

Gold price to rise by Tk 1,400 a bhoori from today

STAR BUSINESS REPORT

The jewellers have decided to increase gold price by Tk 1,400 per bhoori (11.664 grams) from tomorrow because of a rise in pure gold prices in the local market.

People will have to buy the precious metal at Tk 118,355 a bhoori, up from the previous Tk 116,955 a bhoori for 22 carat golds, the Bangladesh Jewellers Association (Bajus) said yesterday.

The standing committee on pricing and price monitoring of Bajus took the decision in a meeting, according to the Bajus press release.

Bangladesh saw gold prices rise above Tk 100,000 per bhoori for the first time on July 20 last year.



A group of vendors, who claim to have run clothing outlets in the Bangabazar Shopping Complex in the capital's Gulistan before a massive fire ripped through it in April last year, are selling apparel items from vans just beside the tinned wall surrounding the erstwhile popular shopping destination. The photo was taken yesterday.

PHOTO: ANISUR RAHMAN

Utilise national logistics policy properly to boost economy

Speakers say at FICCI seminar

STAR BUSINESS REPORT

National Logistics Policy 2024 is a wonderful step towards developing Bangladesh's economy and enhancing its position in the global market and therefore it needs to be properly utilised, said speakers at a seminar yesterday.

"We don't have a sort of a standard in our logistics system," said Mohammad Tofazzel Hossain Miah, principal secretary to the prime minister in the Prime Minister's Office (PMO).

"But the policy has provided scope to develop the logistics system to grow businesses," he told the seminar titled "National Logistics Policy 2024 of Bangladesh: From Policy Framework to Execution".

The Foreign Investors' Chamber of Commerce and Industry (FICCI) organised the event at The Westin Dhaka.

"So, now we need efficiency to utilise technology to reduce the cost of trade and business. So, I feel that this is what needs

to be executed first. So, you should bring about much more foreign partnerships," said Tofazzel.

He also suggested bringing changes in management teams through advanced technology and software.

The policy is aligned with the target to become a "high-income country" and evolve into a "Smart Bangladesh" as per "Vision 2041", he said.

According to him, the logistics policy aims to lower business costs, boost exports and integrate the local markets with the global value chain.

Mohammad Sohaih, chairman of Chittagong Port Authority, said this was Bangladesh's first-ever national logistics policy.

"By putting this policy into action effectively, we aim to develop a top-tier, up-to-date, and high-performing logistics network," he said.

He also said foreign investors were interested to provide \$3 billion to \$4 billion to set up a Bay Terminal.

An extension of the Chattogram port, the terminal is scheduled to be set up on an around 6-kilometre stretch of land from the back of Chattogram Export Processing Zone to Rasmonighat on the Bay of Bengal.

Once up and running, the Bay Terminal would be a game changer for the Chattogram port, he said.

Zaved Akhtar, president of the FICCI, said new monitoring mechanisms and councils would ensure the logistics policy's success.

He hoped that the formation of a national logistics development council and a national logistics development and coordination committee would help to provide necessary guidelines and coordination to ensure effective and efficient implementation of the policy.

"These measures, along with the performance monitoring and regular engagement with the private sector, are crucial for ensuring an efficient logistics

sector," he said.

In a keynote presentation, Nihad Kabir, former president of the Metropolitan Chamber of Commerce and Industry, said the policy would act as a catalyst in drawing private investment in vital areas like ports and railways.

She said the policy would attract investment, create jobs and build up new skills, reflecting a joint effort by the private and public sectors.

Kabir also said the policy would enhance logistics, increase competitiveness, and boost productivity.

The seminar was moderated by M Masrur Reaz, chairman of the Policy Exchange Bangladesh.

Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh, Abul Kasem Khan, vice-chairman of the AK Khan & Co, Shahida Sultana, director general (executive cell) at the PMO, and Nikhil D'Lima, managing director of Maersk Bangladesh, also spoke.

Romo Rouf Chowdhury re-elected as chairman of Bank Asia

STAR BUSINESS DESK



Romo Rouf Chowdhury has been re-elected as chairman of Bank Asia at a meeting of the bank's board of directors on Sunday.

Chowdhury is one of the sponsor shareholders and sponsor directors of the bank, said a press release.

He has more than 30 years of experience as an industrialist. He is one of the successful young entrepreneurs of

Bangladesh.

Chowdhury holds the position of chairman of Rancon Group.

