



A general view of Suzhou River in the background of the financial district of Lujiazui in Shanghai. Despite facing pressures and challenges from real estate sector woes and faltering external demand, China has sufficient policy tools and space to tackle issues, experts said.

PHOTO: AFP

China may take more pro-growth policies in 2024

ANN/CHINA DAILY

China is set to take a more pro-growth stance next year by implementing more aggressive fiscal policies and optimized property measures should economic recovery face headwinds, experts said on Friday.

Despite facing pressures and challenges from real estate sector woes and faltering external demand, they said China has sufficient policy tools and space to tackle issues, as policymakers are expected to make more concerted efforts to stimulate the world's second-largest economy.

Their comments came as the National Bureau of Statistics said on Friday that China's industrial output expanded at the fastest pace since February, though growth in retail sales missed expectations.

The NBS said China's value-added industrial output grew 6.6 percent year-on-year in November after a 4.6 percent rise in October. Retail sales grew 10.1 percent year-on-year in November following a 7.6 percent growth in October.

In the January-November period, growth in fixed-asset investment came in at 2.9 percent compared with a year earlier, the same performance as the January-October period.

Liu Aihua, a spokeswoman for the NBS, said continued improvement in some key economic indicators, including industrial production and consumption, points to signs of a rebound and suggests the country is set to meet its major economic goals for this year.

The country's ongoing efforts to promote industrial upgrading and deepen reforms and opening-up also help support its future development, says an expert

"Despite facing challenges from a complicated and grim external environment, lack of effective demand, overcapacity in some industries, weak expectations and other risks, the favorable conditions for China's economic development outweigh the headwinds," Liu said at a Friday news conference in Beijing.

She said China has a huge domestic market, a complete industrial system, advanced technologies, abundant human resources as well as plenty of policy space, and the country's ongoing efforts to promote industrial upgrading and deepen reforms and opening-up also help support its future development.

The Asian Development Bank has recently raised its 2023 annual GDP growth forecast for China to 5.2 percent, from 4.9 percent in September, above the country's present annual GDP growth target of around 5 percent.

Weak demand for exports and the real estate crisis continued to weigh on growth, the ADB said in a report on Wednesday.

To offset softer external demand and a prolonged property downturn, policy support is expected to continue, it added.

Citing the latest economic data, Zhou Maohua, a researcher at China Everbright Bank, said the recovery in consumption is slower than supply, and private investment continues to drag down the economy, pointing to the lack of effective demand.

The NBS said property investment fell 9.4 percent in the first 11 months compared with a year earlier, while in the first 10 months, it declined by 9.3 percent.

Oil prices take a small loss

REUTERS, Houston

Brent and US crude futures finished at a small loss following a see-saw session, in which prices fell more than \$1 a barrel at one point on Friday, as traders tried to reconcile mixed signals for oil demand in the coming year.

Brent futures settled down 6 cents, or 0.08 percent, at \$76.55 a barrel. US West Texas Intermediate (WTI) crude finished down 15 cents, or 0.21 percent, at \$71.43.

The market tumbled earlier in the session after a New York Federal Reserve Bank manufacturing survey showed a third month of declines in new orders, which could be a sign of weaker demand for oil in the coming year.

"What started the sell off was the sharp drop in the New York manufacturing numbers," said Phil Flynn, analyst at Price Futures Group.

"This market seems a little more sensitive to every new headline," Flynn added. "They're still not sure we've found the bottom to this market."

Stocks edge down, turnover up

STAR BUSINESS REPORT

Stocks edged down slightly while turnover rose yesterday.

The DSEX, the benchmark index of the premier bourse in Bangladesh, fell 10 points, or 0.16 percent, to close the day at 6,256.

The DS30, the blue-chip index, declined 0.26 percent to 2,101 and the DSES, the Shariah-compliant index, slipped 0.26 percent to 1,362.

Of the securities that underwent trade, 43 advanced, 131 declined and 178 did not show any price movement.

