




# Star BUSINESS



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## Ticfa meeting with US tomorrow

**STAR BUSINESS REPORT**

The seventh round of meetings under the Trade and Investment Cooperation Forum Agreement (Ticfa) will begin in Dhaka tomorrow, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday.

It will discuss a wide range of trade and investment issues such as duty, labour rights, trade unionism and market access, he told a group of journalists at his Bangladesh Secretariat office in Dhaka.

The information was shared after a preparatory meeting for the Ticfa talks with a team of United States Trade Representative (USTR), the chief trade negotiation body of the American government.

On November 25, 2013, the US and Bangladesh signed Ticfa to establish an annual forum to identify and address obstacles to increasing bilateral trade and investment.

### Agenda of the Ticfa meeting includes market access and labour rights

Bangladesh will again demand duty-free market access of its apparel made from cotton imported from the US, said Ghosh.

Bangladesh wants the US customs to impose duty only on portions where value addition has occurred, not on the whole export value of the apparel product, he said.

For instance, if cotton imported from the US is used to manufacture a garment item in which the value addition amounts to Tk 20, Bangladesh will seek for duty to be imposed on that Tk 20 portion, not on the price of the whole item, he explained.

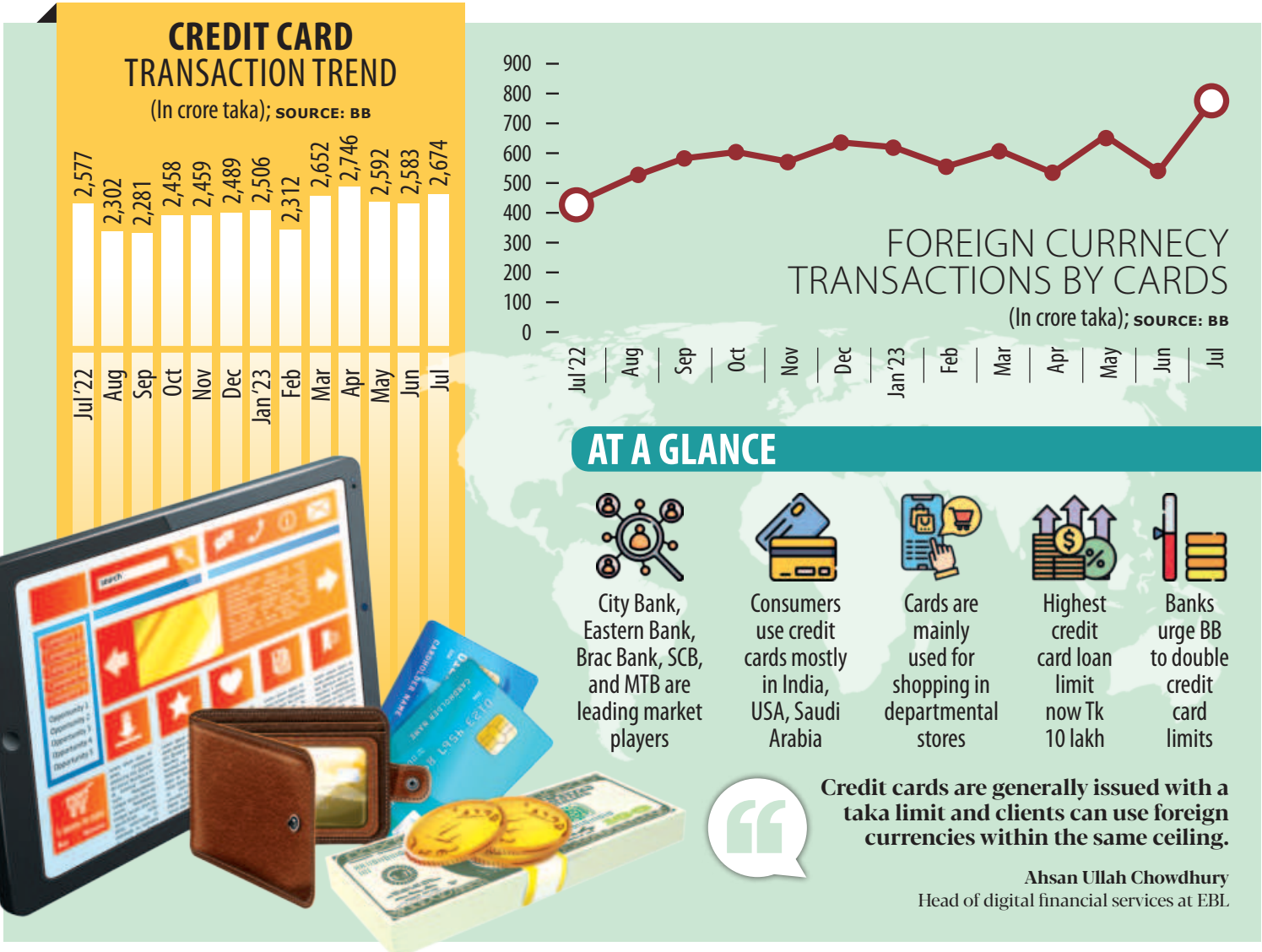
Bangladesh exported nearly \$10 billion-worth garment items to the US last year.

Currently Bangladeshi exporters face a 15.62 percent duty on the export of apparel to the US.

The issue of the revival of Generalised System of Preferences (GSP), that was suspended for Bangladesh in June 2013, will also be discussed during the meeting, said Ghosh.