The group has more than 30 subsidiaries, a few of those are Rancon Motorbikes Ltd, Rancon Motors Ltd, Rangs Ltd, Rangs Properties Ltd, Rancon Automobiles Ltd, Rancon Oceana Ltd, Rancon Sea Fishing Ltd and Rancon Electronics Ltd.

He is a graduate in engineering from Durham University in the United Kingdom.

ShopUp sets up office in India

STAR BUSINESS DESK

ShopUp, the largest business-to-business (B2B) commerce platform in Bangladesh, has set up a tech and innovation centre in Bengaluru, India.

This expansion is a major milestone for ShopUp, allowing it to leverage Bengaluru's status as the "Silicon Valley of the East".

By entering this market, the platform is accessing global technology talents and adopting the latest technology practices.

ShopUp's Bengaluru office has already employed around 100 top-tier engineers, data scientists, and product managers, who have experience of working in top startups and tech companies of the region like Walmart, GoJek, Infosys, Uber, Mynt, Vogo, and Falabella.

Navaneetha Krishnan, who leads the team as the chief technology officer of ShopUp, is a key engineering figure in the Bengaluru tech industry and one of the main minds behind the technological prowess of companies like Zoho and Freshworks.

After extensive layers of approval from both countries, the ShopUp India office was officially inaugurated in Bengaluru in March this year.

The establishment of this centre underscores the platform's commitment to investing in technology and human capital to support its growth and operational excellence.

China's retail outlook dims after mid-year shopping festival flop

REUTERS, Shanghai

Retailers in China face a daunting near-term future after a disappointing mid-year online shopping festival that has also clouded the recovery prospects of the world's second-largest economy.

E-commerce sales decline for the first time during the so-called 618 festival that ended last week, reports said, reflecting the pressures building up on retailers who are already locked in a gruelling price war.

The festival, named after the June 18 founding date of e-commerce provider JD.com but embraced by all platforms, is China's second-biggest annual sales event after 'Singles Day' in November and is seen as a key indicator of household consumption.

The two events once showcased the rampant rise of Chinese consumerism, providing a reliable bump in sales for platforms and brands alike. The last time Alibaba reported Singles Day revenue, in 2021, sales hit \$84.54 billion over the event's duration.

This year, 618 has instead proven just how hard it is to get consumers spending at all.

"Chinese spend has been basically focused on sales opportunities and coupons. If they're not spending during this (618 sale), when on earth are they going to consume?" said Alicia Garcia-Herrero, Asia Pacific chief economist at Natixis.

To be fair to the event, discounts have become available year round since the pandemic, with retailers competitively offering them to woo belt-tightening consumers, thereby helping stunt sales growth during big shopping festivals.

Airbus says it's facing up to some tougher times ahead.

Sales during the marquee Singles

Day shopping bonanza last year grew just 2 percent.

While the discounting has helped slow the flow of consumers away from platforms such as JD.com and Alibaba-owned Tmall and Taobao to low-cost players such as Pinduoduo, it has not supercharged consumer spending - recent quarterly results showed revenues for Alibaba's domestic e-commerce arm rose by only 4 percent.

Investors also remain unconvinced, with Alibaba shares trading around 5 percent down this year and JD.com down over 3 percent.

But the bigger concern is weak consumer sentiment, which has remained stubbornly low since 2022.

A new Bank of America's China consumer survey found that sentiment weakened further in June.

The share of respondents who plan to spend more over the next six months fell to 45 percent in June, compared to 55 percent in April. And only 31 percent of respondents are expecting an increase in income over the next six months, a fall of 10 percentage points from April.

Josh Gardner, CEO of Kung Fu Data, which manages online stores for over a dozen global brands, said e-commerce in China is commonly referred to as "Everest commerce" for its enormous sales peaks around 618 and Singles Day.

But these peaks may become less pointy as sales periods lengthen and consumers lose interest, turning instead to everyday discounts offered, for example by livestream shopping on platforms such as ByteDance-owned Douyin, he said.

"I think what we're seeing this year is a shift away from full price retail altogether... It's more rational consumption and caution and looking for value," Gardner said.

Consumers in China have been

reluctant to spend amid concerns about their personal wealth fuelled by a real estate slump, stunted wage growth and high youth unemployment, putting at risk China achieving its stated economic growth goal of "around 5 percent" this year.

But rather than stimulate consumption - as they once reliably did - festivals such as 618 might be working against a consumption rebound in a year like this in which everyone is focused on buying what they need at the lowest possible price.

