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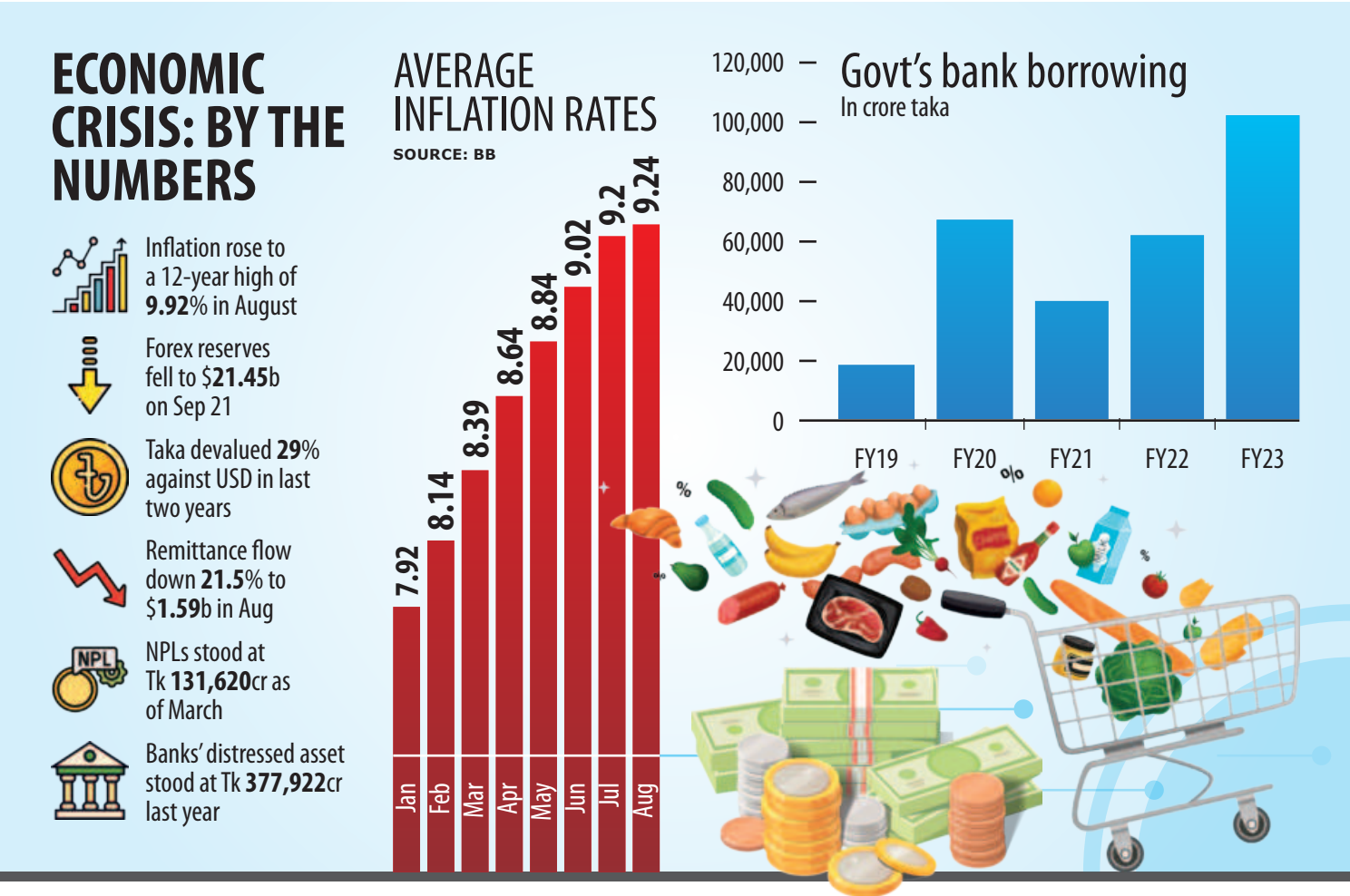
Stitchwell
Designs
looking
to restart
production

STAR BUSINESS REPORT

The management of Stitchwell Designs Ltd, an export-oriented garment factory, yesterday claimed that it had to stop production in 2020 after international buyers took exception to the odour of naphthalene in shirts exported by the company.

In a press conference held on the now-shuttered factory floor in Dhaka's Tejgaon locality, Md Iqbal Hossain, managing director of Stitchwell Designs Ltd, said the objectionable odour originated from the adjacent factory, which produces naphthalene and tar and is separated by a single wall.

READ MORE ON B3



Govt's bank
borrowing
in check

Lower expenses, higher revenue play a role

REJAUL KARIM BYRON

The government's borrowing from the banking system has remained in check so far in the ongoing fiscal year thanks to lower expenditures and higher revenue collection.

This is a reverse from a trend seen in the last fiscal year when the government took a record Tk 98,000 crore in loans from the Bangladesh Bank to run its operations, which contributed to stoking inflation.

The total borrowing from the banking sector stood at Tk 101,826 crore in 2022-23.

The inflationary situation, which has remained at an elevated level for the past one and a half years, forced the government to change its borrowing policy for the current fiscal year.

In July and August, the first two months of 2023-24, the government did not borrow any money from the central bank; rather, it returned Tk 22,088 crore.

