

Star BUSINESS

Citizens Bank, the 61st commercial bank of Bangladesh, has successfully expanded its footprint and has kept growing.



Interview on B4

Net reserves now \$16.77b, BB releases data for the first time

STAR BUSINESS REPORT

The central bank has shared data of the net international reserves (NIR) of Bangladesh for the first time.

The NIR now stands at \$16.77 billion, Bangladesh Bank Spokesperson Md Mezbaul Haque told reporters yesterday.

The net reserves represent readily-available cash derived from gross reserves.

It is calculated by excluding short-term liabilities from the gross reserves in line with the International Monetary Fund's BPM6 formula.

The central bank usually calculates the foreign exchange reserves using two methods.

One is as per the Balance of Payments and International Investment Position Manual (BPM6), the method used by the IMF, while the other is produced using the central bank's own calculation method.

As per the BPM6 method, the gross reserves stood at \$21.83 billion on June 30, up from \$19.4 billion on June 26, the spokesperson said.

As per the central bank's own method, gross reserves stood at \$26.88 billion on June 30.

Bangladesh's monthly import bill is around \$5 billion, which means Bangladesh will be able to cover at least three months of import bills using the NIR.

Bangladesh also achieved the targeted foreign exchange reserves set by the IMF for the first time since agreeing to a \$4.7 billion loan programme, which has also played a big role in tackling the forex crunch.

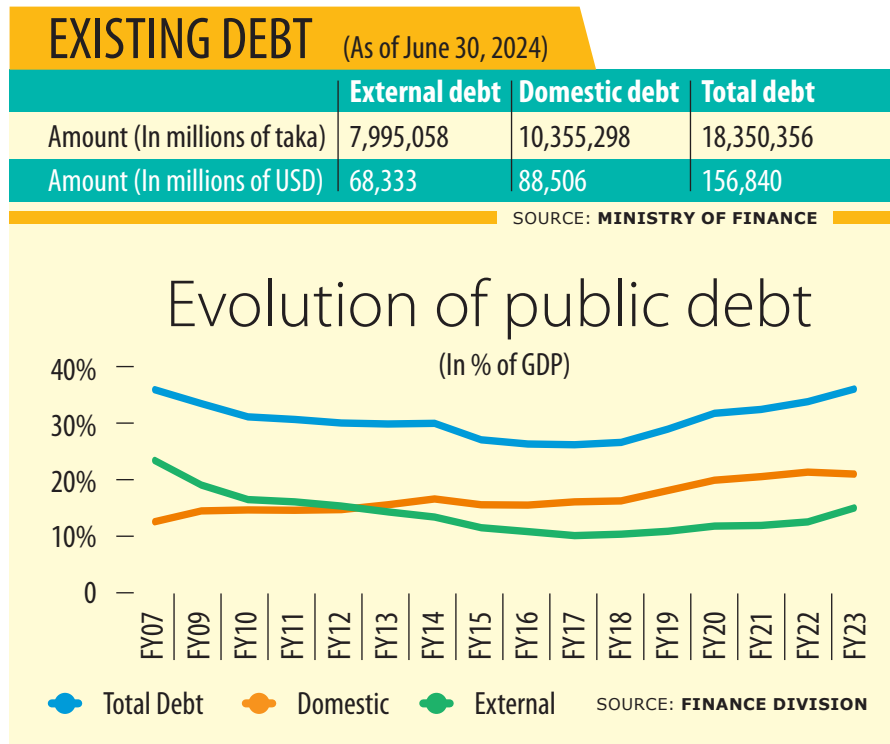
The target was set at \$14.7 billion for June.

The reserves also received a boost on June 24, when the IMF approved \$1.15 billion in the third tranche of the loan.

The country's foreign exchange market has been volatile because of higher dollar outflow despite the government's austerity measures, including controlling import payments.

Since August 2021, the forex reserves have fallen by \$24 billion.

