



A shopkeeper attaches strings to a badminton racket at a shop in the Dakbangla Market for sports equipment in Khulna city, charging Tk 100 for the service. Youths mostly take to the sport in winter, setting up courts with nets and lights in lesser used alleyways after dark. The photo was taken last week. PHOTO: HABIBUR RAHMAN

National Housing gets BSEC nod for Tk 374cr bond

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday gave the go ahead to the National Housing Finance and Investment Ltd (NHFIL) to raise Tk 374 crore by issuing bonds to provide loans for homes, the regulator said.

The zero-coupon bond, which investors can buy at a deep discount on face value, cannot be converted into shares but can be redeemed or paid off by the issuer prior to the bonds' maturity.

The discount rate of the bond is 9 percent and it will be issued to institutional investors and wealthy persons, the BSEC said in a press release after approving the bond at its meeting.

The face value of the bond is Tk 100,000. IDLC Investment Limited is the trustee of the bond while BRAC EPL Investment Ltd is acting as the arranger.

The bond will be listed on the Alternative Trading Board of the Dhaka Stock Exchange, said the BSEC.

The commission also removed the bar on Asiatic Laboratories Ltd, which sought to raise Tk 95 crore capital from general investors through an initial public offering.

BB updates audit firms' list

STAR BUSINESS REPORT

Bangladesh Bank (BB) has recently updated its list of accountancy firms eligible for auditing banks and non-bank financial institutions.

Previously there were 46 firms in the list as per a central bank circular of August.

In a new list published on November 23, the BB removed 20 firms and added another five, taking the total to 31.

The financial reports of banking and finance companies have to be audited by firms approved by the BB and in accordance with the bank company act and finance company act.

Deals signed for \$1b ADB loans for five projects

The loans will be used for energy efficiency, vaccine production, clean water, computer education and Dhaka-Northwest road corridor

STAR BUSINESS REPORT

The Asian Development Bank (ADB) yesterday signed multiple agreements with Bangladesh to provide the country with \$1.026 billion in loans for five different projects.

The projects are taken for energy efficiency, vaccine production, clean water and sanitation in Chattogram Hill Tracts, improving computer and software engineering education in three universities and upgrade Dhaka-Northwest international road corridor.

Of the amount, \$336.5 million will be given to help Bangladesh establish domestic vaccine, therapeutics and diagnostics manufacturing capacity and strengthen the national regulator to ensure vaccine supply security in the country under the Vaccines, Therapeutics, and Diagnostics Manufacturing and Regulatory Strengthening Project.

Another \$300 million will come from the Manila-

based global lender for the upgradation of the Dhaka-Northwest international trade corridor in Bangladesh.

The assistance forms the third tranche of \$1.2 billion multitranchise ADB loans for the Second South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project.

The Smart Metering Energy Efficiency Improvement Project taken as part of the government's efforts to reduce losses by installing 650,000 smart prepaid gas meters for residential customers, primarily in South Dhaka and Narayanganj will get \$200 million ADB loan.

A \$100 million loan will be handed over to the Improving Computer and Software Engineering Tertiary Education Project to improve computer science, software engineering, and information technology programmes in three universities of Bangladesh.

The universities are Dhaka University, Bangladesh University of Engineering and Technology and Jashore University of Science and Technology.

The ADB has set aside \$90 million loan for the Chattogram Hill Tracts Inclusive and Resilient Urban Water Supply and Sanitation Project to develop infrastructure and systems to provide clean drinking water and sanitation services in Bandarban, Lama and Rangamati.

The project will develop water treatment plants with a capacity of 44 million litres a day in Bandarban, Lama and Rangamati towns as well as 24 kilometres of transmission line and 340 kilometres of new water distribution network to connect the households.

In Bandarban and Lama, the project will also modernise sanitation and solid waste management systems.

Md Shahriar Kader Siddiky, secretary of the Economic Relations Division (ERD), and Edimon Ginting, ADB's country director for Bangladesh, signed five separate agreements for the projects, at the ERD office in Dhaka yesterday.