However, it borrowed Tk 18,805 crore from commercial banks and another Tk 2,862 crore from non-banking sources such as non-bank financial institutions, insurance companies and individual investors.

Russia lets
Bangladesh
trade on its
currency
market

STAR BUSINESS REPORT

Russia has approved a list of more than 30 friendly and neutral countries whose banks and brokers will be allowed to trade on the Russian currency as well as derivatives markets.

The Russian embassy in Bangladesh shared the information on its verified Facebook page yesterday.

The countries include Armenia, Azerbaijan, Belarus, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Algeria, Bangladesh, Bahrain, Brazil, Venezuela, Vietnam, Egypt, India, Indonesia, Iran, Qatar, China, Cuba, Malaysia, Morocco, Mongolia, Oman, Pakistan, Saudi Arabia, Serbia, Thailand, Turkey, South Africa, and the United Arab Emirates.

Derivatives are financial contracts, set between two or more parties, that derive their value from an underlying asset, group of assets, or benchmark. Common derivatives include futures contracts, forwards, options, and swaps.

**BB plans raft of measures
to fight economic crisis**

MD MEHEDI HASAN

The Bangladesh Bank is going to take a raft of policy measures to tackle inflationary pressure, volatility in the foreign exchange market and growing non-performing loans (NPLs) and give a much-needed boost to the forex reserve.

As part of the move, the banking regulator is preparing a policy stance on how to address the four areas.

Three senior officials of the central bank, seeking anonymity, told The Daily Star that the BB has already framed a draft policy and started to take opinions from economists and other stakeholders on it.

Governor Abdur Rouf Talukder and four deputy governors met with noted economist Wahiduddin Mahmud on Thursday.

The central bankers are expected to sit with Sadiq Ahmed, vice-chairman, and Ahsan H Mansur, executive director, of the Policy Research Institute of Bangladesh, this week and chambers, trade bodies and the Economic Reporters Forum, later.

"The policy stance will be finalised after taking opinions from stakeholders. Its implementation will be visible through the next monetary policy but some measures will be implemented soon," said a central banker.

Another official said it would

be a sustainable policy aimed at betterment of the financial sector and the central bank will implement it.

On Thursday, Prof Mahmud told The Daily Star that the policy stance to be prepared by the central bank will have to be transparent and credible.

The move from the banking

value by nearly 29 percent against the American greenback in the last two years. The dollar traded at Tk 110 yesterday, which was Tk 85.8 in January last year.

Experts have blamed the central bank's control over the interest rate and the exchange rate for the current economic woes.

economists."

"But if the recommendations or opinions are not implemented, there is no point of taking the recommendations."

Hussain says the interest rate and the exchange rate are still administered and the rates have not brought any positive results.

"Both rates have to be fully market-based."

The mounting NPL is another concern for the economy.

In March, the NPLs stood at Tk 1,31,620 crore, marking a significant 16.02 percent year-on-year increase. This represented 8.80 percent of the total loans disbursed.

However, the distressed assets in the banking industry amounted to Tk 3,77,922 crore in 2022, according to BB's Financial Stability Report 2022.

Prof Mahmud emphasised accelerating the defaulted loan recovery when he met with the central bankers.

"Credit expansion is not possible without realising the bad loans."

Selim Raihan, executive director of the South Asian Network on Economic Modeling, raises questions about whether the central bank works independently.

"The monetary policy will have to be implemented independently and it will also have to be dynamic. Just formulating a policy is not enough."

READ MORE ON B3

BANGABANDHU SHILPA NAGAR
Man-made fibre plant
to begin operation
next month

JAGARAN CHAKMA

Modern Syntex Limited, a concern of TK Group, is likely to begin commercial operations of one of the largest man-made fibre plants in Bangladesh next month at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

"We will produce several textile-related products, such as polyester yarn, polyester staple fibre and polyethylene terephthalate (PET) chips," said Md Mustafizur Rahman, a director of TK Group.

At an investment of \$141 million, Modern Syntex has set up the factory as import substitute, Rahman said. Of the total investment, around 30 percent is equity and the rest is being financed by banks.

He said they were targeting the start of operations on October 28, depending on gas connection.

"Our factory has been ready since March of this year but we could not begin operating due to not having a gas connection," Rahman said.

"I personally negotiated a lot with Karnaphuli Gas Distribution Company

Ltd (KGDCI)," he said, adding that they had to deposit six months' payment in advance instead of the regular three-month deposit.

Modern Syntex had to deposit Tk 56 crore to KGDCI, which counts as additional investment, he said.

At an investment of \$141 million, Modern Syntex has set up the factory as import substitute. Of the investment, 30 percent is equity and the rest is being financed by banks

According to Rahman, once Modern Syntex begins production, it will be able to meet 38 percent of the present annual demand for PET chips and other textiles products.

Modern Syntex has a production capacity of 460 tonnes per day. The present annual demand for such items in Bangladesh is 12,250 lakh tonnes.

READ MORE ON B3



Loose soybean and palm oil being sold in used water bottles, for which there is scope for the key cooking ingredient to be adulterated, past its expiry date and priced higher than the rate set by the government. Loose soybean oil was selling for Tk 155 per litre while bottled ones of brands at Tk 169 in the retail markets of Dhaka yesterday, according to the Trading Corporation of Bangladesh. The photo was taken at Kazir Haat in Chandgaon of Chattogram recently.

