Pran to set up another industrial park in Natore

OUR CORRESPONDENT, *Natore*

Pran-RFL Group plans to set up a second industrial park in Natore and Prime Minister Sheikh Hasina has assured the group chairman of providing gas supplies to it, said the conglomerate's marketing director, Kamruzzaman Kamal, yesterday.

The park will be used to manufacture noodles, spices and mustard oil and process fish, creating employment for 1,000 people, he told a programme at the existing industrial park marking its 24th founding anniversary.

Situated around 200 kilometres northwest of the capital, the park of the group's concern Pran Agro has units to manufacture spices, mustard oil, vermicelli, ketchup, jelly, pickles, chutney, noodles, mayonnaise, chocolates and chips.

About 22,000 people in Natore are directly and indirectly making a living through the park, including around 13,000 farmers growing mango, tomato, pulses, peanuts, chilies and milk based on contracts, said Kamal.

Around 5,000 more farmers will be brought under contract farming for new produce such as aromatic rice, turmeric and cassava, he said.

"There is a huge demand for products manufactured by Pran-RFL Group, including in 145 countries," he said.

"Due to a continuous increase in demand, we are increasing production capacity. More investment will come once the gas is available," said Kamal.

The socioeconomic conditions of Natore have improved due to the group's overall activities and the group is providing huge amounts of revenue to the government every year, which is accelerating the economic development of the country, he added.

Asiatic Lab's shares surge 10% on market debut

STAR BUSINESS REPORT

Shares of Asiatic Laboratories climbed 10 percent, the maximum allowed by the circuit breaker on Dhaka Stock Exchange (DSE), on the first day of its market debut yesterday.

The local drug maker's shares finally ended up trading at Tk 22.

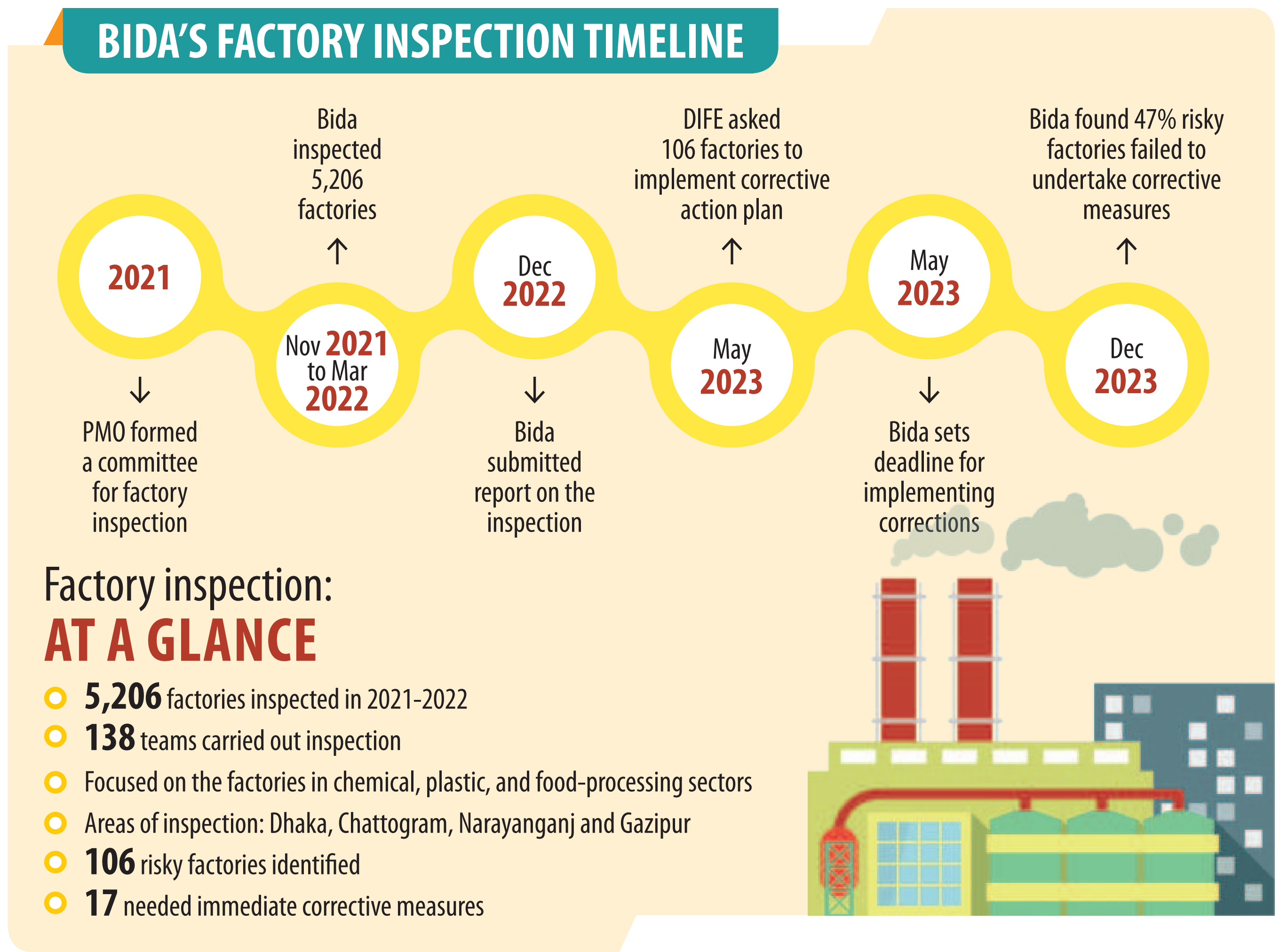
A total of 2,385 shares changed hands, resulting in a turnover of Tk 52,000, showed the DSE data.

