

India's court asks SBI for data to link political fund donors

REUTERS, New Delhi

India's Supreme Court ordered the State Bank of India (SBI), opens new tab on Monday to submit all the details of so-called electoral bonds issued under an opaque political funding system, just a month before general elections.

The further details of the controversial funding mechanism, introduced in 2017 but subsequently scrapped, are expected to make public information linking donors to political parties over the last five years, and the size of their donations.

Corporate funding of political parties is a sensitive matter in India, where the February scrapping of electoral bonds, along with the publicising of the names of donors and recipients, has become a hot topic ahead of elections due by May.

The Supreme Court gave the state-run lender until Thursday to provide the Election Commission of India with the unique identification numbers of the bonds, so as to allow donors to be matched with recipients.

"You have to disclose all details ... we must have finality to it," Chief Justice DY Chandrachud said.

The election commission, in its turn, was directed to make the information public "forthwith".

Last week, the commission made public some data on donations made since April 2019 under the funding mechanism that allowed anonymous unlimited donations by companies and individuals using the electoral bonds.

Some of India's biggest companies, such as Vedanta Ltd, opens new tab, Bharti Airtel, opens new tab, RPSG Group and Essel Mining were among the top political funders over the last five years, the data showed.



Rokeya Begum uses a sieve to separate fine charcoal particles from larger chunks out of a crusher machine for use in incense sticks. She gets Tk 200 to Tk 250 for a day's work. The photo was taken from Zero Point area in Khulna city recently.

PHOTO: HABIBUR RAHMAN

Pragoti to assemble and sell Kia sedan by this year

It signs deal with representative of Kia Corporation

JAGARAN CHAKMA

State-run Pragoti Industries yesterday signed a memorandum of understanding (MoU) with STX Corporation, an authorised representative of Kia Corporation of South Korea, to assemble and sell Cerato, one of Kia's sedans.

Currently, the 1600cc vehicle is available in the local market in the reconditioned format at around Tk 38 lakh.

"By signing the MoU, Pragoti will be able to supply brand new sedans at a reasonable price to buyers, including the government and private organisations, by December 2024," said Abul Kalam Azad, managing director of Pragoti Industries.

Signing the deal with Park Sang Joon, chief executive officer of STX Corporation, in Seoul, Azad said 200 units would primarily be assembled per year using existing facilities.

Referring to its market survey, he said Cerato would be preferred by Bangladeshi customers for its sunroof, 10-inch screen and

latest safety features.

A concern of the Bangladesh Steel and Engineering Corporation (BSEC), Pragoti currently assembles sport utility vehicles, such as the Pajero Sport, active sport crossovers, and double-cabin pickups of the Japanese brand as well as buses designed by India's Tata.

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For about a decade now, Pragoti has been seeking approval to assemble sedans with engine capacities of within 1600cc to make the cars more affordable for local consumers.

The annual demand for sedans in Bangladesh currently stands at about 16,000 units, according to data of the Bangladesh Road Transport Authority.

Of the total demand, around 83 percent is

met through reconditioned car imports from Japan. This is because at present, only PHP Group, Fair Technology Group and Pragoti Industries are engaged in local assembly, said industry people.

Attending the signing ceremony as chief guest, Industries Minister Nurul Majid Mahmud Humayun said Pragoti would be able to utilise its Chattogram factory's close proximity to Chattogram port.

"Sedan car assembling will start. Then manufacturing, Pragoti will have its own brand," he said, calling upon Kia Corporation for technical assistance and investment.

Md Moniruzzaman, BSEC chairman, SM Alam, additional secretary to the industries ministry, Delwar Hossain, ambassador of Bangladesh to South Korea, Anisuzzaman Chowdhury, representative of Kia Bangladesh and executive director of Meghna Automobile, Sang Ho (Stevin) Park, managing director of STX Corporation, and Sang Nam Kim, mobility business division team leader, were present.

Banks can't impose any fine on supervision charges: BB

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday directed banks to refrain from imposing any fine or interest on the supervision charge collected by them to bear their administrative costs of loans.

The central bank issued a guideline so that all banks follow the same method in collecting supervision charges on consumer loans and loans for cottage, micro and small and medium enterprises (CMSMEs).

The BB, in June 2023, allowed lenders to collect 1 percent supervision charge on personal and auto loans, and the funds given to the CMSMEs as administrative cost to monitor the loans is relatively higher. At that time, it said the charge can be collected on yearly basis and no compound interest rate can be slapped.

The BB said recently it has been observed that in some cases higher amount of supervision charges are collected from clients as banks are following different methods to calculate the fee.

