

‘Negotiate with EU to ease GSP Plus conditions’

STAR BUSINESS REPORT

Bangladesh should negotiate with the European Union (EU) to soften some provisions in the proposed Generalised System of Preferences (GSP) Plus since the country has extra time to do so after the EU extended the tenure of the existing GSP status up to 2027, an economist said yesterday.

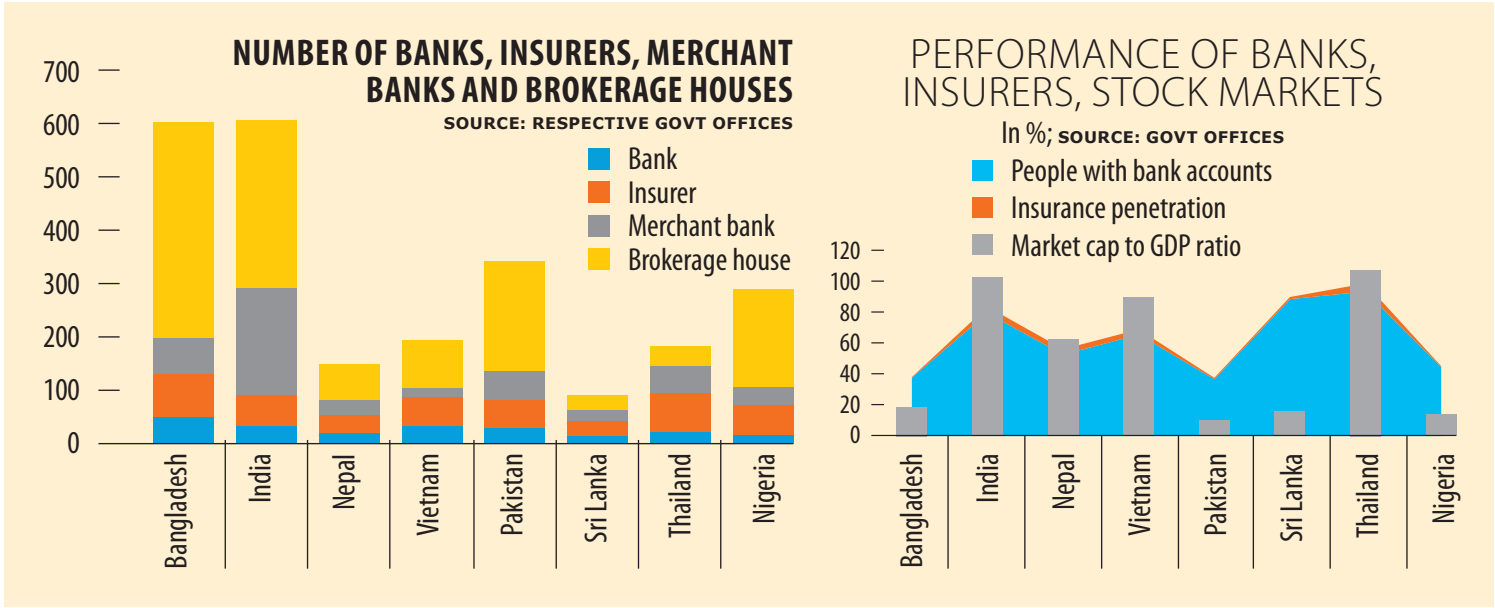
The new GSP Plus was supposed to come into effect from January 2024 and last 10 years up to December 2034, but the EU parliament could not reach a consensus on some provisions.

As a result, the current GSP was extended up to 2027.

“So, Bangladesh has got additional time to negotiate with the EU,” said Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development (RAPID) at a workshop on “exploring export diversification opportunities in the EU” and “Data Journalism” at the Economic Reporters’ Forum (ERF). The workshop was jointly organised by the ERF, RAPID and Friedrich Ebert Stiftung (FES).

Article 29 of the proposed GSP Plus scheme stated safeguard measures for textile, agriculture and fisheries industries if the share for the relevant product exceeded 6

READ MORE ON B3



Ahead in numbers, not in service, reach

Bangladesh has more banks, insurance and finance firms than peers

AHSAN HABIB

The number of banks, insurance companies, brokerage firms, and merchant banks is much higher in Bangladesh than in many other countries at a similar level of development or having a similar size of population and economy.

This is largely because the government, in the last few decades, has granted licences for the firms in the financial sector under political consideration and without a proper analysis, said analysts.

For example, the number of local banks in Bangladesh is 80 where it is 34 in India, 20 in Nepal, 34 in Vietnam, 29 in Pakistan, 16 in Sri Lanka, 22 in Thailand, and 17 in Nigeria, according to the data of the central banks of the countries.

Similarly, Bangladesh has the highest number of insurance companies among them:

there are 80 insurers in the country whereas India has 58 insurers, Nepal 34, Vietnam 53, Pakistan 54, Sri Lanka 27, Thailand 74, and Nigeria has 57.



Bangladesh also topped the list in terms of stock brokerage firms, with 402 brokers serving investors through the Dhaka Stock Exchange and the Chittagong Stock Exchange.

In India, the number of brokerage firms is 314, while it stands at 67 in Nepal, 89 in Vietnam, 204 in Pakistan, 26 in Sri Lanka, 36 in Thailand, and 183 in Nigeria.

At 68, Bangladesh is home to the second-highest number of merchant banks among the eight countries, just behind India where 200 merchant banks operate.

Nepal has 28 merchant banks while the number is 17 in Vietnam, 54 in Pakistan, 21 in Sri Lanka, 50 in Thailand, and 32 in Nigeria.

Still, nearly 60 percent of Bangladesh's population has remained unbanked, insurance penetration is one of the lowest in the world, and the contribution of the stock market is thin.

Besides, many companies in the financial sector make headlines every now and often because of a higher level of irregularities,

READ MORE ON B3

Data pack limits to safeguard against ‘cheating’ Telecom regulator says

STAR BUSINESS REPORT

Although most customers opt for data packages with a three-day validity, the telecom regulator is removing the option as a safeguard against “cheating”.

According to Bangladesh Telecommunication Regulatory Commission (BTRC), 69.23 percent of data packages that customers purchase come with a three-day validity, 16.84 percent with a seven-day validity, 3.82 percent with a 15-day validity, and 10.11 percent with a 30-day validity.