The company raised Tk 95 crore from the initial public offering, saying it would be utilised for business expansion, repaying bank loans and IPO expenses.

The Asiatic's profits fell 16 percent year-on-year to Tk 26.85 crore in the year ending on June 30, 2022, according to its audited annual financial statements.

The company's earnings per share stood at Tk 3.06 last fiscal year, down from Tk 3.65 in the previous year.

The company started its commercial operation in 2000 and is now engaged in the production and marketing of more than 80 generic drugs in the form of tablets, capsules, syrups, creams, eye care products and injections.



47% factories failed to implement corrective measures: Bida

JAGARAN CHAKMA

About 47 percent of the factories that were deemed at risk of industrial accidents by the Bangladesh Investment Development Authority (Bida) have yet to implement necessary corrective measures despite the passing of the stipulated deadline of December 2023, officials of the government agency said.

Of the 106 at-risk factories identified by Bida in May last year, 17 high-risk ones were instructed to implement a corrective action plan (CAP) within three months.

Meanwhile, the remaining 89 factories with lower risk were told to ensure safer working environments by the end of the year.

"Four of the 17 high-risk factories have been shut down while one was relocated from Naryanganj to Manikganj," said Abhijit Chowdhury, national coordinator of the factory inspection initiative.

Besides, nine of the high-risk factories have already completed necessary corrections while three others are on the cusp of the same, he added.

Bida identified the at-risk factories as part of a nationwide initiative to prevent industrial accidents after more than 50 people died in a fire at the factory of Hashem Foods Ltd on July 8, 2021.

Chowdhury said the Department of Inspection for Factories and Establishments had outlined the CAP in separate letters to the 106 factories, asking them to adopt fire safety measures and comply with other regulations.

"When we started monitoring the factories in September last year, we told them to implement the CAP and prepare a progress report in this regard by December," he added

Chowdhury also said the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has been cooperating with Bida in monitoring the implementation of the CAP.

For example, the FBCCI supported the initiative by appointing three consultants who are experts in fire and infrastructural safety, among other technical fields, to help conduct inspections.

"During the monitoring and inspection process, we tried to create awareness among factory owners regarding the necessity of fire-safety measures and the required equipment," he added.

> **Of the 106 at-risk factories identified by Bida in May last year, 17 high-risk ones were instructed to implement a corrective action plan within three months**

Referring to Bida's findings following the factory inspections, Chowdhury said there is a demand to form a single platform where entrepreneurs can avail all necessary clearance certificates, including trade license renewal.

Factory owners also urged authorities to introduce a single organisation for ensuring safety measures at their units to avoid the time-consuming process of being inspected by different government agencies.

"We already held two meetings regarding the findings and are preparing a recommendation to submit to higher-ups of the government," he added.

Regarding the recent fire at Bailey Road, he said restaurant and building inspections are not covered under Bida's initiative. Therefore, the organisation has no liability in this regard.

The nationwide factory inspection initiative was started by the Prime Minister's Office through the formation of a 24-member national committee headed by Salman F Rahman, the prime minister's adviser on private industry and investment.

In the first phase of the initiative, 5,206 factories in Dhaka, Chattogram, Narayanganj and Gazipur were inspected by Bida officials between November 2021 and March 2022.