PHOTO: RAJIB RAIHAN

Meghna Bank wins ‘Excellence in Credit Cards’ by Visa

STAR BUSINESS DESK

Meghna Bank Ltd has won the “Excellence in Credit Cards” award in the “Visa Leadership Conclave 2023”.

Sohail RK Hussain, managing director of Meghna Bank, received the award from MA Mannan, minister for planning, at a hotel in Dhaka recently, the bank said in a press release.

“This recognition reflects our commitment to delivering high quality financial products and services to our customers. We are dedicated to continuously improving and innovating to meet the evolving needs of our valued clients,” said Hussain.

Among others, Soumya Basu, country manager for Bangladesh, Nepal and Bhutan at Visa, along with high officials from various banks, non-bank financial institutions and mobile financial services providers were present.



Sohail RK Hussain, managing director of Meghna Bank, receives an award from MA Mannan, minister for planning, in the “Visa Leadership Conclave 2023: Towards a Cashless, Smart Bangladesh” at a hotel in Dhaka recently.

PHOTO: MEGHNA BANK

Japan sticks to ultra-loose monetary policy

AFP, Tokyo

The Bank of Japan stuck to its ultra-loose monetary policy Friday, though officials face increasing pressure to turn more hawkish as the yen weakens and after fresh data showed inflation remains stubbornly high.

While most other major central banks have pressed ahead with a campaign of interest rate hikes in a bid to tame prices, the BoJ has refused to shift from its long-term programme of sub-zero borrowing costs in order to kickstart the world's number three economy.

Policymakers have for several months hinted that they are willing to adopt a more normalised policy, such as minor tweaks to its yield curve control scheme, which sees the bank control the band within which government bonds are allowed to move.

Policymakers have for several months hinted that they are willing to adopt a more normalised policy, such as minor tweaks to its yield curve control scheme

But there are growing calls for it to move quicker, and they will not have been tempered by data Friday showing the consumer prices -- excluding food and energy -- jumped 4.3 percent in August, a three-decade high.

In a post-meeting statement, the BoJ stuck to its guns, as expected, but said it “will not hesitate to take additional easing measures if necessary”.

“With extremely high uncertainties surrounding economies and financial markets at home and abroad, the Bank will patiently continue with monetary easing while nimbly responding to development in economic activity and prices as well as financial conditions,” it said.

Analysts have said the BoJ's outlier policy is harming the economy by skewing the bond market and exacerbating the yen's weakness, in turn making imports more expensive.

On Thursday, the Japanese currency hit a 10-month low against the dollar of 148.46, before recovering slightly on Friday to 148.11.



Mustafizur Rahaman Chowdhury, a member of parliament from the constituency of Chattogram 16, hands over a cheque of agriculture investment to a farmer at a programme organised by Union Bank in Chattogram yesterday.

PHOTO: UNION BANK

Union Bank distributes agriculture funds

STAR BUSINESS DESK

Shariah-based Union Bank Ltd distributed agriculture investment among farmers in Chattogram yesterday.

Mustafizur Rahaman Chowdhury, a member of parliament from the Chattogram 16 constituency, inaugurated the distribution as chief guest, said a press release.

ABM Mokammel Hoque Chowdhury, managing director and CEO of the bank, presided over the programme, where ABM Zahurul Huda, executive director of Bangladesh Bank Chattogram office, and Shafiuddin Ahmed, deputy managing director of Union Bank, were present.

Among others, Chowdhury Mohammad Galib Sadli, chairman of Banshkhali Upazila Parishad, Md Kamal Uddin, officer in-charge of Banshkhali Thana, Nurul Mustafa Sikder Sangram, member of Chattogram Zilla Parishad, and Tufail Bin Hossain, mayor of Banshkhali Municipality, were also present.

Exim Bank holds business development confce

STAR BUSINESS DESK

Exim Bank yesterday arranged a “Business Development Conference” for the branch managers, executives and officials of the bank in Chattogram region.

Mohammad Feroz Hossain, managing director and CEO of the bank, attended the programme held at Hotel Agrabad in the port city, said a press release.

Describing various issues in the banking sector, Hossain called for working earnestly to achieve the annual target by ensuring maximum customer service.

Md Zoshim Uddin Bhuiyan, deputy managing director of the bank, Sanjib Chatterjee, head of corporate affairs and branding division, and Anisur Rahman Chowdhury, regional head for Chattogram, were present.



Mohammad Feroz Hossain, managing director of Exim Bank, poses for photographs after inaugurating a “Business Development Conference” for branch managers, executives and officials of the bank in the Chattogram region at the Hotel Agrabad in the port city yesterday.

PHOTO: EXIM BANK

Fresh Ceramics opens dealer showroom in Bangla Motor

STAR BUSINESS DESK

Fresh Ceramics, a ceramics and tiles manufacturing company of the Meghna Group of Industries, recently launched a dealer showroom styled “Hatirpool Tiles” at Bangla Motor in Dhaka.

AKMZiaul Islam, chief operating officer of the ceramics company, inaugurated the showroom, said a press release.

All sizes and designs of tiles made by Fresh Ceramics will be available for sale at the new showroom.

Among others, Ifitakhar Alam, deputy general manager (sales and marketing) of the ceramics company, Obydul Hoque, manager (sales), and Humayun Kabir Sohag, proprietor of Hatirpool Tiles, were present.



