DHAKA TUESDAY NOVEMBER 21, 2023, AGRAHAYAN 6, 1430 BS • starbusiness@thedailystar.net

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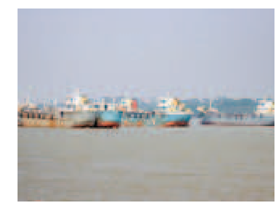
Chinese embassy urged the government to send a formal loan application for securing funds for the expansion and modernisation of Mongla port.



Story on B4

Bonik Barta honours two economists

STAR BUSINESS REPORT

Bangla daily the Bonik Barta yesterday awarded the "Gunijon Sambordhana" for 2023 to two eminent personalities in recognition of their extraordinary contribution to the country.

The awardees of this prestigious award are Mashiur Rahman, the immediate past economic affairs adviser to the prime minister, and AB Mirza Azizul Islam, former finance and planning adviser to a caretaker government.

The award ceremony took place at the Pan Pacific Sonargaon Dhaka, where various dignitaries, ministers, economists, executives of various corporate sectors, and academicians participated.

The Bonik Barta and the Bangladesh Institute of Development Studies (BIDS) have been jointly awarding such distinguished personalities for their outstanding contributions to the nation.

Dewan Hanif Mahmud, editor of the Bonik Barta, said this is the sixth edition of the programme.

Last year, Dr Rounaq Jahan and the late Dr Akbar Ali Khan were honoured, according to a statement.

"Serving the country with my knowledge is my first priority," Mirza Azizul Islam said in his speech. He is currently teaching at BRAC University.

"Islam was cooperative as a former adviser to the caretaker government," said Tapan Chowdhury, also a former adviser to the caretaker government.

Mashiur Rahman said he is fortunate that he had the opportunity to work with the then Prime Minister Bangabandhu Sheikh Mujibur Rahman after the independence of Bangladesh.

In a video message, Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD), said Rahman has made big contributions in the energy sector and establishing a warm relationship between Bangladesh and India.

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Tk 111 a dollar for import remains only on paper

SOHEL PARVEZ *and* JAGARAN CHAKMA

Earlier this month, the edible oil refiners' association wrote to the Bangladesh Trade and Tariff Commission seeking to increase prices of cooking oil.

The trade body's reasoning was that its members had been making payments for imports by purchasing each US dollar at rates between Tk 112 and Tk 124.

It said the price of edible oil had been fixed by factoring in the price of each dollar at Tk 111.

As they had been counting higher costs for a greenback, they sought to hike prices.

The request came three days after the sugar refiners' association said the increased cost of dollars had created numerous complexities in opening letters of credit (LCs) for import.

At present, its members have to pay for imports by purchasing each dollar at around Tk 120-123.

It is far higher than the uniform rate that bankers have been fixing for the past several months in an effort to curb volatility in the forex market.

Edible oil and sugar refiners are no exception. Elsewhere, it is the same ordeal.

Barring export-oriented factories, businesses that require imports are facing difficulties in opening LCs due to the banks' apparent unwillingness to facilitate imports given the continued dollar shortage in the forex market.

And even if someone is willing to pay higher rates for the greenback -- which has been becoming dearer for more than one and a half years -- there are no guarantees that they will get the required amount.

Neither is there a guarantee of equal treatment from bankers.

Bankers and officials of companies said large, influential clients had been getting preferential treatment in opening LCs and settling bills.

Officially, as per the Bangladesh Foreign Exchange Dealers' Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB), banks have to follow a uniform rate for buying and selling the greenback.

As such, they are supposed to sell a dollar at Tk 111 for imports.

In practice, things are different.

Importers are paying higher than the stipulated rate, albeit under different arrangements.

As Riad Mahmud, managing director of National Polymer Group, said: "At a rate of Tk 111 per dollar, we issued a cheque of Tk 11.10 crore against an LC of $1 million that we opened at a private bank to import raw materials. At the same time, we had to give another cheque of Tk 60 lakh to the bank."

"The bank quoted the price of a dollar at Tk 111. It then took Tk 60 lakh through another cheque. So, practically for us, the dollar price for the LC opening increases to Tk 117," he said.

