

Star BUSINESS

Earnings from spice exports increased 25 percent year-on-year in the first three months of fiscal year 2023-24.

Story on B4



Farmers who reside in char areas of Bogura's Shariakandi upazila collect fodder for their cattle on purchasing them from others who are currently harvesting Aman paddy. The char areas were inundated with flood waters for some time recently, leading to a dearth of fodder. The photo was taken at Batir Char on Sunday. PHOTO: MOSTAFA SHABU

Long-term USD loan facility for exporters

18 banks sign deal with BB

STAR BUSINESS REPORT

Eighteen private commercial banks yesterday signed a deal with the Bangladesh Bank (BB) to avail funds from the central bank's long term financing facility (BB-LTF) for export-oriented manufacturing companies.

The banks are Mutual Trust Bank, City Bank, Bank Asia, Jamuna Bank, UCB, Southeast Bank, Trust Bank, NCC Bank, Premier Bank, Pubali Bank, Midland Bank, Shahjalal Islami Bank, Exim Bank, Standard Bank, Prime Bank, Dhaka Bank, Brac Bank and Eastern Bank.

The banks signed the deal with the central bank in a programme held yesterday at the BB headquarters.

Before the move, the central bank unveiled a long-term financing facility for private sector firms, mainly export-oriented manufacturers, to help them borrow in US dollars to purchase equipment and services needed to run sustainable operations.

Under the BB-LTF, loans, which could be as high as \$10 million, will be offered in the US currency, as per BB guidelines.

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Tk 7,000cr scheme for farm sector kicks off

STAR BUSINESS REPORT

The government will today launch a Tk 7,000 crore project to boost the commercialisation of farming and accelerate agricultural exports by facilitating the expansion of safe food production.

Mostly financed by the World Bank, the initiative aims to expand the cultivation of fruits and vegetables following Good Agricultural Practices (GAPs) to 3 lakh hectares of land, according to project officials.

The five-year project, which is the biggest of its kind till date, is scheduled for completion in June 2028.

The initiative also aims to expand the cultivation of climate resilient and high-yielding varieties of rice while also increasing the acreage of pulses, oilseeds and horticulture crops to 2 lakh hectares each.

In essence, the project was taken up in order to diversify the country's agricultural production and cut import dependence on key items, they said.

"We are seeing the transformation of agriculture as a form of subsistence to commercial farming," said Md

Mizanur Rahman, coordinator of the Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience in Bangladesh (PARTNER).

"Through this programme, we want to give a push to fully commercialise our agriculture

regarding food safety as there are allegations of excessive application of pesticides.

As such, the country's fresh fruits and vegetables, despite increased production, are yet to enter regulated markets in a big way for a lack of compliance with GAPs.

refurbished.

This will be done in order to ensure that items are shipped in compliance with the requirement of importing countries, said an official of the Department of Agricultural Extension (DAE).

Additionally, the government aims to provide a "Krishak Smart Card" to each of the 2.27 crore registered farmers to provide various support, including extensions on finance and input subsidies.

The agriculture ministry also plans to introduce 200 vehicles as a part of its mobile crop clinic to provide support to farmers on the field through testing soil and crop disease.

"We also aim to help entrepreneurs engage in commercial agriculture," the DAE official added.

Under the initiative, training will be given to 20,000 youth and women entrepreneurs in commercial agriculture and agri-businesses, agricultural innovations and services, according to a project summary.

"We will also work on adopting improved and efficient irrigation technologies," Rahman said.

READ MORE ON B3



sector and increase its exports," he added.

Rahman informed that while activities under the programme have already started, it will officially kick off through a formal launch today.

The initiative comes at a time when Bangladesh is registering increased production of crops, particularly vegetables and other high value produce, as farming has become the main source of income for a section of people.

However, concerns remain

"We will work to address the issues of non-compliance related to export," Rahman said.

Agriculture Minister Muhammad Abdur Razzaque is expected to inaugurate the inception workshop on the project at the Krishibid Institution Bangladesh in Dhaka today.

Under the scheme, which involves 15 organisations, an internationally accredited laboratory will be established while nine existing ones will be

25 banks keep NPLs below 5%

MD MEHEDI HASAN

With the high rate of non-performing loans (NPLs) being a major challenge for the banking sector, just 25 of the 61 commercial banks in Bangladesh are managing to keep their NPL rates below 5 percent.

Additionally, 11 of these 25 lenders registered NPL rates of less than 3 percent by the end of June this year, according to data of Bangladesh Bank.

Industry insiders say the banks with low NPL rates practise good governance while their board of directors avoid interfering with management activities, making these lenders financially sound.

However, simply having a low NPL rate does not always indicate good financial health.

This is because it is only natural for newer banks to report lower rates of loan default considering how they have yet to disburse their overall portfolio.

Moreover, certain lenders hide their actual financial health by showing a clean balance sheet, they said.

The 11 banks that registered the lowest NPL rates are Eastern Bank, Pubali Bank, Shimanto Bank, Bengal Commercial Bank, Citizens Bank, Community Bank, Global Islami Bank, Bank Al-Falah, Citibank, the State Bank of India and Commercial Bank of Ceylon.

Of these, Bengal Commercial, Citizens Bank and Community Bank are newcomers who have yet to make significant disbursements, for which they have the lowest NPL rate, said an official of the central bank.