Moreover, the country

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## Mighty dollar squeezes int'l purchases thru credit cards

**MD MEHEDI HASAN**

The foreign exchange crisis in Bangladesh has dealt a blow to credit card users as the sharp appreciation of the US dollar against the taka has narrowed their scope for foreign purchases through cards.

Industry insiders say the amount of USD that can be spent using credit cards has decreased due mainly to the depreciation of the local currency against the American greenback.

Almost all major currencies have gained significantly against the taka in the last one and a half years amid the significant depletion of the foreign currency reserve.

For instance, the dollar traded at Tk 110 on Sunday, up from Tk 106.60 on the same day last year and Tk 85.20 in 2021.

A client who uses a credit card issued by Eastern Bank Ltd said the availability of dollars against his credit card has declined recently.

The private commercial lender communicated this to him earlier this month, saying the decreased amount is due to the higher taka-USD conversion rate. However, the total assigned limit will remain unchanged, it said.

The notice warned the cardholder that if the USD outstanding

exceeds the new limit, a fee might be imposed automatically.

A credit card user of Mutual Trust Bank says he has already crossed his credit card transaction limit due to the higher conversion rate.

The two are among a huge number of credit card-holders who go abroad regularly and purchase products in US dollars and have been impacted by the

weak taka.

EBL has already requested the central bank to raise the credit card loan limit.

In 2017, the Bangladesh Bank doubled the limit to Tk 10 lakh.

Banks are authorised to provide an additional credit facility of Tk 10 lakh, but it can't exceed Tk 25 lakh. The excess credit will have to be backed by liquid securities such as fixed deposits or foreign currency

accounts.

EBL, one of the leading players in the credit card segment, has around two lakh card-holders and its outstanding loans against the cards stand at Tk 750 crore.

"Credit cards are generally issued with a taka limit and clients can use foreign currencies within the same ceiling," said Ahsan Ullah Chowdhury, head of digital financial services at EBL.

He says Bangladeshi nationals are allowed to spend a maximum of \$12,000 outside of the country through credit cards or in cash. But card-holders are now able to use a lower amount of US dollars because of the higher exchange rate.

EBL's credit card business in the international market has fallen due to the higher currency conversion rate and airfares, he said.



However, credit card use domestically has increased owing to an erosion of the purchasing power of consumers in recent months amid higher inflation, bankers say.

Inflation advanced 23 basis points in August to 9.92 percent propelled by food inflation, which hit a 12-year high, data from the Bangladesh Bureau of Statistics showed.

Consumer prices have remained at an elevated level for more than a year.

Ahsan said purchasing products or paying bills using credit cards gives some breathing space to people at a time of economic crises.

"So, this is high time to increase the credit card loan limit since the existing ceiling is not enough for clients considering higher inflation and the USD rate."

Md Abu Bokar Siddik, head of the card division at Mutual Trust Bank, also said customers can now use a lower amount of US dollars than in the past.

The private commercial lender has 1.17 lakh cards in the market, which places it among the top five players in the segment.

Despite the higher exchange rate, the number of credit card-holders and the amount of transactions is growing.

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## FBCCI worried over rising interest rate

### Seeks cooperation from central bank

**STAR BUSINESS REPORT**

The Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) has sought cooperation from the central bank so that the interest rate on loans does not increase by a large margin.

A delegation of the apex chamber of the country led by its President Mahbubul Alam made the request in a meeting with Bangladesh Bank Governor Abdur Rouf Talukder at the central bank headquarters yesterday.

Talking to reporters after the meeting, the FBCCI chief said that the interest rate on loans continues to rise after the withdrawal of the rate cap.

In June, the central bank scrapped the interest rate ceiling and adopted a new interest rate regime, which came into effect on July 1.

Under the new interest rate-setting system, the lending rate for banks is determined at SMART (six-month moving average interest rate) plus a margin of up to 3 percent.

The reference lending rate is fixed on the basis of the 182-day treasury bills and announced on the first working day of each month.

### FBCCI president said that the interest rate on loans continues to rise after the withdrawal of the rate cap

The applicable interest rate on loans stood at 10.14 percent in September as the SMART is 7.14 percent. The benchmark lending rate was 7.10 percent in June and July.

Borrowers enjoyed a 9 percent cap on most loans between April 2000 and June this year.

According to an analyst, the central bank controls the interest rates of T-bills and T-bonds since it can quote lower rates compared to commercial banks during the auctions of government securities.

"We are very concerned about the rising interest rate. Thus, we sought cooperation from the Bangladesh Bank so that it does not increase too much," Alam said.

He said businesses are finding it difficult to

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STOCKS	
DSEX	CASPI
FLAT 6,310.97	0.01% 18,646.99

COMMODITIES	
Gold	Oil
\$1,927.35 (per ounce)	\$91.53 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.36% 67,596.84	▲ 1.10% 33,533.09	▼ 0.53% 3,263.39	▲ 0.26% 3,125.93



Nantu Sarder fabricates a trolley for a band saw machine, which is principally used in woodworking, metalworking, and lumbering, but may cut a variety of materials. A craftsperson can create the whole setup in around 40 days, receiving around Tk 31,000 for the effort from the shop owner. The photo was taken next to Banaripara upazila launch terminal in Barishal last week.

PHOTO: TITU DAS

## Little-known Himadri's stocks most expensive

### Cross all big companies

**AHSAN HABIB**

Although Reckitt Benckiser (Bangladesh) PLC, with renowned household brands such as Mortein, Dettol and Harpic, is light years ahead of little-known cold storage Himadri Ltd in terms of business performance, their stocks prices belie the real scenario.