As such, the supervision charge on loans should be calculated based on its guideline, said central bank, adding that no supervision charge could be imposed on clients before June 2023.

In case of excess collection, the amount should be returned or adjusted, said the BB.

Oil prices tick up

REUTERS, New Delhi

Oil prices ticked up in Asian trade on Monday, extending gains from last week of nearly 4 percent on the view that supply was tightening, with the risks heightened by further attacks on Russian energy infrastructure.

Brent crude oil futures for May delivery climbed 47 cents, or 0.5 percent, to \$85.81 a barrel by 0720 GMT. The April contract for US West Texas Intermediate (WTI) crude was up 49 cents, or 0.6 percent, at \$81.53.

STOCKS	
DSEX ▼	CASPI ▼
1.16%	0.94%
5,898.23	16,929.12

COMMODITIES	
Gold ▲	Oil ▲
\$2,159.93	\$81.86
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.14%	▲ 2.67%	▼ 0.03%	▲ 0.99%
72,748.42	39,740.44	3,171.93	3,084.93

US trade body urges govt to end detention

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The AAFA chief urged the BGMEA and its members to withdraw all first information reports filed against the workers to remove any further threats of arrest against thousands of workers and prevent the future harassment of workers.

Lamar is hopeful that the BGMEA and the industry will continue to make significant strides to ensure worker welfare.

"In turn, these efforts will only strengthen and grow our mutually beneficial partnership."

BGMEA's Hassan said he was aware of the letter.

The business leader said he has sought the names of the workers against whom the claim of detention and threat of detention has been raised so that they can initiate measures.

"This is because most of the police cases filed against the workers for their alleged involvement in wage protests have already been withdrawn," he said.

"And many of the cases are not being pursued anymore by the factory owners as normalcy has been restored and the new wage structure has been implemented."

Hassan said they have already directed the BGMEA members not to take into account minor incidents.

However, in the cases where workers who were found to be involved in torching of factories, beating up of senior officials and looting of factories, the owners may choose to continue the police cases, he said.

The AAFA represents more than 1,000 famous brands, which collectively clock more than \$490 billion in annual US retail sales.

Currently, Bangladesh is the third-largest supplier of garments as well as a fast-growing exporter of footwear and travel goods to the US.

Farmers face

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The Bangladesh Institute of Development Studies.

The number of food insecure people would have been even higher had the survey accounted for landless farmers, he added.

"Their situation is even worse than that of rickshaw-pullers as they don't earn money regularly," the economist said.

Against this backdrop, he urged for the adoption of more agricultural labour-intensive social safety net programmes.

Abdul Halim, project director of the BBS survey, informed that they only took into account agricultural households that own at least five decimals of land and members of the labour force that they employ.

As per the final report of the Population and Household Census 2022, Bangladesh's total population stands at 16.98 crore, spread across about 4.1 crore households.

In terms of overall population, around 3.77 crore, or 22 percent, of the population experienced moderate to severe food insecurity in 2023, the survey showed.

Meanwhile, 17 lakh people are at risk of extreme food insecurity.

The survey also showed that a significant portion, or 25.5 percent,

of households answered that they had to borrow money to cover basic food needs.

Taking loans for such needs is more common in rural areas, with 27.8 percent in those areas having done so. Urban and city corporation areas stood at 23.6 percent and 15.3 percent respectively.

According to the BBS survey, around 31 percent of the country's households are involved in agriculture. Of them, 39 percent are based in rural areas.

Consumer price data from the BBS shows that inflation in rural areas stayed above the figure in towns and cities during 32 of the 38 months from January 2021 till February 2024.

Elevated food prices are one of the major drivers for higher inflation in rural areas although villages, home to nearly 70 percent of the population, are major suppliers of staple food items, including grains, vegetables, and meat.

Mohammad Jahangir Alam, a professor of the agribusiness and marketing department at Bangladesh Agricultural University, said the lower wage rate for farm labourers pushed them into food insecurity.

"They [labourers] have had to reduce their nutritional food intake due to persistently high inflation," he added.

Rupee supported by persistent inflows

REUTERS, Mumbai

The Indian rupee was trading little changed on Monday, helped by persistent inflows and pegged back by weak Asian currencies and dollar buying by public sector banks.

The rupee was at 82.8850 to the US dollar at 11:04 am IST compared with 82.8775 in the previous session. The local currency's intraday high is 82.83.

Inflows will "broadly support" the

rupee until "this month is over", a foreign exchange trader said.

"On the other side, you have the RBI (Reserve Bank of India) and the dollar that is on the up move."