READ MORE ON B3

Now IDB pulls out of Islami Bank board

STAR BUSINESS REPORT

Multilateral development finance institution Islamic Development Bank (IDB) has withdrawn the directorship of its representative from the board of directors of Islami Bank Bangladesh PLC.

The largest private commercial bank of Bangladesh disclosed the information in its latest report on shareholding of sponsors, directors, foreigners, institutions and shareholders published on its website on Sunday.

Mohammed Monirul Molla, managing director of Islami Bank Bangladesh PLC, did not respond

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI ▲
0.28%	0.10%
6,247.38	18,490.19

COMMODITIES	
Gold ▼	Oil ▼
\$1,856.82	\$86.29
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.87%	▲ 2.43%	▲ 1.03%	▼ 0.70%
66,079.36	31,746.53	3,199.07	3,075.24



Flour being sold at a subsidised rate of Tk 24 per kilogramme from a truck running an Open Market Sale programme of the Directorate of Food for financially insolvent people at Chakda of Kadamtali in the capital. Under the programme, a person can buy a maximum of 5 kilogrammes of flour. Another packaged flour is available at Tk 30 per kilogramme. The photo was taken recently. PHOTO: PALASH KHAN

Factories closed, yet stock prices remain high

STAR BUSINESS REPORT

In inspections to identify potentials of companies which have been performing poorly over the years, Dhaka Stock Exchange (DSE) last month found factories of five listed entities closed.

The five are Northern Jute Manufacturing Company Ltd, Dulamia Cotton Spinning Mills Ltd, Regent Textile Mills Ltd, Usmania Glass Sheet Factory Limited and Familytex (BD) Ltd.

Apart from the Regent, all are under z category, meaning they have junk stocks.

However, their shares prices are higher than that of many blue chip stocks, that is shares of companies with good performance records.

Yesterday the prices were Tk 194, Tk 70.8, Tk 9.80, Tk 50.2 and Tk 4.9 respectively, according to the DSE data.

Moreover, the head offices of the Northern and the Familytex were found being used

by other companies, Bangladesh's premier bourse said in separate disclosures in its website.

The Northern's factory was found closed on September 4, 2023. The next day its head office was found being used by OMC Limited.

The Dulamia factory was found closed on September 24, 2023, that of the Regent and the Usmania on September 26, 2023 and that of the Familytex on September 27.

The Familytex head office was found being used by Olila Glass Industries Ltd.

Early last month the DSE had selected 42

companies to conduct inspections as they were incurring losses, failing to hold annual general meetings or had been kept shut for many years, confirmed a top DSE official.

The Bangladesh Securities and Exchange Commission allowed the DSE to inspect 14 companies in the first phase.



Pubali Bank inks participation deal with BB

STAR BUSINESS DESK

Pubali Bank Ltd has signed a participation agreement with the central bank under the Bangladesh Bank's Long-Term Financing Facility (BB-LTFF) programme.

Mohammad Ali, managing director and CEO of Pubali Bank, and Liza Fahmida, director of the Financial Sector Support & Strategic Planning Department of the BB, signed the deal at the central bank headquarters in Motijheel, Dhaka yesterday, said a press release.

Under the agreement, the bank will get a refinancing facility in foreign currency from the central bank's own funds.

Nurun Nahar, deputy governor of the BB, Md Abul Bashar, executive director, Mohammad Monjurul Islam Mojumder, general manager of the corporate credit division of Pubali Bank, and other senior officials from both the organisations were present.



Mohammad Ali, managing director of Pubali Bank, and Liza Fahmida, director of the Financial Sector Support & Strategic Planning Department of the Bangladesh Bank, exchange signed documents of an agreement at the central bank's headquarters in Motijheel, Dhaka yesterday.

PHOTO: PUBALI BANK

Bank Asia signs deal with BB for long-term financing facility

STAR BUSINESS DESK

Bank Asia Limited has signed a participatory agreement with Bangladesh Bank under the Long-Term Financing Facility (BB-LTFF) programme of the Financial Sector Support and Strategic Planning Department for private sector firms, particularly export-oriented manufacturing industries.

Shafiuzzaman, president and managing director (current charge) of Bank Asia, and Liza Fahmida, director of the Financial Sector Support and Strategic Planning Department of Bangladesh Bank, penned the deal at the central bank headquarters in Motijheel yesterday, said a press release.

Under this agreement, Bank Asia will be able to borrow funds from the central bank to finance the compliance initiatives of export-oriented manufacturing (small, medium and large) customers.



Shafiuzzaman, president and managing director (current charge) of Bank Asia, and Liza Fahmida, director of the Financial Sector Support and Strategic Planning Department of the Bangladesh Bank, exchange signed documents of an agreement at the BB headquarters in Motijheel yesterday.

PHOTO: BANK ASIA

Southeast Bank strikes participation deal with BB

STAR BUSINESS DESK

Southeast Bank Ltd yesterday signed a participation agreement with the Financial Sector Support and Strategic Planning Department of the central bank for availing its refinance facility in US dollars under the Bangladesh Bank's Long-Term Financing Facility (BB-LTFF) for facilitating long term financing for firms, mainly export-oriented manufacturing industries.