At present, the Himadri stocks are of the highest price in the Bangladesh market.

Yesterday they rose 10 percent to Tk 6,474 at the SME board of Dhaka Stock Exchange (DSE).

Meanwhile, the Reckitt stocks were traded at Tk 4,820.

The Reckitt provided a 980 percent cash dividend in 2022 while the Himadri 10 percent.

The price-to-earnings ratio, which measures current share price relative to earnings per share, of the Reckitt was 38 as on September 11 while for the Himadri it was 1,020.

"The share price of Himadri Ltd is rising mainly due to the fact that it has a small number of shares," said Ali Xahangir, chief executive officer of amarstock.com, a stock market data provider.

Himadri Ltd's paid-up capital is Tk 75 lakh and it has a total of 7.5 lakh shares, of

which 65 percent are held by sponsors and directors, 148 percent by the government and the rest by general investors.

"With such a small free float, any investor will be attracted to keep the shares make use of any demand-supply mismatch to fuel its price at any time," he said.

In the meantime, if any rumour starts circulating regarding the company, the share price will obviously rise, he said.

When the company was allowed to

### At present, the Himadri stocks are of the highest price. Yesterday they rose 10 percent to Tk 6,474 at the SME board of the DSE

return to the SME board from the previous over-the counter market, it should have been compelled to raise its paid-up capital, Xahangir added. In September 2021, Himadri Limited was shifted from the OTC market to the SME platform.

Irrespective of any logic, the company's share price should not be that high and that too more than such a world-renowned company like the Reckitt, said a top official

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## Unilever gets ACCA platinum accreditation

STAR BUSINESS DESK

The Association of Chartered Certified Accountants (ACCA) Global has awarded Unilever Bangladesh Ltd (UBL) with Approved Employer Trainee Development in the platinum category for meeting the quality criteria.

UBL's employees, who are registered as students with ACCA, will receive support that will help them complete ACCA exams and gain practical experience that enables them to acquire the range of competencies required of finance and accounting professionals in business today.

The Approved Employer Trainee Development will also allow UBL to join the Global Virtual Career Fairs, place free job advertising and logo in ACCA careers, avail special pricing in ACCA Learning certificates as well as access global webinars and CPDs along with ACCA's professional insights (research) resources and newsletter.

Zinnia Huq, finance director of UBL, received an award from Prawma Tapashi Khan, country head of ACCA Bangladesh, at the former's corporate office in Dhaka, said a press release.



Zinnia Huq, finance director of Unilever Bangladesh, receives an award from Prawma Tapashi Khan, country head of the Association of Chartered Certified Accountants Bangladesh, at the former's corporate office in Dhaka recently.

PHOTO: UNILEVER BANGLADESH



Ali Reza Iftekhar, managing director of Eastern Bank, receives an award from MA Mannan, minister for planning, in the "Visa Leadership Conclave - Towards a Cashless, Smart Bangladesh 2023" at the Sheraton Dhaka in Banani recently.

PHOTO: EASTERN BANK

## One Bank signs MoU with Concord Real Estate

STAR BUSINESS DESK

One Bank Ltd recently signed a memorandum of understanding (MoU) with Concord Real Estate & Building Products Ltd.

Md Kamruzzaman, head of retail banking division of the bank, and Enamul Hoque, executive director for marketing and sales of the realtor, inked the MoU at the bank's corporate head office in Dhaka, said a press release.

Under the MoU, the realtor's customers can avail home loan and other financial benefits from the bank at attractive interest rates along with other facilities.

Abu Zafore Md Saleh, additional managing director and head of business of the bank, along with high officials of both the organisations were also present.



Md Kamruzzaman, head of retail banking division at One Bank, and Enamul Hoque, executive director for marketing and sales of the Concord Real Estate & Building Products, exchange signed documents of a memorandum of understanding at the former's corporate head office in Dhaka recently.

PHOTO: ONE BANK

## First Security Islami Bank wins Visa award

STAR BUSINESS DESK

First Security Islami Bank Ltd has won "Visa Payment Excellence Awards 2023" in the category of "Excellence in Debit Cards".

Md Masudur Rahman Shah, deputy managing director of the bank, received the award from MA Mannan, minister for planning, in the "Visa Leadership Conclave 2023" at the Sheraton Dhaka in Banani, said a press release.

Among others, Thanbir Ahamed Chowdhury, senior vice-president and head of card division at the bank, and Soumya Basu, country manager for Bangladesh, Nepal and Bhutan at Visa, were present.



PHOTO: FIRST SECURITY ISLAMI BANK

Md Masudur Rahman Shah, deputy managing director of First Security Islami Bank, receives an award from MA Mannan, minister for planning, in the "Visa Leadership Conclave 2023" at the Sheraton Dhaka in Banani recently.



PHOTO: GLOBAL ISLAMI BANK

Kazi Mashiur Rahman Jayhad, additional managing director of Global Islami Bank, cuts a ribbon to inaugurate Sreemontapur agent banking outlet in Chandina, Cumilla yesterday. Ataus Samad and Sami Karim, deputy managing directors of the bank, Zulfikar Ali Khan and SM Mizanur Rahman, executive vice-presidents, Imtiaz Ahmed Siddiqui, vice-president, and AKM Nurul Afsar, senior assistant vice-president, were present.

## National Life Ins gets new DMD

STAR BUSINESS DESK

National Life Insurance Company Ltd has promoted an assistant managing director (AMD) to the post of deputy managing director (DMD).



