

## Bihar seeks Bangladeshi investment in garment

STAR BUSINESS REPORT

Indian state Bihar wants Bangladeshi investment in textile and garments sector to harness the bilateral trade potential between the two neighbouring nations.

Sandeep Poundrik, additional chief secretary of the industries department of the government of Bihar in India, shared the information at a meeting with Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at the BGMEA office in Dhaka yesterday.

At the meeting, the Indian delegation led by Poundrik highlighted the investment potential in Bihar and urged investors to explore the investment opportunities in the region, according to a statement of the BGMEA.

Hassan underscored the importance of intensifying business collaboration between the two countries.

He emphasized the need to identify specific areas where both Bangladesh and India can collaborate to yield mutual benefits.

The BGMEA president expressed his optimism about the prospects of expanding trade and investment ties, particularly within the textile and apparel industry, which is a vital sector for both the nations.



The overall number of mobile subscribers reached 18.86 crore in August, up from 18.74 crore a month earlier, according to data from the Bangladesh Telecommunication Regulatory Commission.

PHOTO: STAR/FILE

# Mobile operators add 12 lakh customers in August

MAHMUDUL HASAN

Mobile network operators added about 12 lakh new customers in August as the country's mobile subscriber base continued to grow for the eighth month in a row.

The overall number of subscribers reached 18.86 crore in August, up from 18.74 crore a month earlier, according to data from the Bangladesh Telecommunication Regulatory Commission.

In July, operators acquired a total of about 14 lakh customers, registering the biggest monthly jump in over a year.

Robi Axiata, Banglalink and Grameenphone shared in that growth while state-run Teletalk ended up losing customers. Faster internet speed facilitating a superior video experience is drawing customers to Robi's network, according to its Chief Corporate and Regulatory Officer Shahed Alam.

"We have continued investment, network

optimisation initiatives and are deploying 2600 band spectrum which the company acquired in an auction last year," he said.

"Robi has deployed 2600 band spectrum in 50 percent of the sites that were dealing with high levels of data traffic. And doubling the network capacity helped to improve data speed by 50 percent," he added.

On a year-on-year basis, Robi's subscriber base grew by 2.9 percent.

Customers of Banglalink, the third largest operator, rose by about 4.2 lakh in August, taking its total subscriber base to 4.27 crore.

"Banglalink has been focused on ensuring better quality of service and maintaining its speed through spectrum acquisition and by extending network coverage throughout the country," said Taimur Rahman, chief corporate and regulatory affairs officer.

"In fact, our network coverage increased by more than 50 percent over the past 18 months. Our aim is to not only continue increasing

customer satisfaction through better quality of services, but also by providing innovative digital services through our MyBL app and Toffee platform."

On a year-on-year basis, its customer base grew by 10.21 percent in August.

Top operator Grameenphone saw its subscriber base rise by 2.5 lakh in August, taking its total number of customers to around 8.21 crore. But on a year-on-year basis, its subscribers decreased by 1.2 percent.

This is because the company is yet to recover fully from a slump in customers between July and December last year due to a ban on its SIM sales.

On June 29 last year, the telecom regulator banned sales of Grameenphone SIM cards until it "improves its quality of service, including bringing down the call drop rate".

The ban was lifted on January 2 this year. During the six-month ban, Grameenphone lost almost 50 lakh customers.

## Citibank executes 1st digitally enabled CSF transaction

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Citibank, NA Bangladesh recently completed its first Citi Supplier Finance (CSF) transaction with M&J Group, an RMG manufacturer of the country, after launching its internationally acclaimed CSF programme in Bangladesh.

This is an all digital, straight-through processing (STP) solution

designed by Citibank Bangladesh to offer real time working capital solutions to both buyers and suppliers, said a press release.

"CSF is a time-tested and widely used platform for supply chain finance and we are extremely delighted to launch this capability in Bangladesh. Alongside our clients, this will also be a truly end-to-end digital experience for our suppliers,"

said Md Moinal Huq, Citi country officer for Bangladesh.

"Bangladesh is a land of great opportunity and there is a tremendous role Citi Supplier Finance can play by supporting clients and their extended supply chain partners in better managing cash flows," said Md Salahuddin Ahmed, managing director of M&J Group.



PHOTO: CITIBANK NA BANGLADESH

Md Moinal Huq, Citi country officer for Bangladesh, and Md Salahuddin Ahmed, managing director of M&J Group, pose for photographs after completing the former's first Citi Supplier Finance transaction with the latter in Dhaka recently.

## BSTI mark mandatory

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"We will inspect the factories, collect samples and test those at the BSTI labs before issuing the licences," said Haque.

Non-compliance will result in a Tk 2 lakh fine or a four-year jail term or both as per the BSTI law, he added.

Madhab Chandra Ghosh, president of Bangladesh Sweets Manufacturers Association, said they did not know anything about the new move.

"It will lead to harassment for small businesses. The BSTI authority should have consulted stakeholders first," he said.

Ghosh also said he would raise the issues in their general meeting today to decide on their next course of action.

"Since we are becoming a high middle-income country in the next 17 years, all our activities need to be formalised accordingly," said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD).

So, it is important to bring all companies under a formal structure through registrations and licencing under relevant authorities and using trademarks, he said.

Therefore, in case of businesses or products,

be it retailers or small-scale ones, they should do business availing permission from the relevant institutions of the government, he said.

