



PHOTO: HABIBUR RAHMAN

Workers sort jute collected from districts such as Narail, Jashore and Satkhira according to quality at a warehouse in Railgate area of Khulna city for export to countries including India and China. Currently each maund (around 38 kilograms) is selling for Tk 2,300 to Tk 2,200 in the local markets. Some 8,432,395 bales (one bale equals 180 kilograms) of jute were produced around the country in fiscal year 2021-22, as per the latest data of the Bangladesh Bureau of Statistics. The photo was taken recently.

Stocks continue to fall day after 'operational error'

STAR BUSINESS REPORT

Stock market indices continued to fall for a third consecutive trading day yesterday due to increased sales by investors panicking for an "operational error" at Dhaka Stock Exchange (DSE) the day before.

The DSEX, the key index of the premier bourse of the country, went down by nearly 17 points, or 0.27 percent, from that on Sunday to close at 6,058.

The DSES, an index that represents Shariah-based firms, edged down 2.30 points, or 0.17 percent, to 1,322 while the DS30, which comprises blue chip stocks, dropped around 8 points, or 0.38 percent, to settle at 2,075.

All indices of the DSE had showed unusual figures for around nine hours till 7:00pm on Sunday due to an "operational error", which adversely impacted investor confidence, causing turnover to plummet

amid huge sales pressure.

The turnover, an indicator of the volume of shares traded, stood at Tk 754 crore yesterday, an increase of 57.68 percent compared to the previous trading session.

Fu-Wang Ceramic Industry topped the turnover list, accounting for 8.36 percent of it, followed by Taufika Foods and Lovello Ice-Cream at 9.94 percent, Orion Infusion at 7.23 percent, and Golden Son at 9.52 percent.

The total block market turnover stood at Tk 68.29 crore, representing 9.1 percent of the day's total turnover.

The block market is a platform where a large number of stocks are traded in a single transaction at a negotiated price without affecting the index.

According to the daily market review by Shanta Securities, market movement was driven by negative changes in the market capitalisation of paper and printing, information technology and food and

allied scrips.

However, there were positive changes in the market capitalisation of travel and leisure, tannery industries, and financial institutions scrips.

Of the issues traded, 174 scrips gained market capitalisation, 163 lost, and 59 did not see any price fluctuation.

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Bangladesh Building Systems took pole position on the top gainers' chart with a rise of 9.94 percent, followed by Taufika Foods and Lovello Ice-Cream, Associated Oxygen and SS Steel with 9.93 percent, 9.92 percent and 9.84 percent respectively.

NCC Bank Mutual Fund-1 shed the most in value, losing 8.69 percent, followed by Fu-Wang Ceramic Industry, HR Textile Mills and Orion Infusion which lost 8.36 percent, 7.92 percent and 7.49 percent respectively.

Most of the large capitalisation sectors posted negative performances.

According to the market update by BRAC EPL Stock Brokerage, the food and allied sector experienced the highest loss of 1.35 percent followed by telecommunication at 1.06 percent, pharmaceuticals at 0.41 percent, and fuel and power at 0.24 percent.

The banking sector dropped 0.04 percent, engineering 0.24 percent, and non-bank financial institution 0.52 percent.

The Caspi, the broad index of the Chittagong Stock Exchange, dropped by 3.21 points, or 0.26 percent, to close at 1,229.

Bhutan plans to set up economic zone in Kurigram

S DILIP ROY

Bhutan plans to set up a special economic zone in Kurigram district in the northern region of Bangladesh.

Recently, the Embassy of Bhutan in Bangladesh forwarded a formal letter to the Bangladesh Economic Zones Authority (Beza) seeking suitable land for an economic zone in the northern part of the country.

The Madhabaram village in Kurigram sadar upazila, which is close to Bhutan's gateway town Phuntsholing, was selected as the tentative location, according to a Beza official.

Rinchen Kuentsyl, ambassador of Bhutan to Bangladesh, and Sheikh Yusuf Harun, executive chairman of Beza, visited the location on Sunday. A feasibility study is also in the works.

After visiting the selected area for the Bhutanese Special Economic Zone, Kuentsyl told journalists: "I am impressed by the designated area. The location is suitable for an economic zone. People of both countries will benefit from this zone."