The RBI has been intervening to limit the rupee's decline in the face of dollar inflows, buying the greenback via public sector banks.

The banks "are again" on the bid on the dollar/rupee, though "not sure if it is for the RBI or importers", said an FX salesperson at a private bank.

Bangladesh's exports

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This ranges below the robust pre-Covid growth rates, which averaged 6.6 percent in the decade to the pandemic, BMI added.

According to the data service provider, higher inflation and interest rates, capital goods import restrictions, a weaker taka and the ongoing shortage of foreign currency will weigh heavily on private sector investment.

"Although we do not currently forecast the taka to undergo significant further depreciation in the short term, the strong devaluation of the currency in 2022 will continue to weigh on household purchasing power."

Inflation is forecast to average 9.4 percent in FY24, up from 8.9 percent the previous year and considerably above the historical five-year average of 6.3 percent from 2018-19 to 2022-23.

"We forecast private consumption to continue under-performing as high inflation undermines household purchasing power."

It also forecast that private consumption would expand by 6

percent year on year in FY24. But the growth is lower than the stronger growth rates of 8 percent and 7.5 percent recorded in 2020-21 and 2021-22, respectively.

However, it said, robust remittance inflows will provide some upside pressure to consumption.

Remittances inflows, which amount to roughly 5 percent of Bangladesh's GDP, have grown at an average of 22.8 percent per month since October 2023, it said.

"We expect inflows to remain strong, supported by a positive economic outlook for the Gulf Cooperation Council economies," said BMI, forecasting the bloc's economic growth would accelerate from 0.7 percent in 2023 to 2.6 percent in 2024.

An increase in energy prices due to a regionalisation of the Israel-Hamas war poses a key downside risk to the outlook, it said.

BMI added that although energy prices have declined since their rise in response to Russia's invasion of Ukraine, they are expected to remain comparatively high.

Key stock index drops

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Turnover, one of the major indicators of the stock market indicating the volume of shares traded during the session, slumped 5.43 percent to Tk 486 crore.

Total turnover of block trade, which are large, privately negotiated securities transactions, stood at Tk 5.72 crore, representing 1.2 percent of the day's total turnover.

Of the issues traded on the DSE, 134 made gains, 330 lost and 32 did not see any price fluctuation.

According to the daily market update by UCB Stock Brokerage, almost all the sectors closed in the negative territory. Among them, paper and printing, ceramics and jute suffered the biggest falls.

The engineering sector dominated the turnover chart, accounting for 18.9 percent of the total turnover.

Market movement was driven by negative changes in the market capitalisation of companies in the sectors of travel and leisure, paper and printing, and financial institutions, according to the daily market update of Shanta Securities.

Asiatic Laboratories topped the gainers' list with a rise of 9.79 percent, followed by People's Leasing and Financial Services with 8.69 percent, Baraka Power with 8.69 percent and Baraka Patenga Power with 8.10 percent.

ADN Telecom and Western Marine Shipyard followed suit with 4.54 percent and 4.47 percent respectively.

Drug sales grow

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ACME Laboratories was in the ninth place with sales amounting to Tk 1,150 crore, leaving Radiant Pharma, whose sales were Tk 1,134 crore, in the 10th, the IQVIA report showed.

Md Jubayer Alam, company secretary of Renata, said the revenue of the industry grew by around 2 percent because of the price spike of drugs.

"It is clear that sales volume did not grow in 2022."

The senior official of the fifth-largest medicine manufacturer attributed the higher prices of raw materials, the energy costs and the shortage of dollars to the upward adjustments of prices.

"However, companies did not pass on the entire cost to consumers," he said, adding that people avoided consuming the medicines that can be obviated.

"For instance, if a doctor had prescribed antibiotics and vitamins, people might have chosen to drop the latter."

Both VIPB's Islam and ACI's Zaman said if inflation pressure does not ease, the situation of drug sales will not improve, which might impact public health in the long run.

Bangas, Karnaphuli Insurance Company, and Doreen Power Generations and Systems were also on the top gainers' chart.

Golden Son shed the most, 9.05 percent, followed by Khulna Printing & Packaging and Aftab Automobiles with a decrease of more than 8 percent.

HR Textile Mills, Prime Textile Spinning Mills, SS Steel, Orion Infusion, Aramit Cement and CAPM BDBL Mutual Fund 01 were also on the chart of those suffering the biggest losses, each losing more than 7 percent.

Chittagong Stock Exchange saw a similar trend as the Caspi, the main index of the port city bourse, plunged 169 points, or 0.94 percent, to close at 16,929 points.