“Business (of the operators) should have a limit. You cannot survive by cheating while doing business. Consumers are confused by short-term, innumerable packages,” said Telecom Minister Mustafa Jabbar.

He was speaking at a press conference at the BTRC office in Dhaka yesterday on the regulator's new directive on data packages.

On September 3, the BTRC issued a directive, slated to take effect from October 15, discontinuing internet data packages with three-day and 15-day validities as well as downsizing the number of packages to 40.

The move has been met with opposition from both operators and experts, who believe that it restricts consumer choices and imposes higher costs on grassroots, low-income, and young users.

Brig Gen Md Nasim Parvez, director general at

READ MORE ON B3

STOCKS		
	DSEX ▲	CASPI ▲
	0.14%	0.12%
	6,311.29	18,650.44

COMMODITIES			AS OF FRIDAY
	Gold ▲	Oil ▲	
	\$1,923.78	\$91.23	
	(per ounce)	(per barrel)	



Eskayef Pharmaceuticals Limited's third manufacturing facility located in Tongi of Gazipur has secured approval from the US Food and Drug Administration, becoming the lone company in Bangladesh to have won the seal of approval for three plants from the most stringent regulatory authority in the world.

PHOTO: COLLECTED

Eskayef’s 3rd manufacturing unit wins FDA approval

First Bangladeshi medicine maker to hit the milestone

STAR BUSINESS REPORT

Eskayef Pharmaceuticals Limited, one of the top pharmaceutical companies in Bangladesh, has received approval from the United States Food and Drug Administration (US FDA) for its third manufacturing unit located in Gazipur's Tongi.

The company received the approval recently for its sterile manufacturing unit at Faraaz Ayaaz Hossain Building from the most stringent regulatory authority in the world, the company said in a statement.

Thus, Eskayef became the only pharmaceutical company in the country to have injectable manufacturing units approved by the FDA.

Eskayef received approval for its Sterile Unit-1 in September 2022 and Oral Solid Unit in March 2022, also becoming the lone company in Bangladesh to have won approval for three manufacturing units from the

FDA.

As the first company from Bangladesh, Eskayef has already started exporting complex injectable products to the most coveted market in the world.

Speaking about the achievement,

The company received the approval recently for its sterile manufacturing unit at Faraaz Ayaaz Hossain Building from the most stringent regulatory authority in the world

Simeen Rahman, group chief executive officer of Transcom Limited and managing director and CEO of Eskayef Pharmaceuticals Limited, stated, “It is a moment of great pride for Eskayef. We now have

three manufacturing sites approved by the US FDA.”

“Most importantly, two of our injectable manufacturing units are US FDA approved. Being a Bangladeshi company, we are now able to showcase our strength and capability with injectable products which we are already exporting to the US market.”

She said unwavering commitment to quality has always been at the forefront of Eskayef's drive to address unmet patient needs.

“This accreditation has further solidified our position at the global level with world-class products.”

Other major global accreditations for Eskayef include Medicines and Healthcare Products Regulatory Agency (MHRA) of the United Kingdom, Good Manufacturing Practice (GMP) of the European Union, the Brazilian Health Regulatory Agency (ANVISA), the Therapeutic Goods Administration (TGA) of Australia, and the South

READ MORE ON B3

Not Just a Job
a Career

Management Trainee

Commercial Bank of Ceylon PLC (CBC) is one of the fastest growing regional Banks amongst the Top 1000 Banks of the World for the twelve successive years (The Banker Magazine, UK). In 2020 the Bank has celebrated 100 years of its global existence. The Bank has been operating in Bangladesh for nearly 20 years.

While operating with successful stride, the CBC Bangladesh bagged the Rating of 'Triple A' (AAA) by Credit Rating & Information Services Limited (CRISL) for the 13 consecutive years and a number of prestigious International award such as "Most Sustainable Bank in Bangladesh 2023" by International Business Magazine, Dubai, UAE (for 3rd consecutive year), "Best Foreign Bank, Bangladesh 2023" by Global Economics, UK (for 4th consecutive year) and "Best Corporate Bank Bangladesh - 2023" by Global Business Review Magazine, UAE (2nd consecutive year).

The Bank, with a view to lead the future expansions, drive forward the Bank's position and further establish their name in the Industry, seeks to recruit the talented young and dynamic individuals who meet the following criteria as Management Trainees.

MANAGEMENT TRAINEE

Our Requirements

- ▶ MBA or Basic Degree in any discipline preferably in Banking, Finance, Management, Economics, Mathematics, Statistics with post graduate qualifications from a recognized University (acceptable to the Bank). Professional Certifications will be considered as added advantage.
- ▶ Must possess a minimum CGPA of 3.25 (out of 4.00) for both Graduation and Post-graduation Degrees
- ▶ Must demonstrate excellent communication skills in both oral and written English
- ▶ Should be well conversant with MS Office applications
- ▶ Should demonstrate very good analytical skills with the ability to make presentations both within and outside the Bank
- ▶ Should possess excellent numeric skills, maintain accuracy and prompt in service delivery
- ▶ Must be prepared to work at the locations outside Dhaka
- ▶ A minimum of 1 year hands on experience from a reputed commercial Bank may be considered as an added advantage for the candidates meeting the other criteria
- ▶ Not more than 30 years of age as on 25 September 2023

Our Offer

Under the Management Trainee Scheme, the candidates will be provided an intensive training for a period of 12 months on the overall functions of the Bank's operations. During the training period the candidates will be paid an all-inclusive Training Allowance of Tk. 60,000 per month. On successful completion of the year-long training, the trainees will be absorbed into the permanent cadre of the Bank as 'Senior Executive Officer' at a starting Gross Salary of Tk.80,000 per month along with other admissible benefits.

If you meet the above criteria and feel yourself prepared to take up the challenge, please forward your Curriculum Vitae (CV) which should have a recent passport size photograph and details of 2 (two) unrelated referees through the relevant link at bdjobs.com not later than 25 September 2023.

The candidates finally selected as Management Trainee will be required to sign a Surety Bond for serving in the Bank for a minimum period of 4 (four) years from the date of enrolment as Management Trainee.

