

## Opec oil output falls in January

REUTERS, London

Opec oil output in January registered the biggest monthly drop since July, a Reuters survey found, as several members implemented new voluntary production cuts agreed with the wider Opec+ alliance and unrest curbed Libyan output.

The Organization of the Petroleum Exporting Countries pumped 26.33 million barrels per day (bpd) this month, down 410,000 bpd from December, the survey found. December's total strips out Angola, which has left Opec.

The latest decline marks a further drop in market share for opec, which began curbing output in late 2022, in order to support the market and counter increased output from non-opec countries such as Brazil and the United States.

In January, the biggest decline came from Libya, one of the Opec members not required to restrain output, after unrest prompted the shutdown of the Sharara oilfield, one of the country's largest.



Food carts parked in alleys or in front of parks and lakes are a common sight across Bangladesh, allowing passersby to indulge in spicy or savoury snacks. However, there are numerous health risks associated with street food in the country due to the unhygienic working conditions and a lack of food safety awareness, leading to concerns.

PHOTO: PRABIR DAS

# Govt must play strong role to ensure street food safety: experts

STAR BUSINESS REPORT

Alongside raising food safety awareness, the government must play a strong role to ensure better management in terms of street food safety by preparing a proper database on such businesses, speakers said yesterday.

Although Bangladesh has no database on its street food vendors, their economic contribution cannot be ignored, said Rezaul Karim Siddique, an agriculture information analyst.

"Due to lax government surveillance and regulations as well as a lack of training, street food in the country is unsafe in most cases," Siddique said while delivering his keynote speech.

He was speaking at a workshop about ensuring street food safety at the conference room of the Bangladesh Agricultural Research Council in the capital.

Bangladesh Safe Agro Food Efforts (BSAFE) Foundation, a citizen's platform, organised the event in association with

the United States Agency for International Development (USAID) on the occasion of "National Food Safety Day 2024".

"Fining street vendors is not the only way to ensure food safety. The government should focus on raising awareness on both the sides of consumers and vendors," said Bipul Biswas Apon, general secretary of the Bangladesh Food and Nutrition Association.

The consumption of street food is commonplace across the country. So, efforts have to be focused on both rural and urban food safety, he added.

"If some vendors initially come under proper training and avail a food safety certificate sticker, it will help encourage food safety practices among others," said AFM Jamal Uddin, a professor of the horticulture department at Sher-e-Bangla Agricultural University.

The government should ensure water management facilities for all of them by allocating proper locations, he added.

Shahrina Akhtar, a specialist at Krishi Gobeshona Foundation, also pointed

out that vendors often lack sanitation facilities, worsening food safety standards.

Prof Khaleda Islam, director of the Institute of Nutrition and Food Science at the University of Dhaka, said the government should think about incentivising street vendors to work in a more hygienic manner as they usually come from low-income groups.

**Although Bangladesh has no database on its street food vendors, their economic contribution cannot be ignored, said an analyst**

"If they want to bring changes to the existing system, they need a lot of money," she said while also urging the government to take steps to stop the extortion of such vendors.

Abu Noor Md Shamsuzzaman, a member of the Bangladesh Food Safety Authority, said they were working on

producing a database of street vendors.

"If we can enlist all the vendors, it would help bring them under training or other facilities," he added.

He also informed that a separate discipline on food safety has already been introduced for some university students and they are now working to include a chapter on food safety in textbooks for seventh and eighth grade students.

"It will gradually be introduced for students in other grades," Shamsuzzaman said.

AHM Shafiquzzaman, director general of the Directorate of National Consumers' Right Protection, said a mass campaign would be needed to raise awareness on food safety.

"We are working with various stakeholders to ensure food safety. We have to focus on the origin of these problems and whether they stem from the source of their ingredients," he added.

Anwar Faruque, former agriculture secretary and acting president of the BSAFE Foundation, conducted the event.

## IDLC gets nod for Shariah-based business

STAR BUSINESS REPORT

IDLC Finance Ltd has received approval from the Bangladesh Bank to launch its Shariah-based business under "Islamic Finance Window".