AKMZiaul Islam, chief operating officer of Fresh Ceramics, inaugurates a dealer showroom styled “Hatirpool Tiles” at Bangla Motor in Dhaka recently.

PHOTO: MEGHNA GROUP OF INDUSTRIES

EU seeks to put brakes on China

FROM PAGE B4

“This is sufficiently aggressive for it to have been carefully thought through,” Elvire Fabry, a researcher at Jacques Delors Institute, told AFP.

Without presuming the probe's outcome, Fabry said she did not believe the commission would have “taken such a step without already having a solid basis”, pointing to China's massive subsidies in many parts of its economy.

The driving force behind von der Leyen's announcement was the EU's bitter experience with China over solar panels.

During her speech last week, she pointed to firms pushed out by cheaper Chinese solar panels that flooded the European market in the late 2000s, while others were forced to file for bankruptcy.

The car industry is significant for Europe, providing direct and indirect jobs to around 14 million Europeans, some 6.1 percent of all EU employment.

China's carmakers are a growing threat, and this year it became the world's largest exporter of cars, overtaking Japan for the first time.

The share of Chinese electric car brands in Europe is surging, reaching 6.1 percent between January and July this year, according to automotive data company Jato Dynamics, rising from a low base of 0.5 percent in 2019.

China's success is in large part due to its early investment in batteries and its domination of critical raw materials used in much clean tech.

The EU is also rushing to pass a law to move away from relying on China for key materials such as lithium as part of a broader approach to bring more production to Europe and diversify its trading partners.

Not everyone is convinced that China is guilty of unfair practices.

Ferdinand Dudenhoefler, an expert at the Center Automotive Research in Germany, accused von der Leyen of making “unfounded”

claims, stressing that China's success was due to “long-term” thinking and a “very strong” focus on developing electric cars.

France pushed for a probe because “the French car industry is almost invisible in China”, Dudenhoefler said, accusing Paris of seeking to protect its manufacturers at the expense of Germany's carmakers, since 40 percent of their sales are in China.

The EU will decide over the next 13 months whether to slap tariffs on Chinese electric cars above the standard 10 percent EU rate if it concludes there are unfair practices.

“If everything becomes very confrontational and tariffs, etc are applied immediately, that would be something to which China could react and therefore trade links between Europe and China could be put at stake,” said Simone Tagliapietra, a senior fellow at the Bruegel think tank.

But if Europe manages this in

a more cooperative manner, “this wouldn't necessarily harm European industry”, he added.

According to Bruegel, the commission has launched 342 subsidy investigations since 2008 against imports from China, of which 101 led to no countervailing duties.

“It is not to be taken for granted that an investigation will actually result in a procedure,” Tagliapietra said.

US-Bangla Airlines

FROM PAGE B4

Another lacking is Bangladesh doesn't have a flying school, he said.

US-Bangla Airlines is going to set up one engineering school and one flying school by this year. The company has also taken an initiative to create 100 cadet pilots at its own cost.

“We have already sent 22 students to the US so that they can receive quality education and training to become pilots,” Mamun added.

Central banks

FROM PAGE B4

This firm tone came “as a surprise to the markets,” which have “decided that the peak” of rate hikes is “happening right now,” HSBC economist Fabio Balboni told AFP, even though “central banks” communications leave the door open to the possibility to further hikes”.

It leaves “real uncertainty about the level of inflation next year”, he said. Their decision “reflects a compromise between growth and inflation”, he added.

The rate hikes raise the cost of credit for businesses and consumers, which theoretically in turn reduces demand and inflationary pressures.

But if demand slows too much, it runs the risk of triggering a recession.

Faced with this dilemma, the European Central Bank (ECB) chose inflation-limiting measures, with a 10th consecutive rate hike. That took its benchmark rate to 4.0 percent, the highest since 1999.

“We can't say we have peaked,” ECB president Christine Lagarde said, although other officials indicated that the cycle of raising rates might be coming to a close.

“Our future decisions will ensure that the key ECB interest rates will be set at sufficiently restrictive levels for as long as necessary,” the bank's chief

economist Philip Lane said Thursday in New York.

There are other signs, however, that rates are reaching their peak.

The Bank of England on Thursday announced its first pause on raising rates since December 2021, following a slight decline in UK inflation in August.

Switzerland and Japan -- like half of all central banks -- have also chosen to halt raising rates in the past 10 days.

“We expect no more rate hikes in the future” for the US, England and Europe central banks, said Balboni.

Jennifer McKeown of Capital Economics said she expected the last hikes to come in the fourth quarter, and that the easing cycle would take hold as 2024 approaches.

“By this time next year, we anticipate that 21 out of the world's 30 major central banks will be cutting interest rates,” she wrote.

Although Balboni, taking a more measured stance, said “in the context of weak growth, it will be very complicated to reduce rates” while inflation remains “too high”.

Instead, he believes reductions to US rates won't be seen until the third quarter of 2024, while the rest of the world will have to wait until 2025 for rate relief.

iPhone gaining

FROM PAGE B4

“The premium smartphone market in India has climbed tremendously from 0.8 percent of the total market in 2019 to 6.1 percent in the first half of 2023 and this is largely attributed to Apple's success,” Nabila Popal, a research director at market intelligence firm IDC, said.

Apple is the largest player in the segment for smartphones priced over \$800 in India, with a 67 percent share in the first half, according to IDC data. Samsung accounted for 31

percent of the segment.