The Commercial Bank of Ceylon PLC is an equal opportunity employer and offers the remuneration and benefits that commensurate to the best in the industry and provides an excellent working environment where both individual drive and team efforts are significantly valued.

*Only short listed candidates will be called for the Written Test
Canvassing in any form will be considered as a disqualification.*

COMMERCIAL BANK

Commercial Bank of Ceylon PLC

Our interest is in you

Brac Bank clinches five awards from Visa

STAR BUSINESS DESK

Brac Bank Ltd has received the highest number of awards, five in all, from Visa this year for its outstanding business in various card-issuing and acquiring categories.

The bank won “Excellence in POS Acquiring Business” for the fifth consecutive year and “Excellence in E-commerce Payment (Issuing)” and “Excellence in Commercial Cards” for the third consecutive year. It also won in two new categories, “Excellence in Product Innovation” and “Excellence in VAS Product”.

Md Mahiul Islam, head of retail banking of the bank, received an award from MA Mannan, minister for planning, during the Visa Leadership Conclave 2023 at the Sheraton Dhaka in Banani recently, said a press release.

“This prestigious recognition from Visa for consecutive years shows our business strength in card-issuing and acquiring business across the industry and focus on innovation in new business arenas,” said Islam.

Md Sharafat Ullah Khan, director of Payment Systems Department at the Bangladesh Bank, and senior officials of Brac Bank, were present.



Md Mahiul Islam, head of retail banking of Brac Bank, receives an award from MA Mannan, minister for planning, in the “Visa Leadership Conclave 2023” at Sheraton Dhaka in Banani recently. PHOTO: BRAC BANK

Southeast Bank launches agent banking campaign

STAR BUSINESS DESK

Southeast Bank’s agent banking unit “Shagotom” has launched a three-month campaign styled “Utshob” for partners and customers of agent banking outlets.

Nuruddin Md Sadeque Hossain, managing director of the bank, inaugurated the campaign as chief guest at the bank’s head office in Dhaka yesterday, said a press release.

All kinds of Islamic banking services will be under the “Tijarah” umbrella and will also be provided through “Shagotom”.

Customers can get many more facilities from “Shagotom” such as opening an account (savings/current), cash deposit/withdrawal, fund transfer, cash transfer through BEFTN at any bank account, foreign remittance, processing of cheque book, debit card and credit card and micro, medium and krishi loan.

High-ups of the bank and partner of agent outlets virtually connected to the inauguration ceremony.



Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, poses for photographs with officials of the bank and partners of agent outlets after inaugurating a campaign styled “Utshob” at the bank’s head office in Dhaka yesterday. PHOTO: SOUTHEAST BANK

Midland Bank wins ‘Visa Excellence Award’

STAR BUSINESS DESK

Midland Bank Ltd recently won the “Visa Excellence Award” in the ‘Excellence in Prepaid Cards’ category in an awards ceremony.

Md Zahid Hossain, managing director (current charge) of the bank, received the award from MA Mannan, minister for planning, at the Sheraton Dhaka in Banani, said a press release.

Visa, a global digital payment service provider, organised the programme styled “Visa Leadership Conclave 2023, Towards A Cashless, Smart Bangladesh”.

Among others, Md Rashed Akter, head of retail distributions division of the bank, and Md Abed-Ur-Rahman, head of cards, were present.



Md Zahid Hossain, managing director (current charge) of Midland Bank, receives an award from MA Mannan, minister for planning, in an award-giving ceremony at the Sheraton Dhaka in Banani recently. PHOTO: MIDLAND BANK

AACOBB, BFIU hold conference in Rajshahi

STAR BUSINESS DESK

The Association of Anti-Money Laundering Compliance Officers of Bankers in Bangladesh (AACOBB), in association with Bangladesh Financial Intelligence Unit (BFIU), arranged a conference on “Prevention of Money Laundering and Terrorist Financing” on Saturday.

All branch managers of scheduled banks working in Rajshahi participated in the daylong conference held at the Grand River View Hotel in Rajshahi, said a press release.

Mohammad Ziaul Hasan Molla, chairman of the AACOBB, presided over the conference, where Md Masud Biswas, head of BFIU, was present as chief guest.

Kazi Rafiqul Hasan, executive director of BFIU, Niranjana Chandra Debnath, managing director of Rajshahi Krishi Unnayan Bank, and other senior officials were present.

MTB Foundation partners with Ispahani eye hospital

STAR BUSINESS DESK

MTB Foundation recently signed an agreement with Ispahani Islamia Eye Institute and Hospital for a project titled “Community health partnership, predominantly eye health”.

The objective of the affiliation is to provide access to basic healthcare and quality eye-care services for people from lower socio-economic and low-income communities in Rajshahi.

Brig General (ret) AKM Akhtaruzzaman, chief executive officer of the hospital, and Samia Chowdhury, chief executive officer of MTB Foundation, signed an agreement at Mutual Trust Bank’s head office in Dhaka, said a press release.

Syed Mahbubur Rahman, managing director and CEO of the bank, Md Khalid Mahmood Khan, additional managing director and chief business officer and deputy managing directors managers Rais Uddin Ahmad, Md Bakhteyar Hossain, Md Shamsul Islam and Usman Rashed Mueyen were present.

Fed unlikely to pause rate hikes

AFP, Washington

The US Federal Reserve is widely expected to hold interest rates steady on Wednesday after a summer of mixed economic data, while leaving the door open to another hike if needed.

The Fed has raised interest rates 11 times over the last 18 months, lifting its key lending rate to a level not seen for 22 years as it tackles inflation still stubbornly above its long-term target of two percent.

After falling sharply over the last year, inflation has ticked up again in recent months due to a spike in energy costs, keeping up the pressure on the Fed.

But analysts and traders still broadly expect the US central bank to hold rates steady on September 19-20 in order to give policymakers more time to assess the health of the world’s largest economy.

“We think the Fed is done with its tightening cycle,” EY Chief Economist Gregory Daco told AFP. “That view has not changed over the past couple of months.”

The Fed has raised interest rates 11 times over the last 18 months, lifting its key lending rate to a level not seen for 22 years

“After raising rates in July, we expect the Fed to follow through on strong pre-meeting signals and hold rates steady,” Deutsche Bank economists wrote in a note to clients on Friday.