The non-bank financial institution made the disclosure in a filing to the Dhaka Stock Exchange yesterday.

IDLC Finance will run its Shariah-compliant business through all of its branches across the country.

## Red Sea container shipping down 30% over attacks: IMF

AFP, Dubai

Container shipping through the Red Sea has dropped by nearly one-third this year as attacks by Yemen's Huthi rebels continue, the International Monetary Fund said Wednesday.

"Container shipping... has declined by almost 30 percent," said Jihad Azour, director of the IMF's Middle East and Central Asia department, adding that "the drop in trade accelerated in the beginning of this year".

The Iran-backed Huthis have launched more than 30 attacks on commercial shipping and naval vessels since November 19, the Pentagon said on Tuesday. The rebels say the attacks are in solidarity with the Palestinians and in protest of the Israel-Hamas war that has been raging in the Gaza Strip since October.

The IMF's PortWatch platform indicates that the total transit volume through the Suez Canal was down 37 percent this year through January 16 compared with the same period a year earlier.

The canal connects the Red Sea to the Mediterranean Sea.

Huthi attacks have prompted some shipping companies to detour around southern Africa to avoid the Red Sea, a vital route that normally carries about 12 percent of global trade, according to the International Chamber of Shipping.

"The level of uncertainty is extremely high and the developments will determine the extent of change and shift in trade patterns in terms of volume but also in terms of sustainability," Azour told reporters in an online briefing.

"Are we on the verge of major change in trade routes or is it temporary because of the increase in costs and the deterioration of the security costs?"

The United States heads a coalition to protect Red Sea shipping, and is seeking to apply diplomatic and financial pressure by redesignating the Huthis as a "terrorist" group.

The Red Sea is particularly vital for European trade. Last week the European Union's trade commissioner said maritime traffic through the Red Sea shipping route had fallen by 22 percent in a month because of the rebel attacks.

The European Union is pushing to launch its own naval mission in the Red Sea to help protect international shipping.

EU countries have given initial backing to the plan and are aiming to finalise it by a meeting of the bloc's foreign ministers on February 19.

## India's factory growth hits four-month high

REUTERS, Bengaluru

India's manufacturing industry improved substantially at the start of 2024 with factory activity expanding at its fastest pace in four months in January on robust demand and an upbeat year-ahead outlook, a private survey showed on Thursday.

The HSBC final India Manufacturing Purchasing Managers' Index (INPMI-ECI), compiled by S&P Global, rose to 56.5 in January from December's 18-month low of 54.9.

Although the final reading was a tad lower than a preliminary estimate of 56.9, it was comfortably above the 50-mark that separates expansion from contraction. It has been above breakeven since June 2021.

India will remain the fastest-growing major economy this year and next, bolstered by heavy government spending, according to a recent Reuters poll.

However, the government will target narrowing the fiscal deficit as a percentage of GDP, showed another Reuters poll. The budget for the fiscal year 2024/25, due to be announced later on Thursday, is expected to strike a balance between populist measures and fiscal prudence.

The PMI's new orders sub-index, also supported by international demand, rose sharply to its highest since September, stretching the current sequence of expansion to over two-and-a-half years.

"India's final manufacturing PMI showed that manufacturing

activity accelerated in January. Current output expanded on robust demand, with domestic orders growing at a faster pace than export orders," noted Ines Lam, economist at HSBC.

Strong demand and with an optimistic year-ahead outlook prompted firms to scale up their buying of raw materials. The future output sub-index strengthened to a 13-month high while purchasing rose at the fastest pace since September.

However, there was hardly any change in employment levels from December as firms reported sufficient capacity for their current workloads.

Despite input cost inflation ticking to a three-month high, the rate of increase was marginal.

## Lending rate goes past 12%

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its monetary policy until inflation comes under control.

This signals that the lending rate is likely to move up further in the upcoming months as the inflation rate has stayed above 9 percent since March last year and shows no sign of slowing down.

In a negative development, credit growth to the private sector rose in December from the previous month.

Fund disbursement rose 10.13 percent in December, up from 9.90 percent a month earlier, according to the BB. Industry insiders, however, describe the rise as insignificant because the growth has hovered around 10 percent for the last few months.