Apple opened two flagship stores in the country earlier this year and CEO Tim Cook said in August that the company hit “record” revenue in India in the June quarter.

Still, Apple has a long way to go before the country could bring in sales seen in the company's major markets.

Morgan Stanley, in a note earlier this month, estimated that Apple's revenue from India is about half that of China.



People enjoy the scenic view at a popular tourist spot in Bandarban. Although tourism in the nation is growing fast, the lack of a skilled workforce is the key challenge facing the industry.

PHOTO: STAR/FILE

Lack of skilled manpower key challenge for tourism sector

Stakeholders say at a discussion

STAR BUSINESS REPORT

Although the tourism and hospitality management industry in Bangladesh is expanding fast, the lack of a skilled workforce is the key challenge right now, stakeholders said yesterday.

“Bangladesh has huge potential in this sector. It has already focused on creating connectivity and several residential infrastructure and tourism places,” said Mohiuddin Helal, chairman of the Tourism and Hospitality Industry Skills Council.

“So, there is no alternative to creating skilled manpower to cope with the challenge,” he said.

Many types of workers, including tour guides, travel agents, restaurant personnel, hotel staff and chefs are needed to boost the sector.

“If we want to attract more domestic and foreign tourists, we have to ensure proper management through skilled manpower.”

Helal made the comments at a

seminar titled “Future Skills, Jobs and Entrepreneurship in Tourism” at the Bangabandhu International Conference Center on the last day of the three-day 10th Asian Tourism Fair.

Parjatan Bichitra organised the fair, where 150 tourism companies from various countries, including Bangladesh, India, China, Nepal, Thailand, Sri Lanka, Vietnam and Dubai, participated.

Helal went on to say that some public and private universities in Bangladesh had opened academic departments on tourism and hospitality management.

“Still, we could not utilise this graduated manpower,” he said.

Helal, also chairman of the Asian Tourism Fair and editor of Parjatan Bichitra, suggested designing academic courses with proper correlation.

Alongside local demand, Bangladesh has the potential to export skilled manpower abroad and earn huge amounts of foreign currency, he said.

“In this regard, proper training certification is needed.”

Lamenting a scenario in a hotel in Malaysia, Helal said he witnessed Bangladeshi workers being deprived. “Although Bangladeshi workers were more skilled, they were getting almost half of the salary compared to others due to a lack of certification,” he said.

“If we want to attract more domestic and foreign tourists, we have to ensure proper management through skilled manpower.”

At the event, Mohammed Ali, sous chef at Biman Flight Catering Centre of Biman Bangladesh Airlines, said ensuring safe and healthy food on the dining table was a major challenge in the tourism sector.

After removing barriers related to foreign languages and building confidence, Bangladeshi workers can perform on global platforms, he said.

Md Anwrul Hoque, director of planning and industry linkage at the National Skill Development Authority, said they were coordinating several training programmes targeting the tourism sector.

On the last day of the fair, a number of visitors were seen browsing various packages, discounts and offers tailored for both business-to-business (B2B) enterprises and tourists.

“I came to the fair to get updated information about Umrah,” said Abdus Sukur Howlader, a visitor who came from the Fakirapool area in the capital.

“According to my academic assignment, I participated in the fair and availed a lot of information from here,” said Abul Hossain Sohel, a student of Tourism and Hospitality at the Daffodil International University.

The fair was open for visitors from 10:00am until 7:00pm every day. The entry fee was Tk 30. However, students enjoyed free admission through online registration.

UK recession risk deepens but consumers stay unfazed

REUTERS, London

Britain’s economy displayed clear recession signals on Friday, a day after the Bank of England called a halt to its long run of interest rate increases that have turned the tide on inflation but at the expense of a hit to businesses.

A business survey, which the BoE factored into its decision to keep rates on hold, showed companies endured a much tougher September than feared, marked by growing unemployment.

The preliminary reading of the UK S&P Global Purchasing Managers’ Index (PMI) for the services sector sank to its lowest since the pandemic lockdown of January 2021 and below all forecasts in a Reuters poll of economists.

Aside from during the Covid-19 pandemic, the index last fell this low during the Global Financial Crisis. Its gauge of jobs suffered its biggest fall on record outside of the pandemic.

Sterling was down about 0.4 percent against the US dollar at 1105 GMT, a touch above its lowest since March as investors pondered how long the BoE could stick to its plan to keep interest rates around current levels before cutting them to help the economy. PMIs for the euro zone picked up a little but still suggested a recession was approaching.

A business survey showed companies endured a much tougher September than feared, marked by growing unemployment

A separate survey by the Confederation of British Industry (CBI) showed factory output fell and was expected to be stagnant in the remainder of 2023.

“Bouncing along the bottom is likely to be a story which persists for the near term,” Martin Beck, chief economic advisor to forecasters the EY ITEM Club, said.

While the full impact of the BoE’s 14 back-to-back rate hikes had yet to be felt and the jobs market was weakening, weaker inflation and relief that borrowing costs may have peaked suggested the economy would avoid a serious downturn, Beck said. There were some signs of resilience among consumers alongside the weak readings of business activity.

Official data showed retail sales rose in August, partially recovering from a rain-induced plunge in July, and a measure of consumer confidence climbed to its highest since January 2022.