The rate-setting Federal Open Market Committee (FOMC) now finds itself in a difficult situation as it seeks to address inflation through interest rate hikes while avoiding a recession, a feat that economists call a soft landing.

Recent economic data showing strong economic growth in the first half of the year, inflation trending downward, and a softening jobs market suggests the Fed may just be able to pull it off.

“I think, in general, the economy is doing relatively well, but we are seeing signs that there is an economic slowdown underway,” said Daco from EY.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 17, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	-1.49 ↓	0
Coarse rice (kg)	Tk 48-Tk 50	0	-1.01 ↓
Loose flour (kg)	Tk 45-Tk 48	-8.82 ↓	-7 ↓
Lentil (kg)	Tk 105-Tk 110	13.16 ↑	5.91 ↑
Soybean (litre)	Tk 155-Tk 160	0	-9.74 ↓
Potato (kg)	Tk 45-Tk 50	25 ↑	72.73 ↑
Onion (kg)	Tk 70-Tk 80	3.45 ↑	76.47 ↑
Egg (4 pcs)	Tk 50-Tk 52	-5.56 ↓	7.37 ↑

SOURCE: TCB

Canadian dollar posts big gain

REUTERS, Toronto

The Canadian dollar weakened against its US counterpart on Friday, but the currency held on to much of its weekly gain as oil prices rose and investors turned attention to domestic inflation data.

The loonie was trading 0.1 percent lower at 1.3515 to the greenback, or 73.99 US cents, after trading in a range of 1.3495 to 1.3549. For the week, it was up 0.9 percent, its biggest weekly advance since June.

Much of the currency’s weekly gain was down to selling of EUR-CAD, said Amo Sahota, director at Klarify FX in San Francisco.

JP Morgan, ANZ

FROM PAGE B4

policies announced since mid-August have been incremental but extensive, and will likely seep into the real economy in the coming months.

Zhu said additional fiscal and housing policy relaxation like subsidy for product-specific consumption support, relaxation of home buying restrictions, sales restrictions and price controls in tier-1 and 2 cities may follow in the near term.

“On the cautious side, while demand-side easing in the housing market is a welcome step, real estate investment will likely remain sluggish,” JPM said.

Goldman Sachs kept its third-quarter GDP growth forecast unchanged at 4.9 percent but said China’s economy is still in a tug of war between persistent growth headwinds and increasing policy support.

Sri Lanka’s economy

FROM PAGE B4

slashed interest rates by 450 basis points in June and July to foster growth.

“We may see a faster than expected recovery of about 8 percent growth in the third quarter because there is an attempt to artificially bring back a recovery,” Mathew added.

An IMF delegation is currently in Sri Lanka for the first review of the Extended Fund Facility (EFF) program, which will require progress on restructuring the island’s bilateral and bondholder debt.

Sri Lanka’s international bondholders said talks with Colombo are moving forward and expect to reach an agreement in principle, possibly by next month.



Md Masud Biswas, head of Bangladesh Financial Intelligence Unit, Mohammad Ziaul Hasan Molla, chairman of the Association of Anti-Money Laundering Compliance Officers of Bankers in Bangladesh, and Maksuda Khanam, deputy managing director and CAMLCO of Exim Bank and treasurer of AACOBB, attend a conference on “Prevention of Money Laundering and Terrorist Financing” at Grand River View Hotel in Rajshahi on Saturday. PHOTO: BANGLADESH BANK



Brig General (ret) AKM Akhtaruzzaman, chief executive officer of Ispahani Islamia Eye Institute and Hospital, and Samia Chowdhury, chief executive officer of MTB Foundation, exchange signed documents of an agreement on community health partnership at Mutual Trust Bank’s head office in Dhaka recently. PHOTO: MUTUAL TRUST BANK

Rules eased for ‘Social Impact Sukuk’

STAR BUSINESS REPORT

Bangladesh Bank yesterday lifted the bar on trading of a Sukuk bond in the secondary market at market prices.

Until now, banks and financial institutions were allowed to trade the bond termed ‘IRIDP-3 Social Impact Sukuk’ at a face value of Tk 5,000 crore.

The central bank said it relaxed the rule regarding trade of the Shariah-based bond at the prices determined by negotiated prices as 30 percent work of the Important Rural Infrastructure Development Project (IRIDP)-3 have been completed.

“We have cleared the way for trading the Sukuk bond at market prices since one of the criteria mentioned in the prospectus has been fulfilled,” said a senior official of the banking regulator.

Bangladesh issued its first sovereign investment sukuk – a Shariah-compliant bond-like instrument used in Islamic finance – in December 2020 in order to attract investment from Shariah-based Islami bank, financial institutions and individuals.

Until now, the government has raised Tk 18,000 crore through issuance of Shariah based Sukuk, similar to a treasury bond but structured to generate returns in compliance with Islamic finance principles.

By the end of last month, the banking watchdog fixed allotment quotas regarding investment in the bond.

It said Shariah-based banks, financial institutions and insurance companies will get 85 percent of the allocation.

Islamic branches and windows of conventional banks will get 10 percent and 5 percent will be allocated for individual investors, provident fund and deposit insurance schemes.