Under this agreement, exporters, enterprises and other manufacturing industries in the country may avail refinance funds for supporting their business.

Liza Fahmida, director of the Financial Sector Support and Strategic Planning Department, and Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, signed the deal at the central bank headquarters in Motijheel, said a press release.



Liza Fahmida, director of the Financial Sector Support and Strategic Planning Department of the Bangladesh Bank, and Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, exchange signed documents of an agreement on refinance facility at the BB headquarters in Motijheel yesterday.

PHOTO: SOUTHEAST BANK

MTB, BB pen deal on refinance facility

STAR BUSINESS DESK

Mutual Trust Bank Ltd (MTB) has signed a participation agreement with the central bank under the Bangladesh Bank Long-Term Financing Facility (BB-LTFF) programme.

Liza Fahmida, director of the Financial Sector Support and Strategic Planning Department of Bangladesh Bank, and Syed Mahbubur Rahman, managing director and CEO of MTB, signed the deal at the central bank headquarters in Motijheel yesterday, said a press release.

Financing under the BB-LTFF will bring several benefits, including a long-term financing facility in foreign currency for private sector firms, especially export-oriented manufacturers.



Liza Fahmida, director of the Financial Sector Support and Strategic Planning Department of the Bangladesh Bank, and Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, exchange signed documents of an agreement on refinance facility at the BB headquarters in Motijheel yesterday.

PHOTO: MTB

Pragati Life, Brac UPG programme sign MoU

STAR BUSINESS DESK

Pragati Life Insurance Ltd and the Ultra-Poor Graduation Programme (UPG) of Brac recently signed a memorandum of understanding (MoU) to jointly introduce a life and health insurance product for ultra-poor households.

Md Jalalul Azim, chief executive officer of the life insurer, and Palash K Das, director of the UPG programme of Brac, inked the MoU at Brac Centre in Dhaka, said a press release.

Under this MoU, the life insurer will provide life and health insurance coverage through a micro-insurance pilot project under the Alternative Distribution Channel (ADC) initiatives for the households involved in the UPG programme of Brac.

Sajadul Haque, head of alternative distribution channel of Pragati Life Insurance, and Md Shahid Ullah, head of operations of the UPG programme of Brac, along with other officials of both the organisations were present.



Md Jalalul Azim, chief executive officer of Pragati Life Insurance, and Palash K Das, director of the UPG programme of Brac, exchange signed documents of a memorandum of understanding on life and health insurance at Brac Centre in Dhaka recently.

PHOTO: PRAGATI LIFE INSURANCE

Global economy

FROM PAGE B4
have fragmented, low productivity growth, and low demographics. You put all these things together and you have a slowdown in medium-term growth," he told Reuters.

Inflation continued to decline around the globe due

to a fall in energy prices and to a lesser extent food prices. It is expected to drop to an annual average of 6.9 percent in 2023, from 8.7 percent in 2022, and to 5.8 percent in 2024.

Core inflation, excluding food and energy prices, is coming down more gradually, and should drop to 6.3 percent in 2023, from 6.4 percent in

2022, and to 5.3 percent in 2024, given still-tight labor markets and stickier-than-expected services inflation, the IMF said.

"We're not quite there," Gourinchas said in a separate meeting with reporters, adding the IMF was warning monetary authorities not to ease interest rates too soon.

Samsung Q3 profit set to slump 80%

REUTERS, Seoul

Samsung Electronics' third quarter profit is expected to drop 80 percent from a year earlier as the effects of an ongoing global chip glut drive losses in what is normally the South Korean tech giant's cash cow business.

The world's biggest maker of memory chips, smartphones and televisions will

announce its third-quarter preliminary earnings results on Wednesday.

Operating profit likely fell to 2.1 trillion won (\$1.56 billion) in the July-September quarter, according to a LSEG SmartEstimate from 19 analysts, weighted toward those who are more consistently accurate. It compares with an operating profit of 10.85 trillion won in the September quarter last year.

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জোলা পণ্ডর বিভাগ-২
বাপাউবো, চরফাশান, জোলা
ফোন নং- ৮৮-০৪৯২৩-৭৪৫৭২

Memo No. T-1/301
Dated: 10-10-2023

e-Tender Notice
(Tender No: 02/2023-24)

E-Tenders have been invited in the national e-GP system Portal (<http://www.eprocure.gov.bd>) for the Procurement of the following [work/goods]

