Agri minister seeks high-yielding Indian seeds

STAR BUSINESS REPORT

Agriculture Minister Md Abdus Shahid has sought India's cooperation in keeping high-yielding varieties of seeds out of the purview of restrictions so that those can be produced and cultivated in Bangladesh.

The minister made the call when Indian High Commissioner to Bangladesh Pranay Verma met him at Bangladesh Secretariat yesterday.

Shahid urged India not to impose any ban on the export of agricultural products so that prices of essential commodities can be kept affordable in Bangladesh during Ramadan.

He also sought India's cooperation regarding use of solar power for irrigation, said a ministry press release.

Verma said the bans were sometimes imposed to tackle price spikes in their own markets due to supply crunches. However, Bangladesh is often accorded special exemptions from those bans, he added.

Both sides stressed on bilaterally strengthening agricultural research and identifying priority sectors for it through high-level visits by experts soon.

Verma expressed interest in assisting Bangladesh in adopting modern technology, especially the use of drones, in agriculture, agro-processing, post-harvest management and establishment of cold storages.

Mature coconuts put up for sale in Chulkathi Bazar of Bagerhat, some 200 kilometres south of capital Dhaka. Traders go round homesteads collecting the fruit before bringing them for sale here every Sunday and Thursday. Each pair here sells for Tk 180 to Tk 200. The photo was taken recently. PHOTO: HABIBUR RAHMAN

Steel products get costlier as customs hikes assessment value

MOHAMMAD SUMAN

The prices of all types of steel products have gone up by Tk 5,000 to Tk 15,000 per tonne within the span of a week after the customs department increased the assessment value by a large margin, traders said.

The assessment value determines how much taxes or duties have to be paid by importers for the products brought in from the external market.

On Thursday, the Chattogram Custom House raised the assessment value from as low as 17 percent to as high as 42 percent. As a result, the duty on the products has climbed by Tk 5,000 to Tk 15,500 per tonne in monetary terms.

Customs stations across the country began applying the new rates from Sunday, officials said.

After the announcement, steel prices have gone up by Tk 5,000 to Tk 15,000 per tonne, traders said.

Traders have expressed concerns over the new assessment value, saying it is 10-15 percent higher than the actual price. Therefore, they fear that it will create instability in the steel market since the sale of products imported under reduced duties might increase in the open market.

According to the new valuation, the previous assessment of secondary quality hot-rolled steel, which is used in the areas of automobiles, electrical appliances, construction materials, and steel pipes, was $400 per tonne.

It has now been increased to $570, resulting in a tariff increase of $170, or 42 percent. This means the duty on the product will now amount to Tk 22,000 per tonne from Tk 16,000 previously.

Similarly, cold-rolled secondary quality steel -- used in the construction of beams, structures, columns, and sections, steel sheds, industrial buildings, and garages -- was previously assessed at $520 per tonne and it has now been raised to $650, an increase of 25 percent.

Thanks to the adjustments, the assessment rate has increased from 17 percent to 42 percent on other steel products such as coated steel, zinc-coated steel and stainless steel.

> **On Thursday, the Chattogram Custom House raised the assessment value from as low as 17 percent to as high as 42 percent**

The new assessment rates are specifically targeted at commercial importers, while industrial imports will continue to pay duties in line with the price quoted on the website of energy information group Platts like in the past.

The new value has been determined by a committee consisting of 22 members of the Chattogram Customs. The body has relied on the information obtained from Platts and the LME (London Metal Exchange) over the past year.

Bangladesh consumes 20-22 lakh tonnes of steel products every year. Of the volume, 88 percent is imported by industrial facilities and the rest by commercial importers, data from the National Board of Revenue showed.

At present, the revenue collection from the sector stands at Tk 500 crore to Tk 600 crore. Now, the receipts will jump by Tk 100-150 crore.

Importers in Dhaka and Chattogram have reported a price increase of 5 to 12 percent for all types of steel following the implementation of the new assessment value.