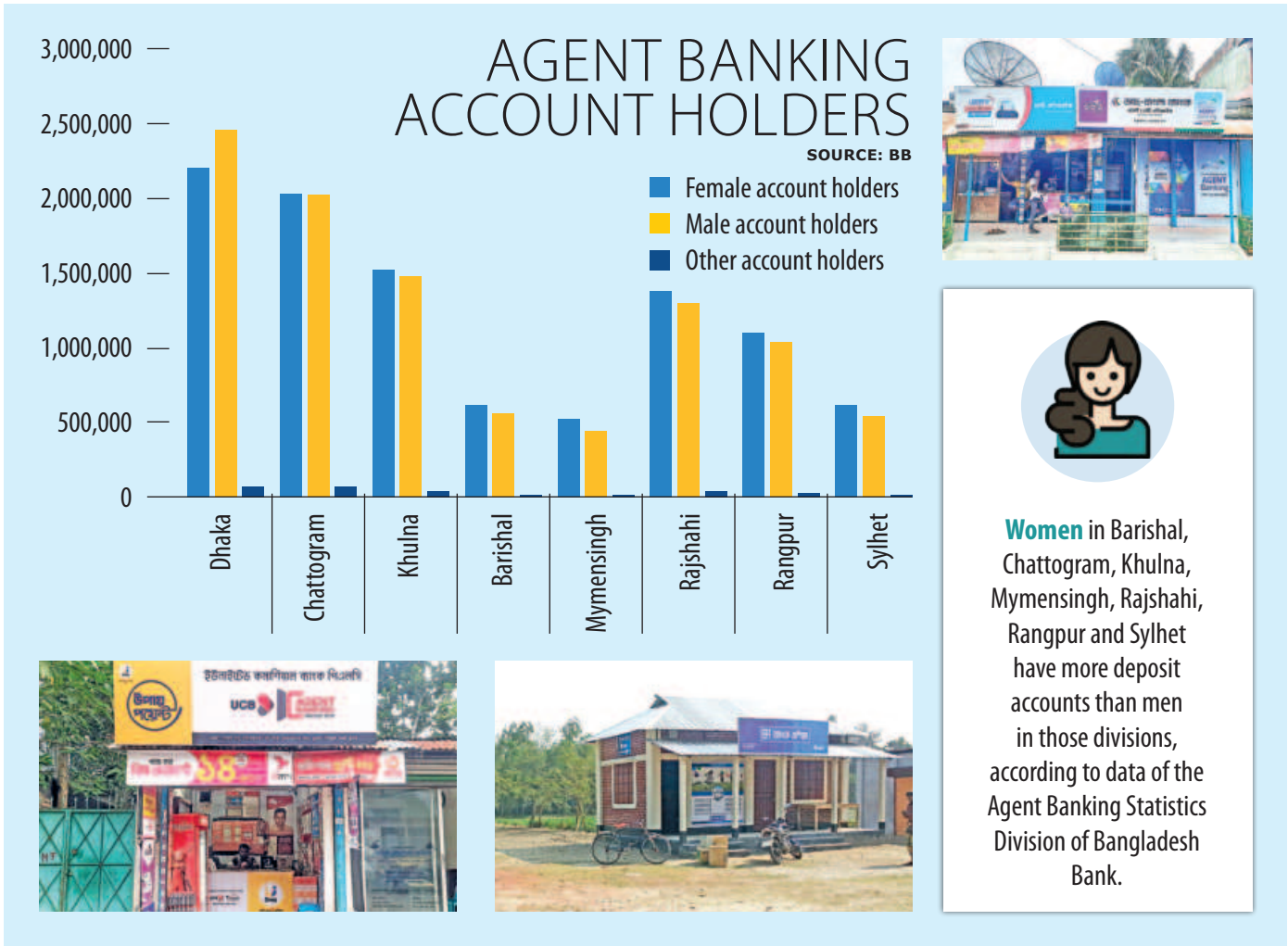
Russia raises key rate

AFP, Moscow

Russia’s central bank raised its key interest rate for the third time in two months on Friday as it grapples with higher inflation and a weaker rouble.

Inflation in Russia accelerated over the summer and has remained stubbornly high, with the central bank failing to meet its target of four percent.

The central bank said its board of directors decided to increase the key rate from 12 percent to 13 percent.



Women’s participation in agent banking rising

Bangladesh Bank data finds

AKANDA MUHAMMAD JAHID

Female participation in financial activities through agent banking is growing as women now have 1.52 percent higher number of deposit accounts compared to men in Bangladesh.

In Dhaka, men hold 52 percent of the deposit accounts while women 46.55 percent, but the scenario is opposite for places outside Dhaka.

Women in Barishal, Chattogram, Khulna, Mymensingh, Rajshahi, Rangpur and Sylhet have more deposit accounts than men in those divisions, according to data of the Agent Banking Statistics Division of Bangladesh Bank.

As of July this year, the number of female deposit accountholders stood at 9,995,969, which is 1.52 percent higher than that of the number of accounts held by men, data from the Bangladesh Bank showed.

Total male and other deposit accounts were 9,846,128 and 302,436, respectively.

In Dhaka, the proportion of male deposit accountholders is 52 percent in Dhaka division, 5.45 percent higher than that of female accountholders.

The capital city has 2,461,993 male

deposit accountholders and 2,204,568 female accountholders.

The central bank data focuses that agent banking is providing financial services to rural and underprivileged people to compensate for the shortage of traditional banking facilities.

Until July, the total number of agents and outlets were 15,574 and 21,399 respectively.

Of the total agents, the number of rural agents was 13,156, which is 5.4 times higher than the 2,418 urban agents.

The number rural outlets were 18,401, which is 6.1 times higher than the number of urban agents, which represents rural areas are quite covered by banking facilities through agent banking, the Bangladesh Bank said.

The Bangladesh Bank data showed that Dhaka division has the maximum number of outlets, which is 5,307 or 25 percent of the total, and Mymensingh has the minimum number of outlets, which is 1,228 or 6 percent of the total.

In bank-wise percentage of agents and outlets, private commercial banks have the maximum number of agents, which is 10,936 or 70 percent of the total agents.

Islamic banks have 3,852 agents, which is 25 percent of the total.

In contrast, the state-owned banks have 786 agents, which is 5 percent of the total.

Similarly, private commercial banks have the largest number of outlets, which is 16,528 or 77 percent of the total number of outlets.

On the other hand, the state-owned banks have 786 outlets or 4 percent of total agents, the BB data showed.

Ziaul Hasan Molla, deputy managing director and head of agent banking at Bank Asia, said his bank introduced agent banking as a pilot project in 2013 with an objective to serve the unbanked population.

This is why, agent banking has spread in the places where there were no formal bank or branch of a bank, he said.

He said majority of the 5,400 agent banking outlets are located in rural areas and 65 percent of its 60 lakh agent bank accountholders are women.

“A main reason behind this scenario is that we distribute the allowances given by the government under the social safety net directly through agent banking accounts,” he added.