Sl. No.	Tender ID	Package No. & Description	Location of the Work/Supply	Tender/Proposal Document Last selling Date & Time	Tender/Proposal Closing & Opening Date & Time
1.	883591	MBEP-03/2023-24 Rehabilitation of Embankment (Length=2000m) & Protection of adjacent River Bank (Length=2000m) within km 2.300 to km 4.3000 and Construction of Drainage Outlet (1 no) & Harbor Point (1 no) and Installation of Solar Light (37 nos) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
2.	885098	MBEP-04/2023-24 Rehabilitation of Embankment (Length=2400m) & Protection of adjacent River Bank (Length=2190m) within km 4.300 to km 6.700 and Construction of Drainage Outlet (1 no) & Installation of Solar Light (6 nos) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
3.	885099	MBEP-05/2023-24 Rehabilitation of Embankment from km 6.700 to km 12.500 = 5.800 km and Construction of Submersible Spur (23 nos) & Drainage Structure (1-Vent) and Installation of Solar Light (26 nos) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
4.	885100	MBEP-06/2023-24 Rehabilitation of Embankment from km 12.500 to km 17.300 = 4.800 km and Construction of Submersible Spur (24 nos) & Drainage Outlet (1 no) and Installation of Solar Light (21 nos) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
5.	885101	MBEP-07/2023-24 Rehabilitation of Embankment from km 17.300 to km 21.800 = 4.500 km and Construction of Submersible Spur (20 nos) & Drainage Structure (1-Vent & 2-Vent) & Harbor Point (1 no) and Installation of Solar Light (16 nos.) at Polder 58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
6.	885102	MBEP-09/2023-24 Rehabilitation of Embankment from km 29.400 to km 33.900 = 4.500 km and Construction of Submersible Spur (23 nos) & Drainage Structure (1-Vent & 2-Vent) & Harbor Point (1 no) and Installation of Solar Light (19 nos.) at Polder 58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
7.	885103	MBEP-11/2023-24 Rehabilitation of Embankment from km 36.500 to km 41.100 = 4.600 km and Construction of Submersible Spur (23 nos) & Installation of Solar Light (11 nos.) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
8.	885104	MBEP-12/2023-24 Rehabilitation of Embankment from km 41.100 to km 46.000 = 4.900 km and Construction of Submersible Spur (13 nos) & Drainage Structure (2-Vent) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
9.	885105	MBEP-13/2023-24 Rehabilitation of Embankment from km 46.000 to km 48.610 = 2.610 km and Construction of Submersible Spur (14 nos) & Drainage Structure (1-Vent) Harbor Point (1 no) & Drainage Outlet (1 no) and Installation of Solar Light (32 nos) at Polder no-58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours
10.	885106	MBEP-14/2023-24 Rehabilitation of Embankment (Length= 2590m) & Protection of adjacent River Bank (Length= 2000 m) within km 48.610 to km 50.700 and km 0.000 to km 0.500 and Construction of Drainage Structure (2-Vent) Drainage Outlet (1 no) and Installation of Solar Light (23 nos.) at Polder 58 in Monpura Upazila of Bhola District.	Monpura, Bhola	Date: 08-11-2023 Time: 17.00 hours	Closing: Date: 09-11-2023 Time: 12.00 hours Opening: Date: 09-11-2023 Time: 12.00 hours

This is an online tender where only e-Tenders will be accepted in the National e-GP portal and no offline/hard copies will be accepted. To submit e-tender, registration in the National e-GP system portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP system portal have to be deposited online through any registered bank's branches up to banking hours as stated on tender notice. Further information and guidelines are available in the National e-GP system portal and from e-GP help desk (helpdesk@eprocure.gov.bd) (01762625528-31). (<http://www.eprocure.gov.bd>)

পানি- ২৪৯/২০২৩-২০২৪
(২৭"X৩)

Hasan Mahmud
Executive Engineer

05-1570



A farmer takes his harvest of sugarcanes over the Belua river for sale at a market in his locality of Boithaka village in Pirojpur's Nazirpur upazila at around Tk 40 to Tk 50 apiece. Primarily cultivated for its juice from which sugar is processed, the perennial grass is planted in the October-December period and takes around a year to reach maturity. Around 3,087,428 tonnes were produced on 178,561 acres of land around the country in fiscal year 2021-22, according to data of the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: KM HABIBUR RAHMAN

Prepare now for challenges of post-LDC era

Suggests South Korean Ambassador Park Young-sik

STAR BUSINESS REPORT

The government of Bangladesh needs to increase the productivity of its manufacturing sector to make use of potential opportunities after graduating from a least developed country (LDC), according to Park Young-sik, the ambassador of South Korea to Bangladesh.

"Bangladesh is marching towards LDC graduation in 2026 and this journey offers great opportunities. However, overcoming challenges that may come with the transition requires a lot of hard work from the country's public and private sectors," he said.

For example, increased exposure to global competition without thorough preparations could bring down the existing domestic industries, Park added.

He made these comments at a seminar, styled "Korean Investors CSRs Activities and Investment Outlooks", at the InterContinental Dhaka yesterday.

The South Korean embassy in the capital's Gulshan organised the event in celebration of the 50th anniversary of establishing diplomatic relations between the two countries.

Park said Bangladesh needs to consolidate and diversify its export base. This is because at present, more than 85 percent of the country's exports are cotton-based garments while shipments of synthetic apparel items are less than 15 percent.

"But the global market is exactly opposite. Increasing exports of synthetic garments requires huge capital and advanced technology. Here, there is room for garment companies of both countries to cooperate," he added.

Park also said Bangladesh has immense potential for infrastructure development and he hopes that ongoing projects in the country will make significant contributions to this end.

"We aspire to become a vital partner in Bangladesh's infrastructure journey, as

we have done in the garment sector," he added.

Park pointed out that while South Korean brands like Samsung and Hyundai have started assembling their products in Bangladesh, they are struggling in face of high customs duties on raw materials and intermediate goods.

Overcoming challenges that may come with the transition requires a lot of hard work from the country's public and private sectors, the envoy said

Besides, the rampant smuggling of mobile phones and deluge of second-hand cars in the market are also impeding the commercial activities of these companies.