The promotee, Probir Chandra Das, was also the chief financial officer (CFO) of the company, said a press release.

Das joined the insurer as CFO in 2015.

He started his career in life insurance sector by joining Sandhani Life Insurance.

He is a fellow of the Institute of Chartered Accountants of Bangladesh.

## Dollar hovers near 6-month high

REUTERS, London/Singapore

The US dollar hovered near a six-month high on Monday as traders looked ahead to interest rate decisions from the Federal Reserve, the Bank of England and the Bank of Japan this week.

The euro was roughly flat against the dollar at \$1.0658. Japan's yen was little changed at 147.69 to the dollar, with the country's traders out for a public holiday.

That put the dollar index, which tracks the currency against six major peers including the euro and the yen, up marginally at 105.32.

The index rose for its ninth straight week last week as the US economy continued to show strength. It touched 104.53 on Thursday, its highest since the middle of March.

"In the grand scheme of thing we're quite positive on the dollar," said Alvin Tan, head of Asia FX strategy at RBC Capital Markets. "The US economy is outperforming both Europe and Asia, especially China."

Traders on Monday were looking towards a handful of central bank decisions later in the week which could shake up the currency market.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 18, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	-1.49 ↓	-3.65 ↓
Coarse rice (kg)	Tk 48-Tk 50	0	-1.01 ↓
Loose flour (kg)	Tk 42-Tk 45	-14.71 ↓	-15.53 ↓
Lentil (kg)	Tk 105-Tk 110	13.16 ↑	5.91 ↑
Soybean (litre)	Tk 155-Tk 160	0	-9.62 ↓
Potato (kg)	Tk 45-Tk 50	25 ↑	79.25 ↑
Onion (kg)	Tk 70-Tk 80	3.45 ↑	76.47 ↑
Egg (4 pcs)	Tk 48-Tk 52	-7.41 ↓	5.26 ↑

SOURCE: TCB

## Dhaka Bank, Agora sign agreement

STAR BUSINESS DESK

Dhaka Bank Ltd and Agora Ltd, the first retail chain of the country, signed a payroll banking agreement.

Under the deal, the retail chain's employees will enjoy the bank's preferential banking facilities and other products and services on preferential terms.

The deal will also allow Agora's employees to choose from a wide range of financial products from profit bearing accounts, including loan facilities at attractive rates and credit cards with lucrative offers.

HM Mostafizur Rahaman, executive vice-president and head of retail business division of the bank, and Rezaul Karim, head of finance and accounts of the retail chain, signed the deal at the bank's head office in Gulshan on Sunday, said a press release.

Among others, Md Mostaque Ahmed, deputy managing director and chief emerging market officer,



HM Mostafizur Rahaman, executive vice-president of Dhaka Bank, and Rezaul Karim, head of finance and accounts at Agora, exchange signed documents of an agreement on payroll banking at the former's head office in Gulshan on Sunday.

PHOTO: DHAKA BANK

Mosleh Saad Mahmud, executive vice-president and head of cash management unit of the bank, and

Aleya Pervin Leena, head of human resources and admin of Agora, were present.

## Fed wants to cool spending

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disruptions in the auto industry and at federal agencies could have unpredictable results: Sapping consumer spending, possibly pushing up car prices in a blow to the Fed's inflation fight, and producing the sort of knock to business and consumer confidence that could spell the difference between a "soft landing" and a downturn.

With millions of consumers also facing the renewal of student loan payments in October that will divert from other spending, Goldman Sachs economists have tempered their generally bullish outlook with warnings of a fourth-quarter "pothole" that could knock more than a percentage point from gross domestic product growth.

By Goldman's estimate the economy would still be growing at a

1.3 percent annual rate at that point. But the amounts they see sliced from GDP are more than the 1 percent growth rate Fed officials expected the economy to muster as of June, and beyond many private forecasts as well.

With aggressive Fed interest rate hikes still working their way through the economy, banks tightening credit, and consumers reaching the end of pandemic-era savings, it may not take much to jolt the economy off course, said Vincent Reinhart, chief economist at Dreyfus and Mellon and former head of the Fed's monetary policy division.

As an added risk, Reinhart said the drawdown of the Fed's balance sheet is now reaching levels that could unexpectedly tighten financial conditions.

"Recession comes from shocks relative to the vulnerability of the

economy. If you are late in a tightening cycle, the funds rate is restrictive, the buffers have been worked down, then you are more vulnerable," he said. "These types of events would have been waved off a year ago."

With the Fed already expected to leave its policy rate at between 5.25 percent 5.5 percent at its September 19 20 meeting, any emerging risks may do little more than shift the atmosphere and language around the meeting.

Central bankers at this point have been offering little guidance about upcoming decisions anyway. They are likely near the end of rate increases they began in March of 2022 to fend off high inflation but are not ready to say with any certainty that rates have peaked, or indicate when they might be cut - in part because they are divided about the next steps.





A ship-breaking yard at Kumira Ghata area in Chattogram. Small steel millers -- who source copper, iron and aluminum before converting them into billets, bars, beams and rods -- are dependent on ship-breakers to source raw materials.

PHOTO: RAJIB RAIHAN

# Ship-breakers, re-rolling mills at loggerheads over price hike of scrap

JAGARAN CHAKMA

A dispute between ship-breakers and steel re-rolling mills over the hike in price of scrap steel has led to an impasse in the production of steel goods for the past seven days.