Arbitration in favour of refunding LafargeHolcim

Jalalabad Gas charged Tk 227.5cr in excess

STAR BUSINESS REPORT

An arbitration verdict was passed in favour of LafargeHolcim Bangladesh Limited, enabling it to get refunds for excess charges imposed by state-run Jalalabad Gas Transmission and Distribution System Limited on natural gas consumption.

The multinational cement producer paid Tk 227.5 crore in excess up to June 30, 2023, according to its financial report for the second quarter of the current financial year of 2023-24.

The LafargeHolcim received the information through its counsel on September 15, according to a statement posted on the Dhaka Stock Exchange website yesterday.

In February 2021, LafargeHolcim Bangladesh decided to resort to arbitration to settle a dispute over the Jalalabad charging higher than the price previously agreed upon.

The sales deal came into effect in 2003 for the cement company’s plant located at Chhatak in Sunamganj.

During the arbitration proceedings, the LafargeHolcim argued that their gas sales agreement has a ceiling price, the maximum rate that the state-run gas company could charge.

The Jalalabad argued that the price fixed by the government or Bangladesh Energy Regulatory Commission (BERC) shall be applicable irrespective of provisions of the ceiling.

The arbitration tribunal declared that the ceiling was a valid and enforceable provision.

Under the contract, the natural gas was priced at about Tk 7.80 per cubic metre. But the BERC set gas prices for industrial consumers at Tk 10.70 per cubic metre with effect from 2019.

The tribunal, as per an Appellate Division order of the Supreme Court, ordered the state-run company to refund excess sum paid by the LafargeHolcim.

Shares of the LafargeHolcim rose 1.46 percent to Tk 69.70 at the DSE yesterday.

PIA struggling to pay bills

AFP, Lahore

Pakistan’s national flag carrier admitted Friday it was struggling to pay bills and wages after local media reports said the fleet may be grounded within days.

Abdullah Hafeez, spokesman for government-owned Pakistan International Airlines (PIA), said the company was seeking urgent financial help from the treasury, but had secured funds “for the time being”.

“But we do struggle due to balance sheet challenges,” he said.

“That is why PIA is seeking balance sheet restructuring support from the owners.”

Decades of mismanagement and instability have hobbled Pakistan’s economy, and this year Islamabad was forced into a deal with the International Monetary Fund (IMF) to avert default.

Ahead in numbers, not in service, reach

FROM PAGE B1

embezzlements, and manipulation driven by political influence and a lack of good governance, according to analysts.

Since the number of banks, non-bank financial institutions (NBFIs), insurers, brokerage firms and merchant banks is high compared to the needs of the economy, the business volume is not large for many of them, said AB Mirza Azizul Islam, a former finance adviser to the caretaker government.

“As a result, the firms can’t achieve the economies of scale, which force them to charge higher fees.”

The economist argues when the number of firms in a segment rises, companies can’t hire an adequate number of efficient officials.

“Thus, monitoring remains lax and corporate governance is not followed properly.”

The former chairman of the Bangladesh Securities and Exchange Commission thinks such a large number of financial firms is not necessary for an economy like Bangladesh. Still, licences were granted owing to an unholy nexus between businessmen and politicians.

Md Main Uddin, a professor of the Department of Banking and Insurance department at Dhaka University, echoed Islam.

“The service quality is still low whether it is a bank, non-bank or insurance company.”

Owing to worsening corporate governance, Bangladesh’s banking sector had the second-highest ratio of non-performing loan (NPL) among the countries in South Asia in 2022 at 9.4 percent.

India had an NPL ratio of 5 percent, Nepal 2 percent, Pakistan 8 percent and Sri Lanka 11, said the World Bank in a report in May.

Besides, Nigeria’s NPL stood at 4 percent, Vietnam’s 1.6 percent and Thailand’s 2.8 percent, according to the website of the development lender.

Despite having a large number of banks, their presence in the rural areas and among the marginalised groups is not satisfactory, while the

contribution of brokerage firms and merchant banks to the stock market is lower compared to the comparators.

“The penetration of the insurance sector is significantly low,” Prof Main said.

In Bangladesh, the insurance penetration was 0.46 percent in 2022, against 4.2 percent in India, 3.57 percent in Nepal, 3.38 percent in Vietnam, 0.91 percent in Pakistan,

2021-22 from 18.39 percent a year ago. It went up to 19.14 percent in 2022-23, buoyed by the listing of government securities.

The ratio is 103 percent in India, 63 percent in Nepal, 90 percent in Vietnam, 10 percent in Pakistan, 16 percent in Sri Lanka, 108 percent in Thailand, and 14 percent in Nigeria, media reports showed.

Prof Main said the stock market and the insurance sector are suffering

a bad impression about the industry.”

Four insurance companies had a claim settlement ratio of less than 40 percent in 2022. Of them, Baira Life Insurance’s settlement ratio stood at 1.83 percent, the lowest among the insurers, data from the Insurance Development and Regulatory Authority showed.

Another issue is, according to Prof Main, when the number of firms in a sector rises to the higher-than-expected level, unhealthy competition surfaces.

“Now, firms are engaged in poaching customers from competitors instead of creating new ones. Such a practice can’t make the business sustainable.”

“Had licences been available for all instead of providing permissions under political consideration, the situation would not have been much dire.”

“Most insurance companies are not having good business owing to fierce competition. So, they are unable to provide good service to customers,” said SM Ibrahim Hossain, director of the Bangladesh Insurance Academy.

Mirza Aziz and Prof Main both recommended merger and acquisition in all areas of the financial sector to ensure sustainable businesses and proper services.

Eskayef’s

FROM PAGE B1

African Health Products Regulatory Authority.

Eskayef’s commitment to quality has driven to venture through a relentless journey of conquering all the major stringent approvals of the world, the company said in a press release.

Eskayef is one of the companies of Transcom Group founded by late Latifur Rahman, a towering symbol of ethical business in Bangladesh.

It has been producing medicines for 34 years and currently exports products to many countries.

Negotiate with EU

FROM PAGE B1

percent of total EU imports and exceeded the product graduation threshold, which is 37 percent for textiles.

Bangladesh’s textile threshold has already crossed 55 percent under the GSP scheme.

Given that context, Razzaque said that Bangladesh should negotiate with the EU to ease this article so the country could continue to enjoy duty benefits from the EU even after Least Developed Country (LDC) graduation.