Lokman Hossain Miah, executive chairman of the Bangladesh Investment Development Authority (BIDA), said

South Korea is the 4th largest foreign investor in Bangladesh with a portfolio of \$1.45 billion.

"Our bilateral trade crossed \$3 billion in 2022, up 39 percent from previous year," he added.

South Korea is also increasing its development fund to Bangladesh, which now stands at \$3 billion.

"This is very positive for local infrastructure development," Lokman said while informing that more than 200 South Korean companies are operating in the country.

"Korean investment, technology and knowledge has supported many of our sectors, including garments, infrastructure, electronics and electrical engineering," he added.

Jashim Uddin Khan, director of BIDA, Sam Sik Kim, country director of the Korea Trade Investment Promotion Agency, and Shahamin Zaman, chief executive officer of the CSR Centre in Bangladesh, also spoke.

Germany to suffer deeper recession: IMF

AFP, Frankfurt, Germany

Germany will suffer a deeper recession than previously thought, the International Monetary Fund said Tuesday, predicting that Europe's traditional growth engine will be the worst performing major economy in 2023.

The German economy, buffeted by high inflation and a manufacturing slump, is now expected to shrink by 0.5 percent this year, the IMF said.

It had forecast a 0.3 percent contraction back in July.

Europe's largest economy will be the only one of the Group of Seven rich nations not to grow this year, the updated forecasts confirm.

Germany faces multiple headwinds including "weakness in interest-rate sensitive sectors and slower trading partner demand", the IMF said in its latest report.

The country -- which tipped into a recession at the start of 2023 and stagnated in the second quarter -- is headed for another "slight economic contraction" in the second half of the year, according to the IMF.

The Washington-based institute sees Germany rebounding in 2024, but downgraded its expectations to 0.9 percent growth from July's 1.3 percent.

Germany's troubles are set to act as a drag on eurozone growth, with the IMF slightly lowering its 2023 forecast for the 20-nation currency club to 0.7 percent growth.

Germany faces multiple headwinds including "weakness in interest-rate sensitive sectors and slower trading partner demand", the IMF said

There was better news for eurozone heavyweight France where a "catch-up in industrial production and external demand" led the IMF to predict 1.0 percent expansion for 2023, up from 0.8 percent previously.

But fellow G7 member Italy, grappling with inflation stubbornly above the eurozone average, saw its growth prediction slashed by 0.4 percentage points to 0.7 percent.

Elevated energy prices linked to Russia's war in Ukraine, higher borrowing costs as a result of the European Central Bank's interest rate hikes to cool inflation, and weaker demand from China are all taking a toll on export powerhouse Germany.

The end of cheap Russian gas imports has rattled Germany's energy-intensive sectors in particular, provoking much hand-wringing about a potential de-industrialisation as companies mull whether to move production abroad.

At the same time, the European Union's most populous nation is confronting structural problems such as an ageing society and a shortage of skilled workers.

The anxiety has prompted some media outlets to speculate about Germany's re-emergence as "the sick man of Europe", a label from the late 1990s when the country grappled with the costly fallout of reunification.

The German government will unveil its own autumn forecasts on Wednesday.

China funds look to Mideast cash as US investments wane

REUTERS, Hong Kong

Chinese funds are seeking new capital sources in the Middle East and other markets, managers say, in a shift that could reshape investment flows as diplomatic tensions and other risks drive many US investors out of the country.

Seven China equity funds, including hedge funds and mutual funds, running more than \$500 billion in combined assets, told Reuters they visited the Middle East this year to raise money, three of them for the first time.

Mideast investors are also keen to allocate more resources to China as they can benefit from lower valuations and the effects of government stimulus to support the recovery. The retreat by US investors and businesses out of China due to a host of risks has in turn prompted Chinese funds to look elsewhere to lessen their reliance on US investment.

The search for new capital could affect Asia's hedge fund scene, where China firms account for more than half the market. Brokers and ancillary firms could change their focus to provide for Middle East-related services.

"In the past perhaps the holy grail of capital raising was the US," said Effie Vasilopoulos, co-Leader of law firm Sidley Austin's Asia-Pacific investment funds group.

"But if the US investor leaves, there is a real focus on replacing that with other capital that is de-risked to this US-Sino tension. So that dynamic is leading many of our clients to the Middle East."

Managers of four of the seven

funds visiting the Middle East spoke on condition of anonymity, as they have not yet drawn new investment.

But the warm reception has managers sensing a deeper shift.

"Sentiment (towards China) is most positive among Middle East investors relative to other investor groups," said Steven Luk, CEO of FountainCap Research & Investment, one of the seven funds who visited the Middle East this year.



The Chinese national flag is seen in front of a financial district in Hong Kong, China.

PHOTO: REUTERS/FILE

Now IDB pulls out

FROM PAGE B1

to The Daily Star's phone calls for comment till filing of this report last night.

The newspaper could not get confirmation whether the IDB sold off its entire shares with Islami Bank.

State-run non-bank financial institution Investment Corporation of Bangladesh had sold its entire

shareholdings in the bank in June this year.

In July, three firms -- Armada Spinning Mills Limited, Kingsway Endeavors Limited and Uniglobe Business Resources Limited -- sold off their entire stake of over 14 crore shares.