"This has been happening for the past four-five months. If we do not accept their proposal, the bank does not process our LC. It is traceable by the central bank as there is a document," he said.

Mohammed Amirul Haque, managing director of Premier Cement, shared the same experience.

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Be more competitive to attract higher investment: experts

STAR BUSINESS REPORT

Bangladesh needs to ramp up its efforts in elevating competitiveness in attracting foreign direct investment and private investment, experts said yesterday.

From labour cost advantage, Bangladesh needs to gradually expand into competitiveness-based advantages, said M Masrur Reaz, chairman of the Policy Exchange of Bangladesh.

Competitiveness will be the catalyst for realising the country's economic vision and investment climate is one of its key components, he said.

Reaz emphasised innovation, entrepreneurship and tech accessibility for fostering competitiveness and increasing productivity.

By facilitating access to financial products and opening doors to lucrative markets, domestic firms will thrive in competitive environments, he said.

He stressed on the need for a conducive policy and regulatory framework, strategic infrastructure development and sector-specific regulations to propel the growth.

"Bangladesh has an opportunity which is also emerging from geopolitics and economy for supply chain expansion beyond the concentration area," said Reaz.

Bangladesh trails behind its competitors such as Thailand and Indonesia, he added.

He was speaking at a plenary session, "Bangladesh Investment Climate: Current Landscape and Mission 2041", at the concluding day of a two-day "Investment Expo 2023" at Radisson Blu Dhaka Water Garden.

The Foreign Investors' Chamber of Commerce & Industry (Ficci) organised the event to celebrate 60 years of its founding anniversary.

Trade, investment and connectivity enhancements will be critical drivers of the Vision 2041 aspirations of the country, said Reaz.

According to him, Bangladesh will very soon turn into a sought-after destination for market-seeking investors.

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STOCKS

DSEX ▼	CASPI ▼
0.23%	0.13%
6,226.56	18,479.31

COMMODITIES

Gold ▲	Oil ▲
$1,978.19	$76.70
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.23%	▼ 0.59%	▼ 0.42%	▲ 0.46%
65,638.28	33,388.03	3,111.58	3,068.32

Flower shops are seen at Agargaon in the capital yesterday. About 30 percent of the flowers grown each year are wasted due to a lack of post-harvest technologies, such as temperature-controlled freezers.

PHOTO: PRABIR DAS

Flower exports inadequate for lack of variety: experts

STAR BUSINESS REPORT

Bangladesh is yet to achieve its potential in flower exports as the country is unable to produce sufficient breeds in absence of adequate research and development, according to industry people.

"We need to develop better varieties using advanced technologies to boost flower exports," said Zahir Uddin Md Babar, organising secretary of the Bangladesh Flower Society (BFS).

Babar was speaking at a workshop, styled "Global Flower Market Quality Standards and Challenges for Bangladeshi Florists", at the Bangladesh Agricultural Research Council in Dhaka yesterday.

Organised by the BFS, the event brought together various stakeholders of the local flower industry to discuss the prospects and challenges of exporting floricultural crops.

Babar informed that about 30 percent of the country's flower production is damaged each year due to the lack of post-harvest technology, such as trucks equipped with temperature-controlled freezers.

The flower market in Bangladesh is currently valued at about Tk 1,500 crore, much of which is met through cloning mother plants imported from countries such as India.

So, the Bangladesh Agricultural Research Institute (BARI) could play a vital role in addressing this issue by developing local varieties of foreign plants through field experimentation and analysis.

READ FULL STORY ONLINE

Chinese yarn maker to invest $28.2m in Uttara EPZ

STAR BUSINESS REPORT

Chinese firm United Spinning & Dyeing Ltd is going to invest $28.2 million to set up a dyed textile yarn manufacturing factory at Uttara Export Processing Zone in Nilphamari, around 350 kilometres north of capital Dhaka.

The company signed an agreement in this regard with Bangladesh Export Processing Zones Authority (Bepza) at Bepza Complex in Dhaka yesterday.

Ali Reza Mazid, member (investment promotion) of Bepza, and Yu Min, the company's managing director, inked the deal in the presence of Ma Gen Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza.

The company will produce 12,000 tonnes of dyed textile yarn annually and generate employment opportunities for at least 1,816 Bangladeshis, says a press release.