Kang Li, a 45-year-old mother-of-one who works in sales in the southern city of Changsha, is among those who are turning more frugal and shunning purchases of non-essential items.

"(I bought) household essentials, and some clothes and shoes for my kid, plus my own skincare products," Kang said, referring to her 618 shopping this year.

"Basically, I stock up on these when shopping events like 618 come around so I don't need to purchase them again for half a year," when Singles Day rolls around, she added.

Jason Yu, greater China managing director of market research firm Kantar Worldpanel, warned that the coming months would be challenging for retailers as people bought what they needed during 618.

"This pantry loading behaviour is an overdraft of the future consumption potential... July is going to be very challenging," he said.

Garcia-Herrero of Natixis forecast the second half is likely to see retail sales growing only by low single digits, meaning consumption's share of China's GDP will shrink rather than expand as many economists believe it needs to.

Govt commits improving

FROM PAGE B1

Memorandums of understanding (MoUs) for voluntary mergers have been signed between two private commercial banks and two state-run commercial banks. These mergers are likely to be completed in the next two years.

When a Prompt Corrective Action (PCA) framework enters into force in March 2025, the government will have the ability to enforce mandatory mergers if banks fail to implement their recovery plan, the statement said.

"To tackle NPLs and strengthen the merger process, we will align the NPL definition with international standards, conduct due diligence on the acquired banks, vet any merger proposal and send such proposals to the High Court for approval," it added.

"We plan to approve only those merger proposals which are commercially sound and are predicated on continued compliance with regulatory requirements; and will resolve weak banks that have no takers, with depositors protected by our insurance scheme," it said.

The government has completed Sector Strategy Papers or Sector Action Plans for seven out of 15 sectors to enable better integration of a medium-term budgetary framework and annual development programme process and strengthen

project selection.

It will formulate multi-year public investment programmes for an additional five sectors by the end of this year.

It also plans to gradually clear arrears and return subsidy spending to a level consistent with its fiscal programme targets by raising electricity prices as needed.

It will further avoid any new capacity charge commitments to power producers in case of contract renewals, the government said.

To increase tax revenue, the government is stepping up efforts to strengthen the tax administration through greater digitalisation, tax net expansion, and compliance risk management.

The government has also taken steps to increase taxpayer registration by making it mandatory to present proof of tax return submission for availing 38 services, which helped increase the number of registered taxpayers by 20 lakh in FY24.

"We plan to reach 1 crore registered taxpayers by FY25," the statement added.

The government has also installed 25,741 electronic fiscal devices (EFDs) as of April 2024, which it estimates has contributed around Tk 740 crore in additional revenue in FY24.

It plans to install three lakh EFDs in total over the next five years, according to the statement.

IMF sets 33 conditions

FROM PAGE B1

The finance ministry will have to publish a report on state-owned enterprises (SOEs). This will also cover a detailed analysis of the financial health of at least 40 SOEs.

In addition, we are committed to further tightening the monetary policy stance and recalibrating fiscal policy to support monetary tightening," the minister added.

In a press release, Deputy Managing Director Antoinette M

Sayeh said near-term policies of the country should focus on rebuilding external resilience and bringing down inflation.

"The authorities' recent actions to realign the exchange rate and implement the new exchange rate arrangement are welcome."

"Periodic reviews of the crawling peg would be important to ensure its effectiveness. Continued monetary and fiscal policy tightening would help to rein in inflation."

Amnesty to black money

FROM PAGE B1

the proposal to withdraw the existing tax holiday benefits for investors in private economic zones (EZs) in order to encourage domestic and foreign investments.

"Investors of the private EZs may enjoy the existing facilities but they will have to meet some new conditions," a finance ministry official told The Daily Star yesterday.

Currently, investors in economic zones receive tax breaks ranging from 20 percent to 100 percent in the first ten years of their production. The proposed budget maintains these benefits for state-run EZs but eliminates for private economic zones.

The government is likely to keep the proposal to end the privilege that allows lawmakers to import cars duty-free, a facility they have been enjoying since 1988.

Additionally, the proposed tariff and duty structure for some products may be revised in the final budget proposal.

BB issues new rules

FROM PAGE B1

Also, loans which were unclassified as of March 31 this year will also be restructured, but it will not be applicable in the case of converted term loans.

The central bank's instruction also clarified the loans that will not be under this scheme, such as loans given under incentive packages or special funds made or formed by BB or the government.

The central bank underscored the need for eligible borrowers to know about the rescheduling facility as they can apply for it by writing and then it can be provided subject to the receipt of the application.