



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 was 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

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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

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