In the second phase from April to June last year, Bida inspected 5,001 factories across 17 districts, including Manikganj, Munshiganj, Mymensingh, Narsingdi, Kishoreganj, Khulna and Jashore.

"This time too the focus has been areas with the highest concentrations of factories, where the work is labour intensive and deals with chemicals, plastic and food processing," Chowdhury said.

He informed that the final report on the second phase would be handed over to the national committee for factory inspections after the government issues a gazette for the formation of a new committee.

This is because the current national committee is set to be reshuffled by the newly-elected government.

Regarding the combined findings of both inspections, he said 56 percent of the factories were at risk of fire while the remaining 44 percent suffered from power, infrastructural and environmental risks.

Also, Bida will conduct the third phase of factory inspections in 15 industry-dense districts through 58 teams across the country, Chowdhury added.

Financing green growth

SALEKEEN IBRAHIM

In the financial sector, green financing focuses on funding eco-friendly projects that will support managing intents towards a healthy environment not only for the existing generation but also for the future generation. It refers to the promotion of environment-friendly practices and the reduction of bank finances towards carbon-related footprint.

As Bangladesh progresses towards achieving its status as a developed nation within 2041, the significance of embracing green growth and sustainable finance can't be exaggerated. It is evident that Bangladesh's financial landscape will evolve rapidly and this evolution necessitates a strategic shift towards green financing approaches to mitigate carbon emissions without impeding enterprise development.

At present, Bangladesh stands at a crucial stage where the pursuit of economic progress must complement environmental responsiveness. Adopting green growth isn't merely an option anymore but a requirement. The challenges posed by rising sea levels, unpredictable weather patterns, and environmental degradation emphasise the urgency for ecological practices across all sectors.

At first, banks must embark on a transformative journey that incorporates environmental considerations into their lending practices. This necessitates embracing financial instruments such as green bonds, loans for eco-friendly initiatives, and sustainability-linked credit facilities.

Collaborating with international donors can provide consultations with valuable support in building the essential infrastructure and expertise for implementing green financing frameworks. This is something new for many financial institutions.

The reduction of carbon emissions and the vision for net zero execution demands a collaborative effort involving banks, enterprises, government bodies, and civil society. Banks can obviously incentivise sustainable practices by offering preferential rates or subsidies for green investments by providing technical assistance to enterprises in implementing renewable energy solutions and eco-efficient technologies.

Simultaneously, stringent regulatory actions and policy measures to incentivise/subsidise enterprises can be introduced by the government and the central bank to align with sustainable development goals.

A robust strategy for green growth focusing on multidimensional interventions encompassing policy reforms, capacity building, and stakeholder engagement is required.

The central bank has to play a pivotal role in formulating reformed guidelines that mandate environmental risk assessments for loan approvals and integrating global green financing best practices into banking regulations gradually. Simultaneously, public-private partnerships can be fostered to activate resources for green projects and initiatives. It is also essential for a country like Bangladesh to actively chip into the fourth industrial revolution where the rise of artificial intelligence, data analytics, the Internet of Things and robotics could usher in a new era of greener transportation and data-driven solutions for reducing pollution.

We have to bear in mind that fundamentally the revolution is driven by introducing renewable energy resources as a new energy regime. However, the effects extend beyond energy and necessitate comprehensive measurement frameworks for assessing sustainable development implications. The government and other stakeholders must take proper advantage of it to implement green growth with a smart stroke.

Bangladesh's promise to international agreements such as the Paris Agreement and the Sustainable Development Goals underscores our commitment to fostering a sustainable future where we assure a better environment for the next generation. Leveraging these agreements, the government can call for more financial claims from international organisations and donor agencies. Moreover, raising partnerships with global institutions can facilitate knowledge exchange and capacity-building initiatives for sustainable finance.

Bangladesh, by synergising the efforts of private banks, the central bank, international donor agencies, and other stakeholders, obviously can pave the way for a sustainable and prosperous tomorrow. Embracing green financing methodologies not only safeguards the environment but also catalyses economic growth and fosters inclusive development.

The author is a banker

Gold price hits new record

STAR BUSINESS REPORT

Gold price will be Tk 112,907 a bhori, the highest in the history of Bangladesh, with effect from today.

The previous price of each bhori or 11.664 grammes of 22-carat gold ornaments was Tk 1.1 lakh.

The standing committee on pricing and price monitoring of the Bangladesh Jewellers' Association (Bajus) at a meeting yesterday took the decision of raising the price citing an increase in pure gold prices in the local market.

In July last year, the price of gold crossed the Tk 100,000 mark for the first time in Bangladesh.