The growing lending rate, the falling trend of imports due to central bank curbs aimed at saving the foreign currency reserves, and the contractionary monetary policy have been behind the slow credit growth.

The BB has lowered the private sector credit growth target to 10

percent from 11 percent for the January to June period of FY24.

Mohammad Ali, managing director of Pubali Bank, thinks the growth will not accelerate in the coming days due to the high-interest rate, which was capped at 9 percent between April 2020 and June 2023.

"There are even risks that unemployment may go up."

A central banker says the banking regulator has cut the private sector credit growth target as its current focus centres around combatting inflation.

"The slower credit growth and the higher lending rate are not a matter of concern for us now. Rather, the elevated level of inflation and the foreign exchange crisis currently matter the most."

The spike in the interest rate, however, will help savers as the returns on their deposits are going up since banks are offering better rates to attract funds amid the persisting liquidity crunch.

## Square Pharma's Kenya unit

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to Tk 1,851 crore in the second quarter of FY24 while profits grew 2 percent to Tk 524 crore in the same period.

The company's net profit increased by around 10 percent in the first quarter of the current year.

A top official of the company said most pharmaceutical companies were struggling to log higher profits as raw material costs and energy prices had increased amid the devaluation of the local currency against the US dollar.

Square Pharmaceuticals is in a comparatively better position and did not see a decline in profits due to its huge product base, he said.

Although costs rose, it passed a small portion of that onto consumers, the impact of which was seen in the profit, he added.

Raw material costs amounted to 48.9 percent of Square Pharmaceuticals' net revenue in the second quarter of FY24 compared to 47 percent in the first quarter.

In at least the last 10 years, the largest pharma company in Bangladesh saw single digit profit growth for the first time in fiscal 2022-23.

## Forex reserves slip below \$20b

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concluded calendar year because of the slowdown in apparel sales in the international markets.

Similarly, migrant workers sent home \$21.91 billion in 2023, a year-on-year increase of only 2.96 percent.

Imports have still been at an elevated level despite restrictions. It fell 20.94 percent year-on-year to \$25.72 billion in the July-November period of the current financial year, BB data showed.

## Textile machinery sellers

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Previously, over 120 litres of water were required to wash a kilogramme of denim fabrics, but now Karmak's machinery requires only 30 litres or even lower, Tawfiq-Zaman said.

The textile sector made little investment in machinery in the last one year because of the lower demand of garments, said Md Harun-ur Rashid, managing director of Textile Associates Limited, the local agent of Rieter, a Swiss machinery company.

"We are hopeful that the global supply chain will turn around this year."

The business was normal until the middle of 2022, but 2023 was not a good year as the demand for clothing items fell globally, Rashid said.

Sales were a bit low last year, but not bad in Bangladesh, said Md Tanzilur Rahman, senior assistant

manager of Pacific Associates Ltd, a seller of machinery made in Germany, Italy, Spain, China, Hong Kong and Japan.

Last year, Rahman's company targeted selling \$80 million worth of machinery but could achieve only \$38 million.

Before the emergence of the Covid-19 pandemic, Pacific Associates used to annually sell machinery worth \$78 million, he said.

This year, Rahman aims at selling \$74 million worth of machinery as the inquiries for such machines increased.

Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon said they accepted a 178 percent hike in gas price in 2023 because of the assurance of providing them with an uninterrupted gas supply, but the authorities failed to do so.

In his speech given in a seminar on

the sidelines of the expo, the BTMA leader also urged the government to take stern action against the loan defaulters.

At the inauguration of the exhibition, Salman F Rahman, private industry and investment adviser to the prime minister, shade light on the recent export subsidy cut.

He said businesses can discuss the subsidy cut with the government if they want, but it is needed to come out from the subsidy culture.

This year, 1,100 exhibitors from 33 countries are exhibiting their machinery occupying 1,600 booths at the Dhaka International Textile and Garment Machinery Exhibition.

The BTMA, Chan Chao International Company Ltd and the Yorkers Trade & Marketing Services Co Ltd are jointly organising the exhibition.