Bangladesh can earn an additional \$23 billion through exports to the EU if products could be diversified, Razzaque added.

Last year, Bangladesh exported goods worth more than \$25 billion to the EU, of which more than 92 percent were garment items.

Vietnam exported 5,140 kinds of products to the EU and Malaysia exported 4,740 varieties of goods compared to Bangladesh’s exports of 2,600 varieties of goods.

Of the total imports of cotton-made garment items in the EU in a year, 35 percent is supplied by Bangladesh.

“Bangladesh is the king in supplying cotton-made garment items to the EU. But excessive dependence on cotton-made garment products to the EU could be a cause for concern. It’s time to move into non-cotton items,”

Data pack limits

FROM PAGE B1

the BTRC, said while the majority of customers opt for 3-day validity packages, fraudulence has been observed centring this package.

This involves enticing customers with offers of more data at a lower cost over a short period of time, which often results in customers being unable to fully utilise the higher data allowance within the three-day period, he said.

This situation leads to intense customer dissatisfaction, as they end up losing unused data purchased with their own money, he added.

The BTRC is working in accordance with the responsibilities delineated

Razzaque added.

On July 4 2023, the European Commission announced through an explanatory memorandum that it was proposing to extend the validity of the current GSP Regulations for an additional four years or until December 31, 2027.

If Bangladesh can enjoy duty-free facilities to the EU for an additional seven years, the country can also grab more market share of non-cotton businesses, he said.

Razzaque also blamed protectionism in the domestic market for the slow diversification of exports, saying manufacturers preferred the local market to the international market.

At the event, State Minister for Planning Shamsul Alam said that people were under pressure due to high inflation.

“High import tariffs are also responsible for high prices of commodities. Inflation also increased in August this year. If the supply of commodities is restored, inflation may decline,” he said.

Shadhan Kumar Das, programme adviser to the FES Bangladesh, M Abu Eusuf, executive director of RAPID, and ERF President Mohammad Refayet Ullah Mirdha also spoke. Assistant General Secretary to the ERF Mizanur Rahman moderated the event.

under the telecommunication act and it takes into account interests of both operators and customers, said Shyam Sunder Sikder, chairman of the BTRC.

The BTRC’s own analysis reveals that customers prefer three-day data packages, said Mohammad Zulfikar, secretary general at the Association of Mobile Telecom Operators of Bangladesh.

Discontinuing these packages will not only curtail the operators’ business opportunities but also significantly restrict customers’ choices, he said, urging the commission to reconsider and revise the directive.



Though the market for plastic products in Bangladesh is worth around \$4 billion, there is still plenty of scope for the industry to grow as the average per capita consumption of plastic products in the country is around 5-7 kgs compared to the global average of around 50 kgs. PHOTO: STAR/FILE

DSE gets new MD

STAR BUSINESS REPORT

An executive director of the Bangladesh Securities and Exchange Commission (BSEC) was appointed managing director of Dhaka Stock Exchange (DSE) yesterday on deputation for a three-year tenure.

The stock market regulator on August 8 approved the appointment of ATM Tariquzzaman, who had joined the BSEC as a deputy director in 1997, the DSE said in a press release.

While working at the BSEC, Tariquzzaman got an AusAid scholarship to study for masters in financial planning and professional accounting from Deakin University in Australia during 2007-2009.

He obtained a PhD in accounting and finance from the Victoria University of Wellington in New Zealand.

Tariquzzaman was an adjunct lecturer at Southeast University and the University of Asia Pacific in Bangladesh.

He was also a lecturer and teaching assistant at the Victoria University of Wellington, Monash University and RMIT University.

Plastic industry policy aims to expand domestic market

JAGARAN CHAKMA

The Plastic Industry Development Policy 2023 has set a target to increase the plastics and packaging industry market from around \$4 billion now to \$10 billion by 2028.

The policy was approved by the cabinet on September 4 and will be implemented for a period of five years from the date of approval.

However, there is scope to amend the policy from time to time in the light of new circumstances based on the results of evaluation and monitoring activities.

"The target is really ambitious but it is achievable if the global financial crisis ends soon. The country's macroeconomic situation will be stable over the period," said Shamim Ahmed, president of Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA).

According to him, the plastic sector is currently facing a skilled manpower crisis but that will be combatted through the BPGMEA's training institute, Bangladesh Institute of Plastic Engineering and Technology (BIPET), which aims to train skilled manpower to help the sector increase productivity.

The policy also set a target to provide demand-based training to 10,000 individuals by 2028 to create skilled manpower while also aiming to create 5,00,000 new employment opportunities in this sector by 2028.

Ahmed lauded the policy for having clear guidelines to develop the sector and lead to export diversification.

Currently, Bangladesh directly and indirectly exports around \$1.5 billion worth of plastic products.

According to Ahmed, Bangladesh, despite huge potential, is lagging far behind in achieving market advantage for the export of plastic products on a priority basis mainly due to a lack of appropriate policy support.

Ahmed believes the policy will fill these gaps.

The policy aims to ensure consistent annual growth of 15 percent in the sector

and eliminate problems and obstacles facing new business ventures in this industry before 2026.

It also set a target to increase the contribution of the plastics sector to total GDP by at least two percent by 2028. Currently, it is below one percent.

The policy sees a possibility of the plastic industry of Bangladesh occupying an important place in the global plastic product market.

Bangladesh occupies only 0.6 percent of the current \$570 billion global plastic

The policy aims to ensure consistent annual growth of 15 percent in the sector and eliminate problems and obstacles facing new business ventures in this industry before 2026

product market. According to a study by Grand View Research, the global market for plastic products will increase to \$ 721.14 billion by 2025.

According to BPGMEA, the country's overall plastic product market is worth around \$4 billion, of which 83.4 percent is manufactured domestically while the remaining 16.6 percent is imported.

The average per capita consumption of plastic products in Bangladesh is around 5-7 kg, while the global average per capita consumption is around 50 kg.

The policy also said it was necessary to increase the production capacity of import substitutes and export more value-added products to expand the market for local products throughout the country.

INCENTIVES UNDER THE POLICY

Under the policy, the government will provide exemption from income tax for the first 10

years in plastic parks and backward linkage industries as well as duty-free imports of capital equipment, spare parts and accessories.