Gold prices have been rising for more than a year influenced by hikes in the international market and volatility in its supply in the domestic market.

Although Bangladesh does not import any significant quantity of gold, its prices are almost linked with international trends.

In Bangladesh, the annual demand for gold stands between 20 tonnes and 40 tonnes. About 80 percent of the demand is met through smuggled gold.

Can China maintain growth and 'transform' its economy at the same time?

ANALYSIS

REUTERS, *Beijing*

Chinese Premier Li Qiang's vision for the country contains an inherent contradiction: his aim to "transform" the economic model may be incompatible with keeping growth rates steady at around 5 percent.

In his maiden work report to China's parliament on Tuesday, Li pledged to expand domestic consumption, while curbing industrial overcapacity, local government debt risks and supporting only "justified" property sector projects.

These promises, in isolation, would be music to the ears of those who have been calling on China to fix its deep structural imbalances, including its high reliance on debt-fuelled investment and ultra-low household spending.

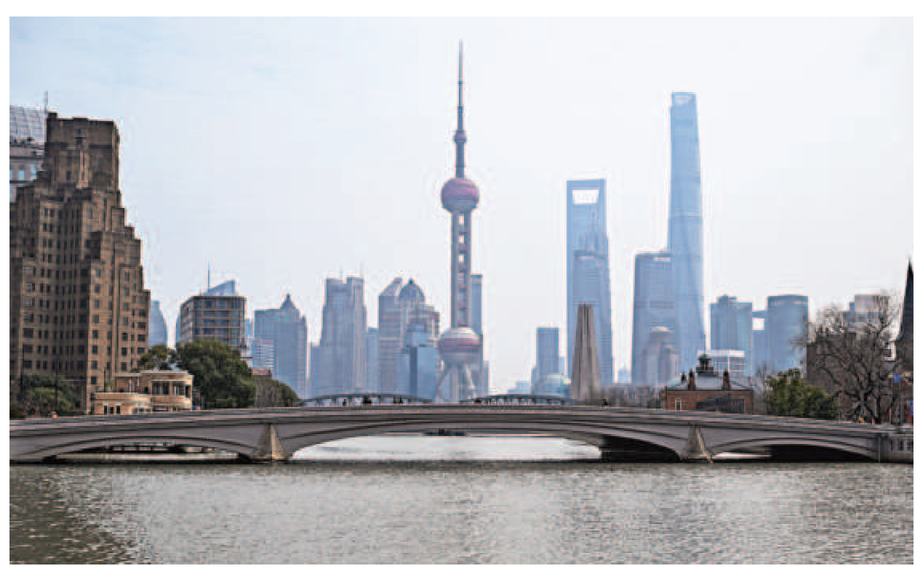
But municipal debt for infrastructure projects, real estate excesses and manufacturing investment have been among the key pillars of China's economic rise. Curbing them implies accepting lower growth as well in the short term, analysts say.

"It is a contradiction, coupled with an omission," said Alicia Garcia Herrero, chief economist for Asia Pacific at Natixis. "They are not explaining how they are going to transform the economy."

China has been here before: in 2013, President Xi Jinping unveiled a slate of bold economic and social reform plans in a 60-point agenda that painted a long-term picture of free markets and consumption-driven growth.

Since then, however, China had tightened its capital account and market supervision, and doubled down on state-led investment.

A muted market reaction to Li's pledges on Tuesday contrasts with the 2013 rally that followed Xi's reform agenda. Investors and consumers have become sceptical about implementation, which risks exacerbating a confidence crisis abroad and at home.



A general view of Lujiazui financial district in Shanghai yesterday. PHOTO: AFP

"Household and business sentiment is likely to remain low," Max Zenglein, chief economist at MERICS, a China studies institute, said of the impact of Li's report.

"There might be a form of 'promise fatigue' within the society which struggles to buy into the path put forwards by the leadership." Many of the 2013 plans came against the imperative of stability, which Li also flagged in his report.

In 2015, China went through a capital outflows scare, finding out how mighty and disruptive markets can be.

In 2017, plans for relaxing Mao-era residence rules that block many rural migrants from urban public services and incentivise them to save rather than spend, hit a major setback.

Authorities in larger cities launched campaigns against the influx of "low-end population", citing social stability.

As the switch to consumption- and market-driven growth fizzled and the threat of a sharp slowdown loomed, China leaned on the property market and infrastructure spending to hit growth targets.

When the real estate bubble popped in 2021, local government revenues from land development plunged, rendering debt levels in many cities unsustainable.

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