Bangladesh eyes longer-term loans at fixed rates to manage debt better



REJAUUL KARIM BYRON

The government aims to borrow more from the domestic sector at fixed rates and for longer periods and cut reliance on Treasury bills with a view to keeping debt risks lower and avoiding exchange rate volatility.

Although the risk posed by the ballooning debt is still moderate for Bangladesh, the exchange rate risk has heightened over time owing to its growing reliance on foreign loans, a government paper said.

This has prompted the government to rethink about its borrowing strategy.

According to the government's Medium Term Debt Management Strategy, the risk emanating from the existing debt portfolio is moderate primarily because most loans are denominated in the local currency while external loans have a long maturity period. The domestic debt is, however, more expensive than external loans, it said. In the last financial year that ended on June 30, the weighted average cost of funds was 1.4 percent for external loans and 9.6 percent for domestic credits.

The data on Bangladesh's debt portfolio from the fiscal year of 2006-07 to 2022-23 highlights the shift in the composition of the total debt and the factors influencing it.

The total debt as a percentage of gross domestic product decreased

from 35.9 percent in FY07 to 26.2 percent in FY17. There has been an upward trend since then, reaching 36 percent in FY23.

At the end of the just-concluded fiscal year, domestic debt is projected at 56 percent while the remaining is external debt.

The higher refinancing risk associated with domestic debts due to its shorter average time to maturity (ATM) and a higher

external debts.

"This suggests that domestic debt is more vulnerable to interest rate fluctuations," said the document. The average time to refixing is a measure of weighted average time until all the principal payments in the debt portfolio become subject to a new interest rate.

"Strategies should, therefore, aim to increase the proportion of

sourcing this necessary financing through external as well as domestic sources is always competitive," the document said.

It said due to the terms of trade deterioration because of the war in Ukraine, Bangladesh's foreign currency reserve has come under severe pressure.

The gross reserves stood at \$21.99 billion on Thursday, down from \$41.7 billion in August 2021.

"The need to keep financing the growth-inducing investments and continue the reform in the fiscal sector with a keen focus on maintaining the debt sustainability is an imperative now," the document said.

The government has identified four alternative financing strategies, and they are being considered to cover the financing needs from FY24-25 to FY26-27.

Strategy 3 is the most preferred considering the cost and risk of new debt as it puts more emphasis on domestic market development, it said. It examines an expansion in the issuance of medium-term and long-term T-bonds, consistent to support the development of the securities market.

The government has targeted to bring down the external debt to 16.7 percent of the total loan in FY27 from 22.9 percent in FY25. On the other hand, it aims to raise

READ MORE ON B3

BB injected \$12.79b into banks in FY24

MD MEHEDI HASAN

The Bangladesh Bank injected \$12.79 billion into banks from its reserves in the just-concluded 2023-24 fiscal year as banks combatted a severe US dollar crisis which hampered import payments.

In exchange, the banking regulator mopped up the equivalent amount of local currency against the US dollar, which is a major reason for the liquidity crisis in terms of the local currency in banks, said a senior official of the central bank.

Since FY22, the central bank has continued to pump dollars into banks from the forex reserves, which caused the reserves to come down to risky levels.

The central bank pumped \$7.62 billion into banks in FY22, a record \$13.58 billion in FY23 and \$12.79 billion in FY24, central bank data showed.

As per the IMF calculation method (BPM6), gross forex reserves stood at \$21.83 billion as of June 30 while net international reserves stood at \$16.03 billion, according to BB data.

The forex reserves stood at \$33.38 billion (BPM6) at the end of FY22.