However, data company S&P Global said its survey was consistent with a drop in quarterly economic output of 0.4 percent.

“The disappointing PMI survey results for September mean a recession is looking increasingly likely in the UK,” said Chris Williamson, chief business economist at S&P Global.

Samuel Tombs, an economist with Pantheon Macroeconomics, disagreed, saying wages were finally outpacing inflation, household energy prices were about to fall back further and consumer confidence levels were holding up.

Poor states use food crisis fight to get big power attention at UN

REUTERS, United Nations

In his speech opening the annual United Nations gathering of world leaders this week, Secretary-General Antonio Guterres vowed - to applause - that he would “not give up” trying to get food and fertiliser from Russia and Ukraine to global markets.

After Russia invaded Ukraine in February 2022 the United Nations blamed the war for worsening a global food crisis and a new diplomatic frontline emerged, with Moscow and Kyiv fighting to win over those hit hardest: poor and developing countries.

That battle has been at the forefront this week at the high-level UN General Assembly, where the applause for Guterres’ remarks on Tuesday underscored the push from those countries, particularly from the Global South, to get big powers to focus on their most important challenges.

“We are no longer willing to come to this annual parade merely to lend our voice to support of this or that global conflict or to condemn whoever from year to year as the new global enemy,” said Saint Lucia’s Prime Minister Philip Pierre.

“No powerful nation’s global agenda is more important than our own,” he told the General Assembly.

It is not clear, however, that meetings at the UN this week will yield any quick relief to countries struggling to feed their people - specifically the revival of a landmark deal that had allowed the safe Black Sea export of Ukrainian grain, which Russia quit two months ago.

Guterres this week met separately with Ukrainian President Volodymyr Zelenskiy and Russian Foreign Minister Sergei Lavrov and is also due to meet Turkish Foreign Minister Hakan Fidan, but with no



Wheat is being harvested near Kramatorsk, in Donetsk region of Ukraine, amid the Russian invasion. Known as the world’s “bread basket”, Ukraine grows far more wheat than it consumes and it’s exports contribute to global food security, especially in African countries, which now fear food shortages.

PHOTO: AFP

Govt’s bank

FROM PAGE B1

An official of the finance ministry who works in its budget implementation department says the government’s main target is to bring down inflation before the general elections, due in January.

The debt management committee, which comprises officials from both the ministry and the BB, has been instructed not to take any loans from the central bank until inflation falls.

The overall inflation rose 23 basis points to 9.92 percent in August driven by a 12.54 percent surge in food inflation. It was 9.76 percent in the previous month.

The Consumer Price Index rose 9.02 percent in FY23 against the government’s revised target of 7.5 percent, the highest in 12 years. This was much higher than the 5-6 percent average inflation seen in the decade before the Russia-Ukraine war.

A dearth of borrowing from the BB has an effect on the non-food inflation and the latest data from the Bangladesh Bureau of Statistics appeared to support that.

Non-food inflation stood at 9.60 percent in June. It fell to 9.47 percent in July and further to 7.95 percent in August.

Economists have long demanded the government stop securing loans from the banking system not only to lower inflation but also to help keep enough liquidity with commercial banks so that entrepreneurs and businesses can access adequate funds.

BB plans

FROM PAGE B1

The economics professor said in the case of reducing NPLs and bringing governance to the banking sector, especially at public banks, the sole authority should be given to the BB.

But the central bank can’t monitor public sector banks properly as they operate under two regulators, namely the BB and the finance ministry.

“The central bank will have to assume the leadership in the banking sector.”

Stitchwell Designs looking to restart production

FROM PAGE B1

Replying to queries, Hossain said that he had cleared dues of Tk 13 crore to workers in March 2020 before shutting up shop.

He added that he had lost all work orders from buyers, including the likes of Zara, Mango, LIDL, Carrefour, Walmart, Kmart and PDS due to the issue.

One of his buyers from the US claimed compensation amounting to \$2.34 million and burnt his shipment in San Francisco after smelling naphthalene on the goods, Hossain said.

He said he had started the business on the premises in 1992, adding that buyers first began complaining about the foul smell in 2015, around the same time nearby Nazrul and Brothers started production of naphthalene.

He added that he had a lot of work orders from his buyers now and wanted to re-start production in the Tejgaon premises, where his 1,00,000 square feet factory has been lying idle for the past three years.

Currently, he is operating another factory in Tongi, which ships garment items worth more than \$30 million a year.

Before closing down the factory

Man-made fibre plant

FROM PAGE B1

He added that they would import raw materials from Saudi Arabia, Qatar, Indonesia, China and India, among other nations.

“To ensure the quality of our products, we used equipment from Germany, China and India. Germany-based Oerlikon Group has built the plant,” he said.

According to him, the plant will require around 1,500 employees to operate. The man-made fibre industry in Bangladesh had become

in Tejgaon, he used to ship mainly woven shirts and trousers worth \$20 million. He employed 2,500 workers, but the number fell to 1,500 in the final days of production as work orders dwindled following the complaints.

Hossain said he had sat with Nazrul Islam, chairman of Nazrul and Brothers, several times but those negotiations did not amount to anything.

Both parties are now awaiting a court verdict.

When contacted, Nazrul Islam told The Daily Star that he had been operating his factory in the same place since 1980 while following environmental and other regulations.