The Bhutanese ambassador believed construction work would begin very soon. He said many factories would be built there, creating employment for a large number of people.

In this regard, the governments of both countries have jointly taken all preparations, he said.

Mizanur Rahman, Kurigram sadar assistant commissioner, told The Daily Star that 133.92 acres of Khas land had been handed over to Beza. There are plans to acquire another 80 acres of privately owned land.

However, what type of investment will come from the Himalayan kingdom is yet to be clear.

Bhutan proposed to establish the zone under a government to government arrangement, the Beza official added.

Banks to face half-an-hour downtime for four days

STAR BUSINESS REPORT

The central bank began enforcing half-an-hour downtime for four days from yesterday, which will require banks to carry out card-based interbank transactions through alternative ways during the period.

The Bangladesh Bank has asked banks to make alternative arrangements to ensure transactions through ATMs, point of sales, QR codes, internet banking and e-commerce from 10:30pm to 11pm.

The downtime will be enforced for the maintenance of the National Payment Switch Bangladesh (NPSB), which facilitates card-based interbank electronic payments, according to a letter released by the BB yesterday.

The banking regulator has also directed banks to inform their clients about the downtime.

Japan boosts reliance on allies Australia, US for long-term LNG supplies

REUTERS, Tokyo

Resource-scarce Japan is shoring up long-term supplies of liquefied natural gas from close allies Australia and the United States as key contracts from providers including Russia are set to expire by the early 2030s.

Japan's biggest power generator JERA last month agreed to buy a 15.1 percent stake in Woodside Energy's Scarborough project in Australia. It was the latest in a string of deals as

block. They have secured 10- to 20-year offtake contracts from those countries for more than 5 million metric tons annually, or 8 percent of Japan's 2023 consumption, according to a Reuters calculation, eclipsing transactions elsewhere in the world.

Political issues including new carbon emissions rules in the Australia introduced in mid-2023 and President Joe Biden's freeze in January on new US LNG export licence approvals have not dented



the fallout from Russia's invasion of Ukraine threatens to disrupt access to gas from its northern neighbour, making it more imperative to find reliable long-term supply sources.

LNG accounts for about a third of Japan's power generation and it is the world's second-largest importer behind China.

It remains a key part of Japan's energy mix even though imports fell by 8 percent last year to the lowest since 2009 as it has increased the use of renewable energy and restarted some nuclear reactors following a complete shutdown after the Fukushima disaster in 2011.

Since 2022, Japanese LNG buyers have struck equity deals in five projects in Australia and the US including an exploration

Japan's appetite for long-term supplies from those countries.

Kyushu Electric Power, among the top five Japanese utilities, has said it is considering buying a stake in Energy Transfer's Lake Charles LNG project in the United States, even though it is now subject to the US licence freeze. That would be its second direct equity stake in gas production after Australia.

"North America and Australia still have supply stability compared to other projects," Kyushu Electric Executive Officer Takashi Mitsuyoshi said.

"There are some concerns about North America due to the recent (LNG) move by Biden, but they, along with Australia, are allies and that means a lot."

Make most of

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The issue is how to make a transformed, diversified and competitive economy, he said.

"If those are not done, it will become an incentive-addicted economy."

Bhattacharya questioned whether the export sector will get more protection than the domestic economy.

"The three years should be used to move from the defensive approach to a much more proactive approach in order to create a diversified and competitive economy."

He thinks Bangladesh should reduce its over-dependence on garment items since there is a risk if exports are not diversified.

Angola was recommended for LDC graduation 10 years ago, but it is yet to make the transition because of the fall of the oil price.

"This happened because Angola was over-reliant on a single export item and that is fuel. When the fuel price crashed, Angola's economy also crashed," Bhattacharya said.

Garments account for 85 percent of Bangladesh's national exports.

Senior Commerce Secretary Tapan Kanti Ghosh described the MCI3 as successful for the graduating LDCs, including Bangladesh, as the ministers approved the three-year extension.

"Bangladesh needs to utilise the

extended period fruitfully and a national committee is working on sustainable LDC graduation."

While presenting the keynote paper, Mustafizur Rahman, another distinguished fellow of the CPD, also termed the three-year extension as a positive news for Bangladesh.