Consequently, re-rolling mills are struggling to run operations due to a shortage of raw materials.

Neither side could give any indication about when they would reach a consensus regarding the price of ship-breaking products, including scrap steel.

The Bangladesh Ship Breakers and Recyclers Association (BSBRA) said they would not be able to sell steel, scrap or otherwise, at losses.

However, both sides stressed the need for a fast resolution, ideally through a discussion between the two sides, in order to protect business interests.

"We are facing trouble as ship-breakers have suddenly increased the price of scrap steel from Tk 65,000 to Tk 68,000-Tk 70,000 per tonne," said SK Masadul Alom Masud, managing director of Shahriar Steel Mills Ltd.

He alleged that ship-breakers had stopped the supply of scrap steel, saying

they would not sell if the higher price they had set was not met.

According to Masud, small millers -- who source copper, iron and aluminum before converting them into billets, bars, beams and rods -- are dependent on ship-breakers to source scrap steel.

**We are facing trouble as ship-breakers have suddenly increased the price of scrap steel from Tk 65,000 to Tk 68,000-Tk 70,000 per tonne**

SK MASADUL ALOM MASUD  
Managing director of Shahriar Steel Mills Ltd

Most small re-rolling mills do not have the ability to import scrap steel directly, so they have to source raw materials from ship-breakers at a higher price, he said.

He added that purchasing scrap steel at the price demanded by ship-breakers would cause the costs of production to reach nearly Tk 1,00,000 per tonne.

Some small re-rolling mills have already shut down production due to a shortage of capital, he said.

Alom demanded the intervention of the tariff commission to fix the price of scrap steel.

Rakibul Hasan, managing director of Danyal Steel and Re-rolling Mills, said there are at least 150 small-scale mills who are dependent on re-rolling mills.

He also alleged that ship-breakers would continue to abstain from supplying scrap steel unless their demand for a higher price was met.

If ship-breakers do not provide scrap steel to re-rolling mills, it will hamper production seriously and will cause financial losses because they must continue to pay salaries.

He said there are around 12,000 workers in re-rolling mills who do not have any work at hand at the moment but must be paid wages. The government will also be deprived of revenue, he added.

Hasan said ship-breakers provide around 12 lakh tonnes of scrap steel, which is at least 15 percent of the demand for the raw material in the steel industry.

He also alleged that ship-breakers had increased the price suddenly and without any negotiations.

Md Arifur Rahman, managing director of Padma Steel Re-Rolling Mills, said ship-

breakers had been supplying scrap steel at a rate of Tk 65,000 per tonne over the past two months. They had reduced the price from Tk 76,000 to Tk 78,000 per tonne in line with price decreases of scrap steel on the international market.

However, he said ship-breakers suddenly increased the price of scrap steel a week ago without informing them in advance.

According to Rahman, the ship-breakers' excuse was that their profit margin had declined from Tk 5,000 per tonne to Tk 2,500 per tonne, which made the business unviable.

"Against this backdrop, the re-rolling mills who are dependent on ship-breakers are in trouble," he noted.

Md Abu Taher, president of BSBRA, said that the rate of the scrap steel had dropped from Tk 75,000 to Tk 65,000 during the past two months, which was not practically or commercially viable.

For this reason, ship-breakers increased the price to cover losses, he said.

Taher, also managing director of ship-breaking company Taher and Co., said the supply postponement was a temporary issue and would be resolved through negotiations with re-rolling mills.

## Traders flee shops during DNCRP drive

SUKANTA HALDER

The officials of the Directorate of National Consumers' Right Protection (DNCRP) did not find any trader in many shops during their drive at Karwan Bazar yesterday afternoon.

The DNCRP went to the capital's largest kitchen market to check whether eggs, potatoes and onions are sold at rates fixed by the government.

This correspondent did not find any sales representative, trader or worker in 22 shops during the raid at around 1.30 pm.

In a first, the government on September 14 fixed the prices of eggs, onions and potatoes in its bid to contain the runaway food inflation, which hit a 12-year high last month.

Then the DNCRP launched a drive to monitor prices in the country.

Asif Al Azad, assistant director of the DNCRP's Dhaka divisional office, and Abdul Jabbar Mondol of the Dhaka district office, conducted the drive yesterday.

"Traders somehow came to know that we were conducting a drive. They left their shops before our arrival. They might return once we leave," Mondol said.

"We came to the market not only to impose fines. We also wanted to exchange views with the traders to stabilise the market situation. But they are not cooperating with us."



PHOTO: SUKANTA HALDER

**There were no traders or workers in 22 shops during the raid at around 1.30pm yesterday.**

The DNCRP officials will discuss the issues with the market committee members, he said.

Yesterday, the DNCRP fined two traders Tk 11,000 for selling garlic, ginger and potato at higher than government-fixed rates and for showcasing older price list of products.

Across the country, the DNCRP conducted drives in 73 markets at 48 districts and fined 131 trading houses Tk 7.5 lakh in total yesterday.

## Oil price rises

REUTERS, Singapore

Oil prices rose for a third straight session on Monday, buoyed by forecasts of a widening supply deficit in the fourth quarter after Saudi Arabia and Russia extended cuts and by optimism about a recovery in demand in China.

Brent crude futures rose 71 cents, or 0.8 percent, to \$94.64 a barrel by 0622 GMT while US West Texas Intermediate crude futures were at \$91.55 a barrel, up 78 cents, or 0.9 percent.

