	3,207.75	3,116.72	

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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.