He said that he had not been receiving clearance certificates from the Department of Environment for the past three years after Hossain lodged a complaint to the government department.

Islam added that he had already built a new factory at Kanchpur in Narayanganj and is now awaiting the gas connection at the new factory before he relocates.

He said he was moving because the premises in Tejgaon was small and built nearly 44 years ago.

a key sector in the country’s textile and apparel industry and gained importance due to its contribution to the economy by facilitating exports and creating jobs, said Rahman.

The sector in Bangladesh would grow in the coming years, driven by increased demand for synthetic textiles worldwide. Rahman said they would meet the demand for apparel, home textiles, technical textiles, shoes and products in the automotive sector in Bangladesh as import substitutes.

4 IP telephony service providers lose licences

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has recently cancelled the licences of four internet protocol telephony service providers (IPTSPs) after they lost their internet service provider (ISP) licence.

The four IPTSPs are IDEA Networks and Communications Ltd, Digital Connectivity Ltd, Pritty International (Pvt.) Limited and Sadiatec Limited.

According to BTRC rules, an IPTSP cannot provide services without having an ISP licence.

An IPTSP licensee provides international and domestic voice calls over IP-based Internet and/or managed IP-based network(s).

The telecom regulator directed the cancelled licencees to surrender their licences to the commission within 10 days, according to BTRC documents.

The regulator declared all activities of these IPTSPs fully illegal and punishable under the Bangladesh Telecommunication Act 2001.

The BTRC also warned everyone concerned to not enter any deals or carry out any financial transactions with these IPTSPs.

iPhone gaining market share in India

REUTERS

Apple is expected to gain a larger share of India's smartphone sales, with the high-end iPhone 15 Pro and Pro Max models accounting for more of its shipments.

The company is projected to account for 7 percent of all smartphone sales in the country from July to December, up from 5 percent in the first half of 2023, according to data from market researcher Counterpoint shared exclusively with Reuters.

The tech giant has been touting India as its next big growth driver amid declining sales of its flagship device. Its suppliers have also been ramping up manufacturing operations in the region amid weakening demand and regulatory pressure in China.

Wait times in India for Apple's latest 15 Pro and Pro Max models, that go on sale Friday, are stretching up to late October, mirroring trends seen in China and the US.

Counterpoint estimated the models will account for 25 percent of overall iPhone 15 shipments in India in the fourth quarter, a 4 percent increase from what the previous generation top-range models accounted for a year earlier.

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Central banks in no rush to cut interest rates

AFP, Paris

Investors were hoping to hear central banks finally signal this week that they were close to being done raising interest rates in their battle against inflation.

Instead, policymakers indicated that high rates are here for a while yet, with more hikes on the cards and few, if any, cuts in the near future.

The US Federal Reserve set the tone on Wednesday when it paused its rate-hike campaign but caused a stir by leaving the door open to another increase before the end of the year. The central bank also unsettled investors by saying that only two cuts were expected next year instead of four as anticipated.

The Fed has more room to keep its "hawkish" stance as the US economy has performed better than feared despite the rate increases.

This firm position is shared by other central banks.

Norway's rate hike Thursday was anticipated, but it also warned further tightening was "likely" in December, while ruling out any easing before next year.

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EU seeks to put brakes on China without hurting ties

AFP, Brussels

When the EU launched an investigation into Chinese electric car subsidies, Brussels wanted the world to know that it will protect the automotive sector that is the jewel in Europe's industrial crown, even if it upsets Beijing.

European Commission President Ursula von der Leyen was resolute when she announced the probe on September 13, denouncing unfair practices that undercut European competitors, but sparked an angry retort from China.

Beijing warned the investigation would harm trade ties and accused the EU of "naked protectionism", triggering fears of a trade war.

Those tensions will no doubt be there when EU trade commissioner Valdis Dombrovskis heads to China for a four-day visit starting Saturday to Shanghai, Suzhou and Beijing.

Dombrovskis has sought to mollify Beijing, insisting that Europe wants to "keep dialogue open" with China.

The EU faces an almost impossible balancing act in its relations with China, which the bloc variously describes as a partner on global issues, an economic

competitor and a systemic rival.

On one hand, Brussels wants to maintain ties with Beijing to help resolve issues it believes can only be solved on a global level, such as climate change.

The EU faces an almost impossible balancing act in its relations with China, which the bloc variously describes as a partner on global issues, an economic competitor and a systemic rival

On the other, the EU is seeking to reduce its dependence on China, heeding lessons from its past over-reliance on Russia for fossil fuels.

Experts say this latest move demonstrates that the EU is willing to take action in line with its oft-repeated claim that it will "de-risk" but not "decouple" from China.

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EXPANSION PLAN: AT A GLANCE



- US-Bangla to procure **26** aircraft soon
- To take the size of the fleet to **46**
- Runs flights on all domestic routes, **11** int'l destinations
- To double the number of daily flights on all destinations
- To fly to new destinations

US-Bangla Airlines eyes expansion

Will buy 26 aircraft, says Managing Director Mohammed Abdullah Al Mamun

RASHIDUL HASAN

US-Bangla Airlines is going to procure a record 26 aircraft soon to expand its routes and capture a major pie of the country's aviation market currently dominated by foreign operators.

"This will be the single highest order for aircraft purchase in the aviation history of Bangladesh," said Mohammed Abdullah Al Mamun, managing director of the largest private airline in Bangladesh, during an interview recently.