# Tesla reinvents carmaking with quiet breakthrough

REUTERS, Austin, Texas

Tesla has combined a series of innovations to make a technological breakthrough that could transform the way it makes electric vehicles and help Elon Musk achieve his aim of halving production costs, five people familiar with the move said.

The company pioneered the use of huge presses with 6,000 to 9,000 tons of clamping pressure to mold the front and rear structures of its Model Y in a "gigacasting" process that slashed production costs and left rivals scrambling to catch up.

In a bid to extend its lead, Tesla is closing in on an innovation that would allow it to die cast nearly all the complex underbody of an EV in one piece, rather than about 400 parts in a conventional car, the people said.

The know-how is core to Tesla's "unboxed" manufacturing strategy unveiled by Chief Executive Musk in March, a linchpin of his plan to churn out tens of millions of cheaper EVs in the coming decade, and still make a profit, the sources said.

While Tesla has said its unboxed model involves producing large sub-assemblies of a car at the same time and then snapping them together, the size and make-up of the modular blocks is still the subject of speculation.

Terry Woychowski, president of US engineering company Caresoft Global, said if Tesla managed to gigacast most of the underbody of an EV, it would further disrupt the way cars are designed and manufactured.

"It is an enabler on steroids. It has a huge implication for the industry, but it's a very challenging task," said Woychowski, who worked for US automaker GM for more than three



Members of the media take pictures of Tesla Model Y during its unveiling for the first time in Kuala Lumpur on July 20.

PHOTO: AFP

decades. "Castings are very hard to do, especially the bigger and the more complicated."

Two of the sources said Tesla's previously unreported new design and manufacturing techniques meant the company could develop a car from the ground up in 18 to 24 months, while most rivals can currently take anywhere from three to four years.

The five people said a single large frame - combining the front and rear sections with the middle underbody where the battery is housed - could be used in Tesla's small EV which it aims to launch with a price tag of \$25,000 by the middle of the decade.

Tesla was expected to make a decision on whether to die cast the platform in one piece as soon as this month, three of the sources said, though even if they do press ahead the end product could change during the design validation process.

Neither Tesla nor Musk responded to questions from Reuters for this story.

The breakthrough Tesla has made centres on the how the giant molds for such a large part are designed and tested for mass production, and how casts can incorporate hollow subframes with internal ribs to cut weight and boost crashworthiness.

In both cases the innovations, developed by design and casting specialists in Britain, Germany, Japan and the United States, involve 3D printing and industrial sand, the five people said. All spoke to Reuters on condition of anonymity because they are not authorised to speak to the media.

So far, automakers have shied away from casting ever-bigger structures because of the "gigacast dilemma": creating molds to make parts of 1.5 metres squared or more boosts efficiency but is expensive and comes with myriad risks.

## FBCCI worried

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open letters of credit (LCs) as they are not getting the American dollar at Tk 110, a rate fixed by the Bangladesh Foreign Exchange Dealers Association and the Association of Bankers Bangladesh.

On August 31, the two associations decided to buy the US dollar at Tk 109.50 and sell them at Tk 110 from the first working day of this month.

Although a number of importers are getting the dollar at the fixed rate, many others are being compelled to cough up an additional amount to open LCs, Alam added.

"We told the central bank that small and medium-sized businesses are facing trouble in opening LCs owing to the higher USD rate."

Md Mezbaul Haque, spokesperson of the BB, said businessmen expressed their concerns about the interest rate.

The governor assured them that the interest would not rise much, he added.

Haque said the governor requested the business leaders to bring their export proceeds to the country as early as possible.

After the meeting, the FBCCI issued a press release, saying women entrepreneurs would be able to secure loans by showing women as guarantors after the BB governor assured it.

## Little-known

FROM PAGE B1

of a merchant bank, preferring anonymity. Rumours of manipulators mainly fuelled the rise of the share price, he said.

"When such a company with an indistinguishable performance tops the stock market in stock price, it ultimately chips away at the image of the market," he said.

While the Himadri's performance does not support its stock price, the good performance continuously showcased by the Reckitt could not propel its price, he said.

This indicates that investors of the market are paying heed to rumours when rushing for stocks, he added.

## Ticfa meeting

FROM PAGE B1

will seek simplifying procedures for registering pharmaceutical products alongside investment from the US International Development Finance Corporation and in Bangladesh's energy sector, he said.

Issues of labour rights, trade union registration, existing labour practices, labour law reforms, including amendments to Bangladesh labour act, and labour rights in special economic and export processing zones will also be discussed in the meeting, he said.

The issues of labour inspection and enforcement will also be discussed, according to the negotiation agenda.

A recent fall in exports from Bangladesh to the US will be discussed at the Ticfa meeting, Ghosh also said.

Shipments to the country's largest export destination slipped 6.82 per cent year-on-year to \$9.70 billion in fiscal year 2022-23, as per data from the Export Promotion Bureau.

Issues such as support for Bangladesh's status graduation to a developing nation from a least developed country (LDC) and support for establishing quality certification infrastructure will be discussed in the meeting, according to the agenda.

Bangladesh will also seek US support for extension of the LDC trade benefits for six years past the LDC graduation, reasoning severe fallouts of the economy from the pandemic and Russia-Ukraine war, said Ghosh.

Support of the US is very much needed for the extension of the LDC trade benefit after the LDC graduation in 2026, he said.

World Trade Organization (WTO) will discuss the LDC trade facilities extension issue in its next ministerial meeting in February next year, he said.