Hot-rolled secondary quality steel was previously retailed at Tk 1 lakh to Tk 1.02 lakh a tonne, whereas it will cost now Tk 1.1 lakh, said Omar Faruque, the proprietor of MK Trading in Dhaka's Keraniganj.

Likewise, the price of cold-rolled steel has increased from Tk 1.12 lakh to Tk 1.20 lakh per tonne.

Mohammad Fyzur Rahman, commissioner of the Chattogram Custom House, said the minimum assessment value has been adjusted due to the significant difference between the import price and the price declared by importers.

The pricing is based on credible sources such as Platts and LME, he said.

Abuzar Gifari Joyel, president of the Bangladesh Iron Steel Importer Association, said the new assessment price for secondary quality steel is determined using information from Platts. However, only information about the top-quality steel is available on the website.

He said the price of secondary-quality steel should be 15-20 percent lower than that of prime-quality steel.

"Unfortunately, the new assessment rate for secondary quality steel is 5 percent higher than that of the prime quality steel since the customs authorities have fixed the rate based on the average data."

The association wrote to the commissioner, requesting him to reconsider the assessment value and align it in line with the current market price.

German exports slump

AFP, *Frankfurt*

German exports fell sharply in December on weaker demand from eurozone countries, official data showed Monday, capping a disappointing year in foreign trade for Europe's largest economy.

Exports totalled 125.3 billion euros ($135 billion) in December, a 4.6-percent plunge on the previous month, federal statistics agency Destatis said.

Analysts surveyed by FactSet had forecast a smaller drop of 2.4 percent.

Imports declined even more sharply by 6.7 percent to total 103.1 billion euros, widening the trade surplus to 22.2 billion euros.

The export plunge was driven by a six-percent drop in shipments to fellow eurozone countries.

DSE turnover crosses Tk 1,600cr after 16 months

STAR BUSINESS REPORT

Daily turnover of the Dhaka Stock Exchange (DSE) soared to a 16-month high of Tk 1,654 crore yesterday thanks to the increased participation of some major individual investors.

The last time that turnover, which measures the total volume of shares traded within a specific period, had reached such levels was when it touched Tk 1,810 crore on September 25, 2022.

But although the key indicator of the market's health has been rising over the past several days, most of the trade was concentrated on underperforming stocks, according to a stockbroker.

This is not a good sign for the market as it means that some large individual investors are trading these stocks despite their poor reputation.

Meanwhile, institutional investors remain on the sidelines, with well-performing stocks still not getting enough attention.

Nevertheless, the rising turnover is boosting investor confidence so market regulators need to ensure that there is no foul play in the future, he added.

Block trades, which are privately negotiated transactions, accounted for 2.1 percent of the overall market turnover.

Shares of Orion Infusion saw the most trade, with transactions amounting to Tk 77 crore, followed by BD Thai with Tk 56 crore and Fu-Wang Foods with Tk 48 crore.

Khulna Printing and Packaging and Karnaphuli Insurance also made significant contributions to the daily turnover, with their shares registering trade of Tk 45 crore and Tk 35 crore respectively.

Global Islami Bank PLC lead the top gainers' list with its share value having risen by 10 percent while that of Standard Ceramic Industries increased by 9.99 percent.

Bangladesh Lamps, Coppertech Industries and Progressive Life Insurance featured on the list as well, with their shares having risen by 9.98 percent, 9.96 percent and 9.94 percent respectively.

Miracle Industries registered the day's worst performance as its share value fell by 4.8 percent.

Similarly, shares of Prime Finance First Mutual Fund and Pacific Denims saw their values erode by 3.82 percent and 3.75 percent respectively.

Among the major sectors, paper and printing rose by 4.8 percent, non-bank financial institutions increased 4.24 percent, life insurance advanced 3.37 percent and engineering edged up 3.17 percent.

As such, the DSEX, the main index for measuring share price performance at the DSE, increased by 0.66 percent to close the trading session at 6,322 points.

Stocks of the engineering sector were traded the most, logging Tk 235 crore of the day's turnover, while that of the pharmaceuticals sector notched Tk 210 crore and general insurance sector got Tk 199 crore.