Turnover, an important indicator of the market, increased 29 percent to Tk 624 crore.

The stock market has remained active for stocks of some small companies during the last two years while the number of investors who are taking part in the trading is also low, said a top official of a brokerage firm.

However, turnover of the market rose yesterday as the investors, though low in number, increased their purchases, he said.

"The stock market is now a trading place of a few people while a major part of the investors remain inactive," he said.

As a result, most of the stocks still remained stuck at their lowest price or the floor price. Even the announcement of handsome dividends for fiscal year 2022-23 from listed firms failed to attract investors, he said.

As long as the floor price remains, the stock market index may remain at a low level, he added.

Among the sectors, jute rose 0.51 percent, textile advanced 0.4 percent and non-bank financial institution rose 0.19 percent whereas travel and leisure dropped 2.1 percent and general insurance fell 1.6 percent.

Investors' attention was mostly centred on textile, which accounted for 22 percent of the day's turnover, followed by pharmaceuticals (17.20 percent) and engineering (16.9 percent).

Most of the stocks are now being traded based on rumours, said a merchant broker.

So, some investors are also trying to fuel rumours, which is not a good sign for the

market, he added.

Stocks of Evince Textiles Ltd increased 10 per cent followed by Prime Finance First Mutual Fund (9.96 per cent), Zaheen Spinning Ltd (9.35 per cent) and MIDAS Financing Limited (9.26 per cent).

Information Services Network Limited topped the list of entities which lost more than 8 per cent. Bangladesh Thai Aluminium Ltd, Standard Ceramic Industries Ltd, Jamuna Oil Company Limited and Central Pharmaceuticals Ltd suffered substantial losses as well.

Pacific Denims Ltd was the most-traded stock on the day with shares worth Tk 38 crore undergoing transactions followed by Orion Infusion Ltd, Olympic Accessories Ltd, Western Marine Shipyard Ltd, and Central Pharmaceuticals Ltd.

Stocks at Chittagong Stock Exchange also dropped slightly.

The Caspi, the all-share price index of the port city bourse, went down 8 points to close at 18,574.

Of the issues, 41 rose, 59 retreated and 92 did not see any price movement. Turnover rose 1 per cent to Tk 10 crore.

AIBL opens branch in Meherpur

STAR BUSINESS DESK

Al-Arafah Islami Bank Ltd (AIBL) opened its 214th branch at Bamondi in Gangni upazila of Meherpur yesterday.

Md Anwar Hossain, director of the bank, inaugurated the new branch as chief guest, said a press release.

Farman R Chowdhury, managing director and CEO of the bank, presided over the ceremony, where Md Shafiqur Rahman, deputy managing director, Shabbir Ahmed, Syed Masoudul Bari, Md Mahmudur Rahman, Mohammed Nadim, Abed Ahamed Khan and Fazlur Rahman Chowdhury, deputy managing directors, were present.

Among others, Md Habib Ullah, senior executive vice-president of the bank, Abu Sayed Md Abdul



Md Anwar Hossain, a director of Al-Arafah Islami Bank Ltd, cuts a ribbon to inaugurate a new branch of the bank at Bamondi in Gangni upazila of Meherpur yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

Mannaf, head of Khulna zone, Sheikh Md Imran, Gangni upazila agriculture officer, Swadesh Kumar Ghosh, general manager

of Meherpur Palli Bidduti Samity, and Manoj Kumar Nandi, office in charge (investigation) of Gangni Police Station, were also present.

Global Islami Bank opens 2 branches, 3 sub-branches

STAR BUSINESS DESK

Global Islami Bank recently opened two new branches and three sub-branches at five different districts across Bangladesh.

Of the branches, the bank launched a branch in Rangamati, which is its 100th branch, and another one at Ramkrishnapur Bazar in Comilla, which is its 101st branch.

It has also opened three sub-branches on Bayazid Bostami Road in Chattogram, Khilgaon Thana of Dhaka and Munshirhat of Feni, the bank said in a press release.