Issues such as intellectual property rights in pharmaceuticals and extension of Trade-Related Aspects of

Intellectual Property Rights (TRIPs) for Bangladesh up to 2033 will also be discussed, he said.

The copyrights act amendment, industrial design act, patent bill and implementation regulation and IPR enforcement rules will also be discussed, he said.

Foreign direct investment of the US in Bangladesh, delays in profit repatriation and non-payment by the US companies in accordance with digital trade policies such as draft data protection act and draft regulation for digital social media and OTT platforms will be discussed, he said.

Cooperation in agriculture sector development, agricultural biotechnology dialogues, WTO customs valuation agreement and support for trade facilitation agreement issues are also in the agenda for discussion.

Brendan Lynch, acting assistant of the USTR for South and Central Asia, is expected to lead the American team in the Ticfa meeting.

## Mighty dollar

FROM PAGE B1

In July, the number of credit cards stood at 2.27 lakh, up from 2.01 lakh a year ago, BB data showed.

Transactions involved Tk 2,674 crore in July, an increase from Tk 2,577 crore a year ago.

Foreign currency transactions stood at Tk 769 crore in July, which was Tk 440 crore in the identical month of 2022.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, attributed the recent spike in card transactions and users to the lower USD rate offered by credit cards than in the kerb market.

"The USD costs Tk 118 in the unofficial market whereas it is much lower in the credit card. That's why people are using credit cards while visiting abroad amid the volatility in the forex market."



## DBH Finance to issue bond of Tk 550cr

STAR BUSINESS REPORT

DBH Finance PLC has decided to issue a Tk 550 crore bond to facilitate affordable home finance.

The board of the non-bank financial institution approved the proposal for issuance of the non-convertible redeemable fixed coupon senior bond in face value and only through private placement, according to a filing on the Dhaka Stock Exchange.

The tenure of the bond is up to five years from the issue date.

Shares of DBH Finance closed unchanged at Tk 56.70 on the DSE yesterday.

## German economy to shrink in Q3 Says cenbank

REUTERS, Frankfurt

The German economy is likely to shrink this quarter as industry is in recession and private consumption is adding little to growth, the Bundesbank said in a monthly economic report on Monday.

Europe's biggest economy suffered a brief recession around the turn of the year and produced flat growth in the second quarter, so a contraction in the current period would mean four straight quarters with negative or flat growth.

"Despite the somewhat slowing pace of price increases, strong wage increases and the good labour market, private households are still holding back on spending," the central bank said.

"In addition to consumer restraint, the increasing weakness of industry is also weighing on economic performance," it added.

Euro zone inflation has halved since late 2022 but at 5.3 percent, remains uncomfortably high and the European Central Bank has now raised its deposit rate to a record high 4 percent to arrest quick price growth.

This rise in financing costs will also weigh on growth, the Bundesbank said, as will the declining order intake for the country's vital and vast industrial sector.

"The low and continued decline in incoming orders, and the declining order backlog are increasingly having an impact on industrial production," the central bank said.

Germany's industry, heavily exposed to exports, has been particularly hard hit by weak demand from China and its prospects for recovery remain weak, market economists say.



PHOTO: NAFISA ISLAM

With more individuals beginning to embrace cats and dogs as companions, pet care has become a booming business. The industry makes sales of about Tk 200 crore annually in Bangladesh, with the market growing more than 20 percent every year.

# Market for pet food, accessories growing

SUKANTA HALDER and SAMAMA RAHMAN

A rise in the number of people who welcome pets into their homes and trends such as a humanisation of pets and ethical pet ownership have led to a boom in demand for pet food and related accessories.

Pet humanisation reflects a person's mindset to treat the animals like members of the family, with owners now often attempting to provide animals with standards of living in tune with their own. That, combined with changing lifestyles and a spike in disposable income, has meant more demand for pet care products than ever before.

Nafisa Islam, whose house features a litter box, food bowls and a cat tree, is an individual with such a mindset.

"I need to spend more than Tk 3,000 per month to care for both of my cats, not including medical expenses."

Sakib Khan, who owns a dog, says it costs him Tk 5,000 per month.

Prosun Chowdhury, who works for an international organisation in Dhaka, has a dog as his companion in his house in the capital's Lalmatia.

The trio are among a growing number of owners in Bangladesh who see pets such as cats, dogs, rabbits, and birds as an important member of their families.

Besides, there has been a sudden rise in independent rescuers and adopters across the capital since animal rights organisations began raising awareness and conducting rescue-and-spay operations around a decade ago.

And the trends have contributed to the growth of a market selling pet foods and accessories, among other things.

Zubair Mahmud, owner of Pet Zone BD, a shop that sells pet foods and accessories online and through a physical store, said the demand for pet food, accessories and medicines has risen, especially after the



A retailer sells varieties of foods for birds at a store in Khulna city.

PHOTO: HABIBUR RAHMAN

Covid-19 lockdown period.

In 2019, the sales of food and accessories amounted to Tk 10 lakh per month. It has surged to Tk 20-30 lakh this year.

Before the pandemic, Pet Zone BD catered to a client base of about 2 lakh. Now, he has around 6 lakh customers.

Business people say food and pet grooming products worth about Tk 200 crore are now sold annually in Bangladesh, with the market growing at more than 20 percent every year.

Food, accessories and medicines are all imported.

The pet food market is projected to grow 9.52 percent to \$308.5 million in 2028, according to Statista, a German market research firm.

Samsudduha Riyad, chief executive officer of Mew Mew Shop BD, said he and his friend started the business in 2017 to manage pocket money. When they saw that the market was

growing, they began to run the business more professionally.