A few days later, Saudi investor Arabsas Travel & Tourist Agency withdrew its directorship from the

board.

S Alam Group had taken over the lender, the country's oldest Shariah-based bank, in 2017.

In July this year the bank informed that Ahsanul Alam, nominated by JMC Builders, was appointed as shareholder director and chairman of the bank. Alam is son of S Alam Group's Chairman Mohammed Saiful Alam.

Long-term USD loan facility

FROM PAGE B1

The central bank unveiled the new fund as the financial sector support project (FSSP), a joint initiative of the World Bank and Bangladesh Bank, expired recently.

Under the FSSP project, the country's banks financed \$273.76 million to 56 companies in the industrial sector and \$115 million of the disbursed funds have already been recovered, said a senior official of the central bank.

He said that the BB started the refinancing fund with the recovered \$115 million.

A borrower can apply for BB-LTF for any amount not exceeding a maximum threshold limit of \$5 million through a single PFI and for any amount not exceeding a maximum threshold limit of \$10 million under syndicated financing through two or more PFIs.

The maturity of the loans will be three to 10 years, including the grace period. The grace period will not be more than one year.

An indicative pricing range of 180 day average SOFR plus 0.25 to 1.25 percent would be applicable to the PFIs.

Islami Bank is now facing a liquidity crisis after loan irregularities of the bank came to light following media reports last year.

The bank had approved Tk 7,246 crore in loans to nine companies that exist only on paper, as per the reports.

In December last year, Bangladesh Bank re-appointed an observer at Islami Bank.

25 banks keep

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Community Bank was registered as a scheduled bank in 2018 while Bengal Commercial and Citizens Bank were awarded their licences in 2020.

Meanwhile, it is mainly foreign banks operating in the country that maintained low NPL rates through good governance, the official added.

On the other hand, the NPL rate of Global Islami Bank, previously known as NRB Global Bank, is 2.31 percent as the shariah-compliant lender is facing a tight liquidity situation.

Among state-run banks, only Sonali Bank was able to reduce its bad loans by recently adopting a go-slow strategy for disbursing large loans.

The NPL rate for Sonali Bank stood at 14.93 percent as of June, down from 17.69 percent a year ago.

NPLs in the banking sector hit a record of Tk 156,039 crore as of June this year, central bank data shows.

Loans amounting to Tk 24,419 crore turned sour in just the April-June period of the current year.

During those three months, BRAC Bank, Pubali Bank, Prime Bank, City Bank and Sonali Bank were among the few lenders able to reduce their bad loans while it increased for the majority.

The NPL rate of BRAC Bank stood at 3.52 percent in June, down from 3.83 percent a year ago.

"Our recovery team is very strong. That is why we are able to maintain our NPL rate below 5 percent," said Selim RF Hussain, managing director of BRAC Bank.

He said BRAC is an SME-focused bank and the repayment behaviour of small-and-medium borrowers is better than that of large ones.

"Good governance is the main factor in the banking sector," said Faruq Mainuddin, former managing director of Trust Bank.

But while some are seeing low NPL rates thanks to good governance, others are enjoying the same by sweeping their actual figures under the carpet.

"A majority of lenders, including

state-run banks, are facing several challenges due to a lack of good governance," he added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that a good board of directors and management team are needed to become a sound bank.

"A good board of directors is vital as they can bring on a good and skilled management team," said Mansur, also the former chairman of BRAC Bank.

He said that in most cases, NPL rates are high at banks where the board of directors interfere with management activities.

"It is possible to bring down the NPL rate if the functions of the board of directors and management team are set properly," Mansur added, citing BRAC, Pubali and EBL as examples in this regard.

Against this backdrop, he suggested the central bank be more thorough when investigating the background of those looking to set up a bank in the country.

It should be mentioned that the NPL rate of 36 banks was below 5 percent as of June last year, indicating a growing number of default loans in the banking sector.

Tk 7,000cr scheme for farm sector

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The agriculture ministry looks to promote the accreditation of seed certification and food safety testing processes while also modernising institutions and policies under the programme, the summary said.

Apart from the World Bank, which is providing \$500 million credit for the programme, the International Fund for Agricultural Development will give \$43 million. The rest will come from the government coffers.

The scheme will be implemented in over 4,500 unions of around 495 upazilas in Bangladesh, it added.

Le Méridien owner gets nod for IPO of Tk 350cr

STAR BUSINESS REPORT

Best Holdings Limited, the owning company of Le Méridien Dhaka, Best Hotels Limited, and Dhamshur Economic Zone, has got the approval to raise Tk 350 crore by issuing ordinary shares through an initial public offering (IPO).

The Bangladesh Securities and Exchange Commission (BSEC) gave the approval in a commission meeting held at its office in the capital yesterday.

With the IPO proceeds, the company will construct a building and implement other civil works, locally purchase machinery and equipment and repay existing liabilities, the BSEC said in a press release.

The BSEC imposed a precondition that the company will not be allowed to announce and disburse any dividend before the listing.

Shanta Equity Ltd and ICB Capital Management is the issue manager.

According to the company's financial reports for the year ending on June 30 of 2023, the net asset value of each share was Tk 56.34 and earnings per share was Tk 1.24. Its five-year weighted average earnings per share was Tk 0.95.