"This is because for relatively weaker economies, a rules-based, multilateral trading system, sensitive to developmental dimensions of trade, serves their interests and addresses their concerns best."

Although the MCI3 did not meet the expectations of the graduating LDCs fully, the decisions contain several paragraphs that mention, and to some extent address, the special needs of the graduating LDCs, Rahman said.

The decision with regard to market access preferences for graduating LDCs opens the door to the preferential benefit beyond graduation, he added.

"Continuation of preferential access will need to be negotiated bilaterally with preference-offering countries."

State Minister for Commerce Ahsanul Islam Titu said the government is working to diversify exports by raising shipments of jute and jute goods, pharmaceuticals, leather goods and handicraft items.

GP, Robi and Teletalk

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The third largest operator, Banglalink, said it would also apply for the licences.

"We welcome the initiative of combining all the licences and issuing a unified licence. It's a timely step," said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink.

"However, being part of our parent company, VEON, which is a NASDAQ and Euronext listed company, we need to fulfill certain corporate governance requirements before acquiring this renewed licence. Once that is done, we shall apply," he added.

The awarding of the licence came nearly two years after the 5G spectrum auction. In March 2022, the country's four mobile phone operators bought 190 megahertz (MHz) spectrum for \$1.23 billion to roll out 5G wireless communication.

Carriers now have to roll out the technology within a year.

BTRC Chairman Ahmed said since the spectrum had already been allocated, this unified licensing would not complicate the provision for new services, including 5G.

He urged mobile operators to implement all the services under the unified licence as soon as possible.

Beximco to raise

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to develop Mayanagar, a real estate project, over 100 acres of land in Savar's Nabinagar. It will comprise 18,000 flats.

The township will include healthcare, education, entertainment, sports and recreation facilities as well as all civic and lifestyle amenities, it said in a disclosure.

It will have a commercial space of 5 million square feet and includes serviced flats, hotels, offices, a convention centre and a shopping mall.

Presently, 75 percent of the project land is owned by Beximco and 25 percent by Sreepur Township and the

profit will be shared accordingly, the disclosure said.

The filing said an architectural and engineering consultancy firm has been appointed for the design, development and supervision of the project on a turnkey basis. An international EPC contractor will be appointed for the implementation of the project.

Five months ago, Sreepur Township mobilised Tk 1,000 crore for a project. It was said at that time that the housing project would be located over 37 acres.

Shares of Beximco closed unchanged at Tk 115.60 on the Dhaka Stock Exchange yesterday.

Economists for publishing

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of the Centre for Policy Dialogue, recommended raising direct taxes and reducing indirect tax as the latter disproportionately impacts the poor.

There should be focus on digitalisation and governance in the tax administration to reduce corruption, he added.

Rahman further said that the government had taken some correct steps, but they should be implemented properly.

Ahsan H Mansur, executive director of the Policy Research Institute, said a market-based foreign exchange rate would reduce pressure on foreign exchange reserves.

Binayak Sen, director general of the Bangladesh Institute of Development Studies, Prof Abul Barkat, a former chairman of the economics department of the University of Dhaka, Mamun Rashid, managing partner of PricewaterhouseCoopers (PwC) Bangladesh, Fahmida Khatun, executive director of the CPD, and Masuda Yasmeen, chairman of the economics department of the University of Dhaka, were among those present at the event.

The economists said that the contractionary monetary policy was on the right track, adding that the fiscal policy should be similar.

Setbacks linger

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He said the government was thinking about increasing facilities for sectors alongside that of garments.

Private investment and revenue collection need to be boosted for vital resource allocation to crucial sectors to achieve Vision 2041, said FICCI President Zaved Akhtar.

Bangladesh needs to simplify and transform the tax and regulatory regime to build overall credibility and predictability while building capability

of human capital by leveraging digitalisation and facilitating better care for investors, he said.

"Only then FDI can play a pivotal role in this regard," he added.

Among others, Myung Ho Lee, president of Japan Bangladesh Chamber of Commerce and Industry, TIM Nurul Kabir, executive director of the FICCI, and Mahbub Ur Rahman, CEO of the Hongkong and Shanghai Banking Corporation, also spoke.