Syed Habib Hasnat, managing director of the bank, inaugurated the branches and sub-branches from the bank's head office in Dhaka as chief guest.



Syed Habib Hasnat, managing director of Global Islami Bank, cuts a ribbon to inaugurate two branches and three sub-branches of the bank at five different districts across the country from the bank's head office in Dhaka recently.

PHOTO: GLOBAL ISLAMI BANK

Leather sector

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For this reason, there is no scope of using leather whose processor does not have an LWG certificate.

Besides, without LWG certification, one of the prerequisites of which is a central effluent treatment plant at the tannery industrial estate at Savar, higher value addition and increasing exports is not possible, he added.

Arfanul Hoque, head of retail at Bata Shoe Company (Bangladesh), said they are a major consumer of local leather as they retail products using the material in the domestic market.

But for high-end products, they need to import a very nominal quantity of finished leather, he added.

According to Hoque, Bata is a multinational company that uses local leather as a raw material to manufacture leather shoes and ensure maximum value addition. Market insiders say average annual domestic market sales of leather footwear (organised and non-organised) amounts to around Tk 16,000 crore.

Other than leather, footwear manufacturers need to import all the required raw materials to make products even for the domestic market, making them nearly 100 percent import dependent.

There are at least 152 types of raw materials required by footwear industries.

IMF charts ways

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As per new conditions, the Bangladesh Bank will allow automatic access to the standing lending and deposit facilities for all banks subject to the availability of accepted collateral for the former.

The BB will streamline open market operations (OMOs), reserves averaging provisions, and reserve maintenance periods.

By March, the central bank will prepare a guidance note detailing assessment criteria for various risks covering a robust set of objective and qualitative indicators.

Besides, the finance ministry will submit to parliament the Finance Companies Act 2020, drafted in line with best practices. The target was part of the first review of the loan programme but the government missed it.

Besides, the government will move to a periodic formula-based price adjustment mechanism for petroleum products.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, thinks that the government will be able to implement the benchmark targets because they only require paperwork.

Some changes, however, will be needed to implement the conditions related to monetary and exchange rate policies, he said.

The government might face challenges in meeting the conditions

related to the net international reserves and the tax collections set for March next year.

It failed to reach the goals in the two areas in the first review as higher import bills compared to moderate export and remittance earnings drove the forex reserves down to a record low level while tax receipts did not improve.

Bangladesh will have to ensure a minimum reserve of \$19.27 billion in March.

"After meeting expenses, an additional \$4 billion has to be added to the reserve to meet the target," Hussain said.

The former World Bank economist thinks that both the IMF and the government expect that export proceeds to the tune of \$5 billion that did not flow to the country on time would be repatriated after the elections.

"But that possibility is low," said Hussain. "So, meeting the conditions on the reserves will be difficult to meet."

The tax collection target has been set at Tk 276,170 crore for March.

Hussain said the goal is not high but it will still be tough to attain given the persistently poor show in raising taxes.

The NBR failed to hit the tax collection target for the 11th straight year in 2022-23 in a country that has one of the lowest tax-to-GDP ratios in the world.

Telcos bring more IoT solutions

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services," said Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink.

Furthermore, Banglalink provides secure connectivity for IoT-enabled utility metres, including electric, water, and gas meters.

"In line with our customer-centric approach, Banglalink is actively developing various IoT-based services scheduled for introduction by 2024,"

he added.

Meanwhile, Robi has been offering 24 types of IoT related products and services since September 2020.

"Our aim is to provide the best quality IoT solutions at affordable prices. Robi's IoT products have gained popularity because of their quality and diversified use cases," said Shahed Alam, chief corporate and regulatory officer of Robi Axiata.

According to Alam, players in the telecom industry are introducing these IoT solutions as a part of their commitment to staying at the forefront of technological advancements and meeting the evolving needs of consumers.

"This also enables us to diversify our portfolio. IoT solutions mainly gained popularity through the efforts of network operators around the world," he added.