At present, US-Bangla Airlines runs one flight to each of its destinations whereas foreign airlines operate four to five flights.

"We will never be able to become a market giant or capture a significant share if we operate one or two flights daily," he said.

Foreign airlines control 75 percent of Bangladesh's aviation market while three Bangladeshi airlines hold the rest.

Apart from operating flights on the country's all domestic routes, US-Bangla flies to 11 international destinations using its fleet of 20 aircraft, which include eight Boeing 737-800s, nine ATR 72-600s and three Dash 8-Q400s.

"Discussions are going on with both Boeing and Airbus to purchase the aircraft," said Mamun.

Once the procurement plan

materialises, the total number of aircraft of the airline will go up to 46.

Asked about using the new fleet of aircraft, Mamun said, "We will double the number of daily flights on almost all destinations where we now operate a single flight."



Mohammed Abdullah Al Mamun

The operator plans to turn the Shah Amanat International Airport its second-biggest hub since 60 percent to 70 percent of Bangladeshis who reside in the UAE, Oman and Qatar are from the Chattogram region.

Using the new fleet of planes, US-Bangla will also spread its wings to new destinations.

Mamun also touched upon the barriers holding back the local aviation industry.

"The main obstruction is our operating cost is much higher compared to our neighbouring countries because of higher aeronautical and non-aeronautical charges, custom duties and jet fuel prices and a

lack of skilled workforce."

He said the customs duty on aircraft is almost zero in India compared to Bangladesh.

Similarly, the price of jet fuel in Dhaka is around \$3.44 per gallon while it is \$2.94 in Kolkata.

According to the managing director, many countries in the region have brought in major changes to their aviation industry in the past 15-20 years on the back of friendly policies.

"If we get such support from the government, we will also be able to reach their status."

He thinks no operators will be able to sustain if the backward linkage for the airline industry doesn't develop in Bangladesh.

In India, a huge backward linkage industry for airlines has been developed. It is not possible for airlines alone to build such a backward linkage sector, he said.

He said Bangladesh urgently needs an engineering school to create qualified professionals. Owing to the absence of such a facility, private airlines are fully dependent on foreign engineers.

There are 35 to 40 foreign engineers at US-Bangla Airlines and they come to work every alternate month.

"You need to provide them with accommodation, air tickets, chefs and other facilities. As a result, a huge amount of remittance goes out of the country," said Mamun.

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What makes a great workplace?

MAMUN RASHID

In the journey towards professional growth and personal fulfilment, finding the perfect workplace plays a pivotal role. An extraordinary workplace goes beyond the conventional norms, nurturing an environment of productivity, positivity, and progress.

So, what makes an exceptional workplace?

Every great workplace has a vibrant culture at its heart. Employees are empowered to succeed through a strong organisational culture that values open communication, teamwork, and respect.

Strong motivators include a supportive and inclusive work environment that develops a sense of belonging and motivates employees to put out their best. Employee morale is raised and a sense of pride and loyalty are fostered by a work environment that recognises and celebrates successes.

Secondly, striking the right balance between work and personal life is essential for overall well-being. A workplace that encourages work-life integration by offering flexible working hours and remote work options allows employees to manage their responsibilities effectively. This can make it easier for employees with families or other caregiving responsibilities to balance their work and personal lives.

Along with that, investing in employee well-being demonstrates a workplace's commitment to its staff's health and happiness. Wellness initiatives such as fitness programmes and mental health support coupled with work-life balance initiatives, contribute to a healthy work environment.

An outstanding workplace provides employees with challenging and meaningful work. Engaging employees with tasks that align with their strengths and passions ignites a sense of purpose and dedication, driving them to exceed expectations.

When employees feel psychologically safe, they feel they can be themselves at work, take risks without fear of judgement and punishment, and are more likely to share their ideas, collaborate with others and learn from mistakes.

To enable this, it is necessary to provide ample opportunities for skill development and training, and

create a culture of continuous improvement. Clearly defined career paths, internal promotion opportunities, and mentorship programmes also give employees a sense of purpose in their professional journey.

A commitment to employee growth not only benefits individuals but also enhances the organisation's capabilities. Opportunities to take on new challenges and responsibilities and access to training and resources for future skill development ultimately offer a clear journey path to the employees.

Effective leadership is a cornerstone of an outstanding workplace. Supportive leaders who lead by example inspire their teams and provide guidance and mentorship to create a positive work environment and empower employees to reach their full potential. It also encourages employees to share their knowledge and expertise with others. With that in mind, having open and transparent communication is crucial for fostering trust and understanding within the organisation while ensuring that ideas are heard, concerns are addressed, and collaboration thrives.

A diverse workforce brings a variety of perspectives, ideas, and experiences, fostering creativity and innovation.

A great workplace is the product of numerous crucial components that give priority to the health, development, and engagement of its employees.

Ultimately, it is the harmonious interplay of these elements that transforms a workplace into a hub of excellence, where employees are motivated, fulfilled, and eager to contribute to the organisation's success. An organisation that prioritises investment for creating an exceptional workforce is more likely to attract and retain the best talent, boost employee morale and drive innovation.

The author is an economic analyst



This aerial photo taken on September 19 shows a solar photovoltaic power project under construction in Zhangye, in China's northwestern Gansu province.

PHOTO: AFP