Indian inflation seen easing

REUTERS, Bengaluru

Indian retail inflation likely eased to 5.50 percent last month, within the Reserve Bank of India's (RBI) tolerance band, on moderating food price rises and government subsidies that offset a surge in the cost of crude oil, a Reuters poll found.

The RBI kept monetary policy unchanged on October 6 for a fourth consecutive meeting and signalled interest rates would remain high until inflation was closer to 4 percent, the midpoint of the central bank's 2-6 percent target range.

Rises in food prices, which make up about half the consumer price index (CPI), continue to cool from recent peaks after the Indian government enacted a series of measures to boost supply.

Inflation, as measured by the annual change in the CPI, was forecast to have fallen to 5.50 percent in September from 6.83 percent in August, according to an October 3-9 Reuters poll of 66 economists.



Earnings from spice exports rise 25%

MD ASADUZ ZAMAN

Bangladesh's earnings from spice exports increased 25 percent year-on-year in the first three months of fiscal 2023-24 due to demand from expatriates of Bangladesh and other Asian countries.

Bangladesh earned \$12.5 million in the July-September period of the current fiscal year from spice exports, according to Export Promotion Bureau (EPB) data.

Although export earnings have been increasing for the past three years, they still have not hit the heights of the same period in the fiscal year 2020-21. At that time, spice exports brought in \$12.14 million, an increase of 41 percent from the previous fiscal year, as per EPB data.

Despite huge potential in the global market and over one crore Bangladeshi expatriates living around the world, the country has so far failed to increase its number of export destinations, according to market players.

Manufacturers said another major factor is the lack of facilities that provide sterilisation of spices through irradiation.

There are three types of spices – whole, powdered and mixture – currently being exported from Bangladesh.

The spices most in demand are turmeric (organic base), red dried chilli, sesame (black, white brown and red), coriander seed, black



cumin seed, cumin seed (sweet), fenugreek seed and fenugreek leaf.

Major export destinations include Saudi Arabia, Bahrain, Kuwait, Iraq, Oman, Qatar and the United Arab Emirates. The United States, Canada and the European Union also have big markets.

"Bangladeshi spices have huge potential on the global market. But Bangladesh is still unable to meet export demands due to a lack of government support," said Md Parvez Saiful Islam, chief operating officer at Square Food and Beverage Ltd.

"We face challenges in doing the irradiation process to ensure global standards. There is a lack of capacity at the Bangladesh Atomic Energy Commission,

hindering the growth potential," he added.

The government should increase irradiation facilities to capitalise on this growing opportunity, he said.

Square Food and Beverage Ltd exports spice products to more than 30 countries regularly.

Kamruzzaman Kamal, director of marketing at Pran-RFL Group, said the market is rising as global demand rebounds in the post-pandemic period.

"Basically, non-residential Asians currently living in the Gulf and western countries are the major consumers of Bangladeshi spices," Kamal said.

"A huge number of non-residential Asians have returned to work in the post-pandemic

era. As a result, consumption has increased," he said.

The Pran Group accounts for almost 70 percent of the nation's total spice exports. Other exporters include BD Foods Ltd, Alin Food Products Ltd and ACI Foods Ltd.

Speaking to The Daily Star, Mohammad Jahangir Alam, a professor at the department of agribusiness and marketing at Bangladesh Agricultural University, said the country should at first think about import substitutes for major spice products.

"Every year, Bangladesh has to spend a huge amount to import spices from abroad. We can focus on import substitutes by raising production by setting targets," he said.

According to Bangladesh Bank data, the country spent \$417.30 million on spice imports in fiscal year 2022-23. In the same period, Bangladesh exported spices worth \$42.38 million.

"Sometimes, the prices of onion and chillies become unstable in the domestic kitchen markets."

As a result, the government has to allow imports in order to drive prices down.

"We cannot think about the production of all spices since we have a scarcity of land," he added. "However, we should focus on the export of selective spice products as we have demand from over one crore non-residential Bangladeshis around the world."

Malek Spinning's subsidiary to invest Tk 157cr

STAR BUSINESS REPORT

Malek Spinning Mills Ltd has approved an investment of around Tk 157 crore by its subsidiary, JM Fabrics Limited (JMFL), to set up facilities, including one for yarn texturing and covering.

Texturing is a process in which loops, crimps or coils are introduced into yarn to change its physical appearance. Covering essentially refers to a core yarn wrapped with another yarn or filament.

The funds will be generated from the JM's internal sources and bank loans, the Malek said in a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The Malek, a listed company which owns 99.99 percent of shares of the JM, will not need to provide any funds, it added.

Once the facilities are established, the JM's manufacturing capacity will increase from 5.29 crore rolls to 5.49 crore rolls per annum, according to the disclosure.

This higher production capacity will increase the sales and profitability of the company and there will be higher value addition due to improvement of product quality which will enable the company to sell its products at higher prices, it read.

The Malek's board of directors has also given the JM the authority to use its 52,000 square feet of an unutilised warehouse for scrap on its factory premises in Gazipur at Tk 15 per square feet per month, it said.

The rent is negotiable from time to time, it added.