STOCKS	
DSEX ▼	CASPI ▼
0.10%	0.09%
6,202.81	18,405.74

COMMODITIES	
Gold ▲	Oil ▲
\$2,015.39	\$75.87
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.31%	▼ 0.12%	▼ 0.66%	▲ 0.23%
66,174.20	33,408.39	3,065.94	3,038.55

Soft China and India may undermine gold's rally hopes

REUTERS, *Launceston*

The spot price of gold has climbed to a six-month high, buoyed by hopes that monetary tightening in western countries is largely done and dusted.

While signs that the US Federal Reserve and other western central banks have finished increasing interest rates are a definite positive for the precious metal, they're not the only factor.

China and India make up more than 50 percent of the physical gold market, giving the two Asian heavyweights a major influence on the likely price trajectory.

In local currency terms gold is close to record highs in both China and India, and there are signs that this may be starting to impact on retail demand in both countries.

Spot gold reached a six-month high of \$2,017.82 an ounce on Monday and is up 11.5 percent since the recent low of \$1,809.50 on Oct. 6.

In Indian rupees, gold reached 168,145 rupees an ounce on Monday, close to its all-time high of 169,401 rupees from May 4. It has gained 11.8 percent since the recent low on Oct. 6 of 150,401 rupees.

While India's gold demand has been solid so far in 2023, matching strength in the domestic economy, it appears that some momentum may be coming out of the market.

The discounts offered by dealers off official domestic prices, inclusive of 15 percent import and 3 percent sales levies, doubled to \$6 an ounce last week amid reports of lacklustre demand for the upcoming wedding season.

It's a similar story in China, with the premium over spot prices declining to \$20 to \$40 an ounce last week from the \$43 to \$58 previously.

Another proxy for China's demand is its imports from Hong Kong, which fell for a second consecutive month in October.

China's net imports from Hong Kong slid 23 percent to 26,793 metric tons in October, compared with 34,757 tons in September, data from the Hong Kong Census and Statistics Department showed.

Higher prices and lingering economic uncertainty in the world's largest gold consumer are the most likely reasons for the muted import demand.

Spot gold in China's currency reached 14,433 yuan an ounce on Monday, closing in on the record high of 14,701 yuan from Oct. 27. The price is now 15.7 percent higher than the 2023 low of 12,479 yuan, hit in mid-February.

The high price of gold for consumers in China may further crimp demand in the fourth quarter, after the World Gold Council reported a decline in third.

China's jewellery demand was 153.7 metric tons in the third quarter, down 6 percent from the 163.2 in the same quarter last year, the council said in its latest Gold Demand Trends report.

The council's view is that this was actually quite a strong performance, pointing to the fact that in yuan terms, the third quarter was a record high.

However, whether China's consumers are prepared to continue buying gold in the face of high prices is the major question, and the lower imports from Hong Kong and the declining premiums suggest an increasing reluctance.

The same is true for India, which also saw reasonable jewellery demand in the third quarter, with the council reporting a 7 percent increase to 155.7 metric tons from 146.2 in the same period in 2022.

FDI needed

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established the factories and managed the workers, but the second generation is not interested in managing the workers' issues because of the complexities," he said.

The second generation, most of whom have come back after studying at western universities, are more interested in other management rather than worker management. At the same time, innovation is not being observed in the sector, he said.

"The only way is the corporatisation," Moazzem said.

He added that productivity in the garment sector had increased over the years because of automation in different segments of the production system. However, due to weakness in negotiations with international clothing retailers and brands, they are not getting proper prices.

Moazzem also said local garment factories were getting a lot of work orders as Chinese manufacturers are discontinuing low-cost basic garment items and, in many cases, the Chinese government imposes duty on export of garment items mainly to discourage the production of basic garment items.

He also said that when the workers' wages were fixed, factors other than inflation were not widely considered.

Around 10 other factors needed to be considered such as workers' living cost, standard of living, productivity, price of products, cost of production and business capability. Other factors such as socio economic conditions, risk involved with work, locality concerned and other relevant factors were also not properly considered in the wage-fixing process, he said.

Prices

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for Development.

One is a fall in demand in the countries that imported the goods and the other is for currency devaluations in exporting countries like Bangladesh and Pakistan, he said.

The local garment suppliers were able to ship the goods at lower rates because of the currency devaluations, he said.

Three firms spending Tk 1,000cr

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The BSCPLC supplies 1,500Gbps through the SEA-ME-WE 5, the connection for which was established in 2017.