"If we compare the current monthly sales situation with the time when we started, sales have increased 10-fold," he said.

Abdur Razzak Chowdhury, owner of Poshaproni.com, says cat food, litter and toys are on the list of the online shop's top-selling products.

Sales have increased 70-80 percent compared to 2017, he said.

3S Impex, one of the leading pet food and accessories importers in the country, used to sell food and accessories worth around Tk 50,000 a month when the business was launched in 2000. Now the sales have surged to around Tk 2 crore, said its CEO Mohammad Habibur Rahman.

He says although pet care is growing gradually, it is being done in an unorganised way.

## Two more RMG units get green certificates

STAR BUSINESS REPORT

Two more garment factories in Bangladesh have been awarded the "Leadership in Energy and Environmental Design (LEED)" by the US Green Building Council (USGBC) for their green initiatives in production.

This raises the number of green garment factories in the country to 202, according to data from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Universal Menswear in Narayanganj and Pacific Blue Jeans Wear Ltd in Dhaka received the gold certification, BGMEA said on Sunday.

Currently, Bangladesh has 73 platinum-rated green garment factories, 115 gold-rated, 10 silver-rated and four green-certified units.

Bangladesh is home to 13 out of 15 top-rated LEED green factories in the world, BGMEA President Faruque Hassan said in a press release.

Some 500 factories are in the pipeline to secure the certification from the USGBC.

## Foxconn aims to double jobs, investment in India

REUTERS

Apple supplier Foxconn aims to double its workforce and investment in India by next year, a company executive said on Sunday.

Taiwan-based Foxconn, the world's largest contract manufacturer of electronics, has rapidly expanded its presence in India by investing in manufacturing facilities in the south of the country as the company seeks to move away from China.

V Lee, Foxconn's representative in India, in a LinkedIn post to mark Indian Prime Minister Narendra Modi's 73rd birthday, said the company was "aiming for another doubling of employment, FDI (foreign direct investment), and business size in India" by this time next year.

He did not give more details.

Foxconn already has an iPhone factory in the state of Tamil Nadu, which employs 40,000 people.

In August, the state of Karnataka said Foxconn will invest \$600 million for two projects in the state to make casing components for iPhones and chip-making equipment.

The company's Chairman Liu Young-way said in earnings briefing last month that he sees a lot of potential in India, adding: "several billion dollars in investment is only a beginning".

## Fed wants to cool spending

REUTERS, Washington

US Federal Reserve officials, who have tentatively embraced the possibility they can squelch inflation without a recession, meet this week with an autoworkers strike, a possible federal government shutdown, and a student loan squeeze on consumers posing new risks to that best-case outcome.

The United Auto Workers launched a strike against all three major automakers on Friday with an initial walkout of around 13,000 employees at three plants, but those numbers could grow. Federal elected officials have only until Sept. 30, when current spending authorizations expire, to come up with a deal or federal agencies will have to shutter, and congressional Republicans have stymied negotiations. Student loan repayments restart in October after a three-year suspension during the Covid-19 pandemic.

In isolation, none would likely shift policymakers' sense of the short-term risks or change their focus on quelling still-elevated inflation.

But with the economy already expected to slow over the final months of the year, prolonged

READ MORE ON B2

## Russia, China to build oil transshipment complex

REUTERS, Moscow

Russia's United Oil- and Gas-Chemical Co and China's Xuan Yuan Industrial Development have agreed to jointly invest 5 billion yuan (\$686 million) in construction of a transshipment oil complex in Russia's far east, the Roscongress fund said on Monday.

The complex will facilitate Russia's oil exports to China as Moscow expands its infrastructure to diversify exports of commodities eastward and away from Europe, which it now deems politically "unfriendly".

The deal to finance the project was signed last week in the far-eastern Russian city of Vladivostok at an economic forum organised by Roscongress.

It said the funds will be raised at Russian and Chinese financial institutions.

The transborder complex will be set up in Russia's Jewish Autonomous Region near a railway bridge across the Amur River linking the Russian town of Nizhneleninskoye to China's Tongjiang.

Roscongress said there will be five large infrastructure units, including a terminal with a capacity to store, blend and load up to 5.8 million metric tonnes per year of crude oil and oil and gas condensate mixtures.

The plans also foresee construction of a depot with vertical and horizontal tanks for receiving, storing and dispensing up to 1 million tons a year of petroleum products and fuel oil.



Attendees walk past the Alibaba stand at the Vivattech technology startups and innovation fair in Paris. Alibaba has invested \$1.4 billion in Turkey through its unit Trendyol, and has plans to invest another \$2 billion in the country.

PHOTO: AFP

## Alibaba plans to invest \$2b in Turkey

REUTERS, Istanbul

Chinese e-commerce giant Alibaba Group Holding Ltd has told Turkish President Tayyip Erdogan it plans to invest \$2 billion in Turkey.

Michael Evans, president of Alibaba, made the comments in a meeting with Erdogan, according to a statement from the company's Turkish unit. It did not specify when the investment would be made.

Evans also said Alibaba has invested \$1.4 billion in Turkey through its unit Trendyol, one of Turkey's best-known e-commerce platforms, the statement said. Erdogan is in the United States to attend the 78th session of the UN General Assembly.

Trendyol, whose president Caglayan Cetin also met with Erdogan, said Evans shared details about new investments such as a data centre and a logistics centre in Ankara and an export operation centre at Istanbul Airport.