Besides, special concessions on export duties, duties, taxes and fees will be given for loading, unloading, or storage of goods at ports or importation of capital equipment.

Tax credits will also be provided on raw materials and supplies while there will also be necessary tax concessions in respect to basic infrastructure development work.

Even VAT on purchases of local goods and services, including land-based telecommunications, electricity and utilities, will be reduced while bonded warehouse facilities will be made available.

HOW THE POLICY WILL BE IMPLEMENTED

A National Council on Plastics Industry Development (NCPID) shall be constituted to supervise and monitor the implementation of the policy at the national level.

The NCPID shall be headed by the Minister of Industries and shall consist of 27 members. The council will sit at least twice a year.

The NCPID will be responsible for facilitating policy coherence between national development policies and this policy as well as its integration with other national policies.

NCPID will facilitate and coordinate national positions on plastic industry development issues for national as well as international purposes.

The council will review reports from the National Steering Committee (NSC) on the impact of the policy in various sectors of the economy.

The NSC for plastic industries promotion will be headed by the secretary of the ministry of industries, who will act as its chairperson.

Under the policy, the government will also create industrial cities or special economic zones for plastic industries in Bangladesh Small and Cottage Industries Corporation industrial cities or designated special economic zones.

Mutual funds will continue to perform well BSEC chairman says

STAR BUSINESS REPORT

The country's mutual fund sector is performing well and will continue to maintain the momentum in the coming days, said Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-Ul-Islam.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds and other assets. Investors are then paid their share as dividends depending on the profits earned.

"Now, this is the demand of the time, to get more investments in the sector both from local and foreign investors," Professor Islam told a conference as chief guest.

The conference titled "Investment Management in Bangladesh" was jointly organised by the BSEC and Dhaka Stock Exchange (DSE) in Cox's Bazar on Saturday, according to a press release circulated by the stock market regulator.

The commission remains alert to protect the interests of the capital market investors amid the ongoing challenging market situation, said the BSEC chairman.

Although investors are failing to secure high profits, the regulator is taking steps so that investors can avoid big losses, he said.

BSEC Commissioner Mizanur Rahman presented the conference's keynote paper titled "Current State and Future Direction of Mutual Funds and Collective Investment Schemes in Bangladesh", focusing a comparative analysis of mutual fund sectors of Asian countries.

For the development of mutual funds, the sector needs to enhance the capacity of the people and bring about reforms to related rules and regulations, he said.

The stock market still lags behind the development of the economy, so the BSEC is working to develop it and make it smart, said Md Abdul Halim, a commissioner of the BSEC.

Shaikh Shamsuddin Ahmed, a commissioner of the BSEC, Hasan Imam, president of the Association of Asset Management Companies and Mutual Funds, and M Shaiifur Rahman Mazumdar, chief operating officer of the DSE, also spoke at the event.

US renewable energy capacity could triple in 10 years

REUTERS

United States' annual renewable energy capacity could triple in 10 years to 110 gigawatts (GW) as clean-energy law powers more investment in the sector, research and consultancy firm Wood Mackenzie said on Wednesday.

President Joe Biden's Inflation Reduction Act (IRA) provides billions of dollars in green energy tax credits to help consumers buy electric vehicles and companies produce renewable energy, cutting the nation's carbon emissions.

With the IRA making the renewables business competitive, increased rush for development sites and resurgence in manufacturing were also supporting the industry, said Chris Seiple, vice chairman, power and renewables at Wood Mackenzie.

The research firm said IRA could significantly reduce carbon emissions and result in a 60 percent carbon-free power sector by 2032.

However, the slower development and extreme weather conditions have weighed on electricity grids despite technology like direct line ratings having the potential to expand grid capacity.

IRA tax credits are estimated to cost \$1.9 billion through 2025, Wood Mackenzie added.

Last month, the firm highlighted that government targets to increase wind power's annual capacity to reach 80 GW per year by 2030 would require \$100 billion in secured investment in the supply chain by 2026.

Sri Lanka's economy shrinks 3.1% in Q2

REUTERS, Colombo

Sri Lanka's economy shrank 3.1 percent in the April-June quarter, official data showed on Friday, as the country struggles to claw out of its worst financial crisis in decades.

The downturn was driven by high inflation, a depreciating currency and lower purchasing power, the Census and Statistics Department said in a statement.

The agriculture sector grew 3.6 percent from a year earlier, but output from industries contracted 11.5 percent and services dropped 0.8 percent, the department said.

Sri Lanka's central bank projects that gross domestic product (GDP) will shrink by 2 percent this year, having contracted 7.8 percent in 2022, after the island's economy fell into a severe foreign exchange crisis that decimated growth.

The economy contracted 11.5 percent in the first three months of this year but activity has gradually stabilised since the government managed to secure a \$2.9 billion bailout from the International Monetary Fund (IMF) in March.

"The contraction is slowing down and we are expecting things to have bottomed out during the second quarter and then return to growth from the third quarter," said Dimantha Mathew, head of research at First Capital.

"The July-September quarter would be the first time in six quarters that Sri Lanka may post positive growth."

Growth readings in the third quarter will also be aided by comparison with a weak 2022, sharply lower inflation and support measures by Sri Lanka's central bank, which

READ MORE ON B2



A worker operates machines at a textile factory in Nantong, in eastern China's Jiangsu province, on September 14. China's factory output and retail sales grew at a faster pace in August, but tumbling investment in the crisis-hit property sector threatens to undercut a flurry of support steps. PHOTO: AFP

JP Morgan, ANZ raise China GDP forecast

REUTERS, Beijing

JP Morgan and ANZ on Friday raised their 2023 economic growth forecast for China, after August economic numbers offered some signs of stabilisation in the world's second-largest economy.

Both raised their GDP forecast by 20 basis points each to 5 percent and 5.1 percent respectively, with JPM saying notable recovery in retail sales and rise in service activity were the biggest surprises.

China's factory output and retail sales grew at a faster pace in August, but tumbling investment in the crisis-hit property sector threatens to undercut a flurry of support steps that are showing signs of stabilising parts of its wobbly economy.

Haibin Zhu, economist at JPM, said that government growth-stabilization

READ MORE ON B2