The company is set to receive 13,200Gbps from a third undersea cable, SEA-ME-WE 6, by 2025.

Also, the BSCPLC is going to spend \$3.2 million to raise the capacity of its first undersea cable by nearly six times to 4,600Gbps.

The project cost for SEA-ME-WE 6, the BSCPLC's third cable, was set at Tk 1,055 crore.

According to Rahman, the private cable will offer lower latency than that of the BSCPLC's as it will cover a considerably shorter distance.

Mirza Kamal Ahmed, managing director of the BSCPLC, said the third cable will not only connect Singapore but many other countries such as Saudi Arabia, Egypt, France and India. "That is why it is costlier than the private one," he added.

In a development that broke the state monopoly in the wholesale bandwidth business, private firms obtained licences to establish, maintain and operate submarine cables in September last year amid a surge in internet use.

Before the Covid-19 pandemic, the BSCPLC dominated the bandwidth supply with its undersea cables. But the pandemic has pushed up internet

usage several-fold, leading the ITC operators to bring more bandwidth from India.

Bangladesh first introduced ITC licences in 2011 to ensure bandwidth availability and redundancy, and to reduce the risk of internet blackouts due to maintenance of undersea cables or natural disasters.

Aminul Hakim, former president of the Internet Service Providers' Association of Bangladesh, said bandwidth supply through submarine cables was more suitable from a national interest perspective.

Investment in submarine cables is a one-time expense whereas ITC companies have to pay foreign currency for bandwidth every month.

"So, after the establishment of new government and private submarine cables, there is no logic to continue ITC licences," said Hakim, a director of Metacore Subcom.

According to industry people, the annual cost of ITC payments will surpass \$30 million this year.

However, Abu Saeed Khan, a telecom expert, pointed to some red flags.

"Campana is not a financially viable company and it has yet to produce any success in its cable ventures. There is also an underlying political reason. Although it is based in Singapore, it is owned by

Myanmar nationals. That worries me," he said.

"The three companies are riding on the same cable and they are putting all their eggs in one basket. That's not a very sensible solution. If anything untoward happens, all three parties will be down simultaneously, making it a high-risk venture," added Khan, a senior policy fellow at LIRNEasia.

Officials said they initially planned to opt for separate cables, but backtracked amid the US dollar shortage.

"Given the current dollar price, it will not be feasible," said Hakim. "Moreover, even if we opted for separate cables, we would have to follow the same route. Therefore, collaborating on a single cable or multiple cables would entail similar risks."

If all of the country's classrooms get connected to high-speed internet, the speed of digital growth continues, and 5G is rolled out, the broad projection is bandwidth consumption could rise to 34,000Gbps by 2025, according to estimates by Bangladesh Telecommunication Regulatory Commission (BTRC).

Mustafa Jabbar, telecom minister, recently said the use of internet bandwidth will shoot up by 600 percent in seven years to 30,000Gbps as people are ramping up internet use.

BBS, BMET data shows

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Additionally, a floating population of 22,185 was reported, with 77 percent residing in urban areas.

The BBS report also indicates increased rates of religious and technical education compared to the previous census.

General education stands at 89.26 percent, religious education at 7.19 percent, and technical education at 0.81 percent, contrasting with the previous census's 93.71 percent, 5.58 percent, and 0.71 percent, respectively.

Meanwhile, the percentage of the Muslim population has increased, but the percentage of other religions has decreased.

The current percentages are: Muslim 91.08, Hindu 7.96, Buddhist 0.61, Christian 0.3, and others 0.06. In the previous census, these were 90.39, 8.54, 0.62, 0.31, and 0.14 percent respectively.

Dipankar noted that although the percentage of the minority population has decreased, the total number increased in this census.

According to the census report,

the Muslim population has grown to more than 15 crore from 13 crore previously while the Hindu population has reached 1.31 crore from 1.23 crore.

Similarly, the Christian population had increased to 4.89 lakh from 4.48 lakh previously, the Buddhist population to 10.2 lakh from 8.9 lakh, and others to 1.1 lakh from 2.2 lakh.

PRI Executive Director Mansur said multi-dimensional data was uncovered by this census and urged the government to incorporate it while enacting policies.