The central bank pumped \$7.62 billion into banks in FY22, a record \$13.58 billion in FY23 and \$12.79 billion in FY24

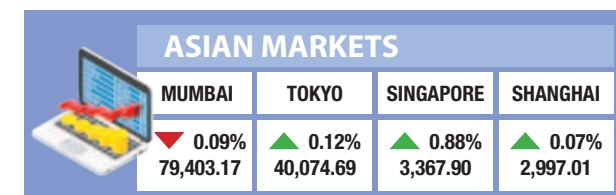
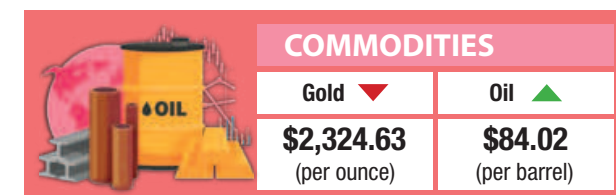
However, the central bank is still injecting dollars into banks despite the decline in import payments due to various import control measures that have been introduced since April 2022.

As a result of those measures, the settlement of letters of credit (L.Cs), which reflects actual import payment, stood at \$49.34 billion during July to March of FY24, down 12.59 percent year-on-year, BB data showed.

Banks, especially state-run lenders, are taking dollar support from the central bank to pay import bills owed by government institutions like the Bangladesh Petroleum Corporation, Bangladesh Agricultural Development Corporation and Bangladesh Chemical Industries Corporation, among others.

Md Mezbaul Haque, executive director and spokesperson of the central bank, told The Daily Star that the central bank has now reduced dollar support for banks.

READ MORE ON B3



Rangs eMart brings new LG OLED C3 series

STAR BUSINESS REPORT

Rangs eMart is going to introduce nine new models of televisions from LG's latest series in Dhaka today.

The TVs will be launched at a grand event at the Gulshan-2 showroom of Rangs eMart, a sister concern of Rancon Holdings Ltd.

LG Electronics Regional CEO Jae Seung Kim, Managing Director in Singapore Sung Hoo Chung, Managing Director in Bangladesh Yongil Ko, and Group Managing Director of Rancon Romo Rouf Chowdhury are expected to be present at the launch.

Yamin Sharif Chowdhury, divisional director of Rangs eMart, said: "Rangs eMart is constantly delivering products with advanced technology and features to customers. Moreover, LG's products are popular in Bangladesh's market. I believe these new models of TVs will satisfy customers."

The new lineup spans four series, namely the all-new LG OLED C3 series, the full range of the LG Nano series, the QNED80 series, and the UR8050 series.

In a statement, Rangs eMart said it was excited to bring these state-of-the-art LG TVs to the Bangladeshi market, continuing its commitment to provide high-quality, advanced technology products to customers.

The OLED C3 series offers advanced features such as OLED display technology, Alpha Nine Generation Five AI processor, webOS smart TV platform, Think AI, voice control, HDMI port with gaming features, USB port, Bluetooth, and Wi-Fi.

The QNED series utilises a quantum nanoshell display technology and LED backlighting technology. It also

READ MORE ON B3

Complaints bring no solutions for most Teletalk users

MAHMUDUL HASAN

A staggering majority of customers of state-run telecom operator Teletalk are getting no solutions even after logging complaints through the call centre of the Bangladesh Telecommunication Regulatory Commission (BTRC).

During March 2023 to February 2024, just under 75 percent of the complaints logged through the BTRC's call centre, known as 100 (shortcode), were not resolved or are still pending a solution, according to BTRC's documents.