The boards of directors of both companies have guaranteed abiding by the regular terms and conditions of the trade and declared that no conflict of interest will arise, the disclosure added.

Stocks of the Malek remained the same at Tk 27.10 at the DSE yesterday. Its paid-up capital is Tk 193 crore.

The company has a reserve of Tk 603 crore, according to the DSE data.

Opec sees oil demand growth continuing until 2045

AFP, Paris

Despite mounting efforts to limit climate change, the Opec oil cartel said Monday it expects demand for crude to continue to grow for the next two decades.

In its 2023 annual report, the Organization of the Petroleum Exporting Countries forecasts demand for crude to reach 116 million barrels per day (mbd) by 2045 under its main scenario, a 16.5 percent increase from the 99.4 mbd in 2022.

That is an increase of 6 mbd from its estimate last year.

Oil demand has "the potential to be even higher", said Opec chief Haitham Al-Ghais.

"What is clear is that the world will continue to need more energy in the decades to come," he emphasised in the forward to the report – which comes just eight weeks before the next UN climate conference, COP28, in Dubai.

At the conference dozens of countries will try to impose the adoption of the objective of an end to the use of fossil fuels like oil, natural gas and coal.

According to Opec, whose 13 member states include Saudi Arabia, the Gulf states and Venezuela, oil demand will be driven by emerging and developing nations, with India in pole position. Meanwhile, it sees oil demand in the OECD club of advanced economies declining from 2025.

In order to meet this demand Opec says additional investment in fossil fuel production will be needed, putting the figure at \$14 trillion by 2045, or roughly \$610 billion per year.

IMF raises India's GDP growth forecast

REUTERS, Mumbai

India's economic growth forecast for the current fiscal year has been raised to 6.3 percent from 6.1 percent earlier, the International Monetary Fund said in its October 2023 World Economic Outlook (WEO) report that was released on Tuesday.

The global lender expects retail inflation in the South Asian nation to rise to 5.5 percent in 2023/24 before easing to 4.6 percent in 2024/25.

"Growth in India is projected to remain strong, at 6.3 percent in both 2023 and 2024, with an upward revision of 0.2 percentage points for 2023, reflecting stronger-than-expected consumption during April-June," the IMF said.

The Reserve Bank of India has projected consumer price index (CPI) based inflation for the current fiscal year at 5.4 percent while GDP growth is seen at 6.5 percent.

Monetary policy projections are consistent with achieving the Indian central bank's inflation target over the medium term, the IMF said.

The country's current account deficit is expected to remain at 1.8 percent of GDP in FY24 and FY25, the IMF added.

IMF cut its growth forecasts for China and the euro area and said overall global growth remained low and uneven despite what it called the "remarkable strength" of the US economy.

The IMF left its forecast for global real GDP growth in 2023 unchanged at 3.0 percent in its latest WEO, but cut its 2024 forecast by 0.1 percentage point to 2.9 percent from its July forecast.

Global economy 'limping along'

IMF says, cuts growth forecast for China, euro area

REUTERS

The International Monetary Fund on Tuesday cut its growth forecasts for China and the euro area and said overall global growth remained low and uneven despite what it called the "remarkable strength" of the US economy.

The IMF left its forecast for global real GDP growth in 2023 unchanged at 3.0 percent in its latest World Economic Outlook (WEO), but cut its 2024 forecast by 0.1 percentage point to 2.9 percent from its July forecast. World output grew 3.5 percent in 2022.

IMF chief economist Pierre-Olivier Gourinchas told reporters the global economy continued to recover from the Covid-19 pandemic, Russia's invasion of Ukraine and last year's energy crisis, but growth trends were increasingly divergent across the globe, and prospects for medium-term growth were "mediocre."

Gourinchas said the forecasts generally pointed to a soft landing, but the IMF remained concerned about risks related to the real estate crisis in China, volatile commodity prices, geopolitical fragmentation, and a resurgence in inflation.

A fresh unexpected risk emerged in the form of the Israel-Palestinian conflict just as finance officials from 190 countries gathered in Marrakech for the annual meetings of the International Monetary Fund and

World Bank, but came after the IMF's quarterly outlook update was locked down on September 26.

Gourinchas told Reuters it was too early to say how the major escalation in the long-running conflict would affect

the global economy: "Depending how the situation might unfold, there are many very different scenarios that we have not even yet started to explore, so we can't make any assessment at this point yet."

Stronger growth is being throttled by the lingering impact of the pandemic, Russia's war in Ukraine and increasing fragmentation, along with rising interest rates, extreme weather events and shrinking fiscal support, the IMF said. Total global output in 2023 is slated to be 3.4 percent, or roughly \$3.6 trillion, below pre-pandemic projections.

"The global economy is showing resilience. It's not knocked out by the big shocks it's experienced in the last two or three years, but it's not doing too great either," Gourinchas told Reuters in an interview. "We see a global economy that is limping along and it's not quite sprinting yet."

The medium-term outlook is no better. The IMF is projecting growth of 3.1 percent in 2028, well below the 4.9 percent five-year forecast it had on the eve of the global financial crisis in 2008-2009.

"You have uncertainty. You



Robotic arms assemble cars in the production line for Leapmotor's electric vehicles at a factory in Jinhua, the Zhejiang province of China.

PHOTO: REUTERS/FILE

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