It is also important to ensure that such entities face no obstacles when going through such formalisation processes, Moazzem added.

"Our businesspeople are actually afraid of the hurdles in the process of formalising institutions. So, the government should keep an eye on those obstacles," he said.

For example, there are many allegations of bribes having to be paid to avail licences or to get those

renewed and in some cases, the amount of fee being too high for a small product, he said.

"All these processes need to be brought online as much as possible. Certain fees for licences or other services should be fixed so that it is not a big burden on the small businesspeople," said Moazzem.

Besides, traders concerned should be made aware of these issues through the media, he said.

If a trader has any complaint about such processes, it should be taken into consideration transparently and addressed properly, he said.

## Reedisha Food holds sales confce

STAR BUSINESS DESK

Reedisha Food & Beverage Ltd recently organised an "Annual Sales & Marketing Conference-2023" for members of the sales and marketing division of the company.

Rezaul Karim, managing director of the company, inaugurated the conference as chief guest in Cox's Bazar, said a press release.

The company awarded top-performing employees who were able to achieve the sales target for the financial year 2022-2023 with certificates and gifts.

MA Khair, director for corporate affairs of the company, Sankha Basu, executive vice-president for sales and marketing, and Ashok Kumar Paricha, general manager for operation, along with executives of the head office with sales team were present.



PHOTO: REEDISHA FOOD & BEVERAGE

Rezaul Karim, managing director of Reedisha Food & Beverage, attends the "Annual Sales & Marketing Conference-2023" for members of the sales and marketing division of the company at the Hotel Sea Palace in Cox's Bazar recently.

## No good news in investment

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machinery, the backward linkage sector of the garment industry, plummeted 55 percent during the July-August period, according to central bank data.

L.C. opening for machinery for various other industries also declined.

The demand for loans from the private sector also waned as evinced by the slowing growth of banks' credit to the private sector.

In August, the growth was 9.75 percent year-on-year whereas it was 9.82 percent the preceding month, shows Bangladesh Bank data.

"Investors are cautious for political uncertainty centring the next election. Macroeconomic vulnerability, price hike of raw materials, high rate of bank interest and import restrictions have affected investment interest too," said Selim Raihan, executive director of the South Asian Network on Economic Modeling.

He said although all investment proposals do not materialise fully, "it is an indicator for the investment scenario and intention of investors".

"It is even applicable for foreign investors," added Raihan, also a professor of economics at Dhaka University.

Bida Executive Chairman Lokman Hossain Miah declined to comment regarding the fall in investment, citing a number of reasons for the issue.

Mostafa Kamal,

chairman and managing director of Meghna Group of Industries, said he is implementing five projects, including a steel mill, glass factory, paper mill, and expansion of chemical plant.

"But even though the project cost is increasing due to the increased price of raw materials and US dollar rate, there is no scope to postpone the projects at this stage," he added.

Asif Ibrahim, former president of the Dhaka Chamber of Commerce and Industry (DCCI) and chairman of the Chittagong Stock Exchange, said a key reason for the drop in local and foreign investment is economic uncertainty stemming from the Russia-Ukraine war.

As a chain reaction, pressure was put on taka and consequently the foreign exchange reserve. As a cautionary measure, import restrictions were put in place, he added.

This, along with the short-term unavailability of raw materials for energy production and the rating downgrade by Moody's, Fitch and S&P has created an overall negative impact on the investment climate.

However, the energy situation has improved and the reserve situation is expected to get better after January 2024.

"So, a turnaround may be possible in the first quarter of 2024," Ibrahim said.

Sameer Sattar, president of the DCCI, said the current geo-economic state induced

by the Russia-Ukraine war triggered breaks in the global supply chain, energy price hikes and high inflation.

These external factors have resulted in a decline in investment in Bangladesh.

"I feel this investment trend is interim and as soon as the geo-economic crisis ends, our foreign and private investment health will positively surge," he added.

Humayun Rashid, president of the International Business Forum of Bangladesh, said the government has developed major infrastructure in the past decade.

Besides, during the last 15 years there was political stability, which is a positive side for investment.

However, there is a requirement for massive reform in policies regarding investment, including improvement of ease of doing business and making customs procedures easy.

Also, if the government does not address the governance issues, investment will fall further in the future, he added.

M Masrur Reaz, chairman of the Policy Exchange Bangladesh, said domestic and foreign direct investment will not improve without stability in the foreign exchange market, reforms in investment related policies and tax system.

He said domestic and foreign investment is very low compared to the country's requirement.

The current macroeconomic challenges are responsible for the downturn in investment too. Without addressing this, investors will not make fresh investments or expand existing businesses, Reaz added.

Ferdous Ara Begum, chief executive officer of Business Initiative Leading Development, said investment is a long-term decision so the private sector will need full security of their investment.

As such, they will employ a wait and see strategy regarding making new investments.

"We will have to wait until the situation becomes normal after the election," she added.

## IMF team

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BBS officials said they recently published the quarterly GDP report for different years, beginning from fiscal 2014-2015 to 2021-2022.

They informed that the GDP report for the first quarter of 2023-2024 would be published by January next year.

The IMF mission also proposed to provide technical support to BBS, if necessary, to publish the quarterly GDP report.

The visiting IMF mission also held a meeting with Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue, at the latter's office yesterday.