A bull-run was also seen at the Chittagong Stock Exchange.

The CASPI, the broad index of the port city bourse, increased 1 percent to close the day at 18,032 points.

Gold price slides

REUTERS

Gold prices fell on Monday as the US dollar and Treasury yields surged after a robust jobs report crushed expectations of near-term interest rate cuts from the Federal Reserve.

Spot gold was down 0.5 percent at $2,027.80 per ounce by 0745 GMT. US gold futures fell 0.4 percent to $2,044.90 per ounce.

"Large speculators and managed funds trimmed long exposure to gold futures for a fourth week ... and with Jerome Powell reiterating three rate cuts for the year, it remains debatable as to whether gold can rally from here," said Matt Simpson, a senior analyst at City Index.

US public debt is unsustainable: Fed chief

AFP, *New York*

The United States is on an "unsustainable" path with regard to its national debt and it is time to address the issue, Federal Reserve chief Jerome Powell said in an interview aired Sunday.

The US national debt currently stands at more than $34 trillion, according to the US Treasury.

"In the long run, the US is on an unsustainable fiscal path. The US federal government's on an unsustainable fiscal path. And that just means that the debt is growing faster than the economy," Powell told CBS' "60 Minutes" news program.

"It's probably time, or past time, to get back to an adult conversation among elected officials about getting the federal government back on a sustainable fiscal path," he said in the interview, which was recorded on Thursday.

"I do think it's pretty widely understood that it's time for us to get back to putting a priority on fiscal sustainability. And sooner's better than later."

Last week, the Fed voted to leave interest rates unchanged for the fourth straight meeting, and while it said at the time that "risks to achieving its employment and inflation goals are moving into better balance," it also hinted that rate cuts were not imminent.

In the CBS interview, Powell reiterated that stance, saying it was unlikely that a rate cut would come at the next meeting of the rate-setting Federal Open Market Committee (FOMC) in March.

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China's tumbling prices push some exporters to the brink

REUTERS, *Beijing/Hong Kong*

When Kris Lin, who owns a lighting factory in China, received this year's first order from a close overseas client, he faced a distressing choice: take it at a loss, or tell workers not to come back after the Lunar New Year.

"It was impossible for me to lose this order," said Lin, who plans to re-start his factory in the eastern city of Taizhou at around half its capacity after the February 10-17 holiday break.

"I could have lost this client forever, and it would have endangered livelihoods for so many people. If we delay resuming production, people might start doubting our business. If rumours spread, it affects the decisions of our suppliers."

Prolonged factory deflation is threatening the survival of smaller Chinese exporters who are locked in relentless price wars for shrinking business as higher interest rates abroad and rising trade protectionism squeeze demand.

Producer prices have been falling for 15 straight months, crushing profit margins to the point where industrial output and jobs are now at risk and compounding China's economic woes, which include a property crisis and debt crunch.

Buick cars are seen before being loaded onto a ship for export at the port in Yantai, in China's eastern Shandong province, on December 7. PHOTO: AFP

About 180 million people work in export-related jobs, commerce ministry data from 2022 shows.

Raymond Yeung, chief China economist at ANZ, says fixing deflation should be a higher policy priority than reaching the expected growth target of around 5 percent for this year.

"Companies cut product prices, then staff salaries. Then consumers won't buy - this could be a vicious cycle," he said.

Profits at China's industrial firms fell 2.3 percent last year, adding to the 4 percent drop in COVID-hit 2022. An official survey showed manufacturing activity contracting for a fourth straight month in January, while export orders shrank for a 10th month.

For Lin, that has meant the $1.5 million order his client placed was 25 percent below a similar one last year. It was 10 percent below production cost.

Sluggish exports mean policymakers need to pull other levers to reach their growth target, increasing the urgency of stimulating household consumption, analysts say.

"The more 'rebalanced' growth is, the faster that downward pressure on prices and margins will dissipate," said Louis Kuijs, Asia-Pacific chief economist at S&P Global.'Rat race'

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