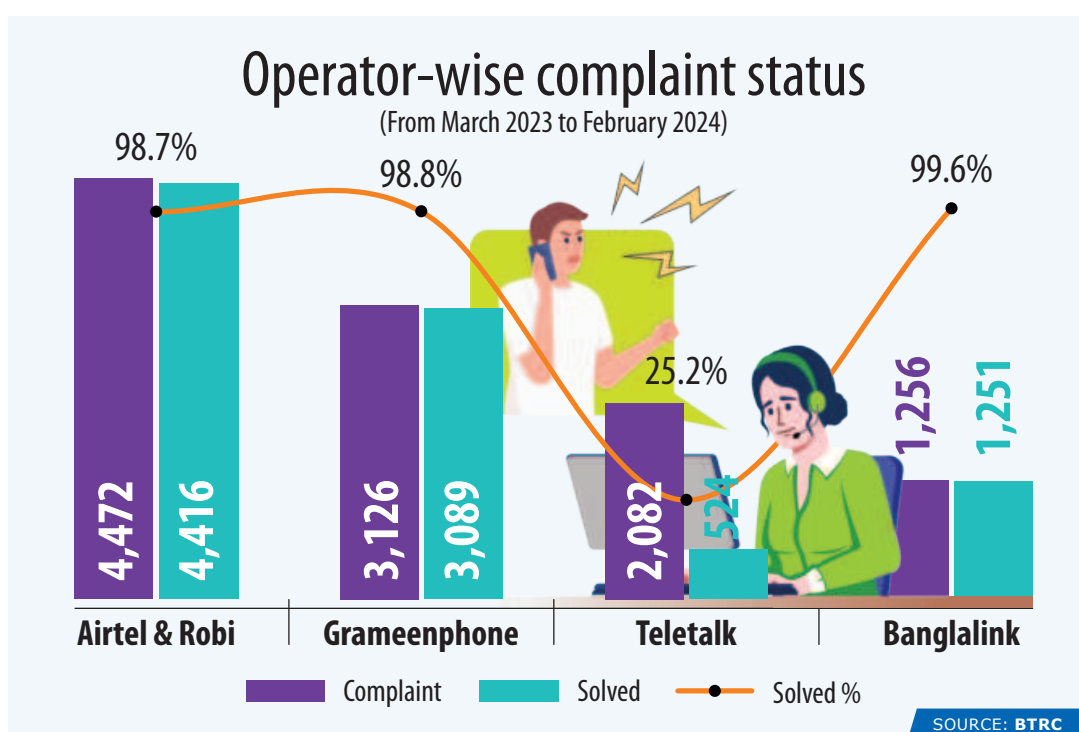
In other words, of the 2,085 complaints logged through the call centre, only 524 or 25.2 percent were resolved.

In the same period, private telecom operators have resolved more than 98 percent of customers' grievances.

There were 4,472 complaints filed against Robi Axiata (including Airtel), of which 4,416 or 98.7 percent were resolved.

A total of 3,126 complaints were filed against Grameenphone, of which 3,089 or 98.8 percent were resolved.

Customers logged 1,256 complaints against Banglalink,



of which 1,251 or 99.6 percent, were resolved – the highest in the industry.

The grim scenario unfolded against the backdrop of Teletalk losing customers in spite of the government spending public

money amounting to thousands of crores behind its network.

In fact, Teletalk was the only operator in 2023 to lose customers. Its subscriber base narrowed by 2.3 lakh year-on-year to 64.6 lakh last year.

It now has 65.5 lakh customers.

On the contrary, the overall subscriber base in Bangladesh grew by 1.05 crore in 2023 on the back of solid performances by the other three operators.

Considering overall complaints relative to customer base, Teletalk users disproportionately filed more complaints.

From March 2023 to February 2024, 10,936 complaints were lodged through BTRC's customer centre.

Teletalk, which has 65.5 lakh customers out of a total of 193.7 million mobile subscribers in the country, holds a market share of only 3.38 percent.

However, the share of complaints against the state-run operator stood at 11.49 percent.

On the other hand, Grameenphone, which has a market share of 43.33 percent, accounted for 28.58 percent of total complaints.

Robi, with a market share of 30.21 percent, accounted for 40.89 percent while Banglalink, with a market share of 23.09 percent, accounted for 19.04 percent.

"Most customer complaints are about the lack of network coverage. We don't have enough base transceiver stations (BTS), which is why they experience this issue," said Nurul Mabud Chowdhury, managing director

READ MORE ON B3

Hatil, Green Savers strike deal on green initiative



Selim H Rahman, chairman and managing director of Hatil, and Ahsan Rony, founder of Green Savers, shake hands and exchange signed documents of an agreement at the former's head office in Dhaka recently.

PHOTO: HATIL

STAR BUSINESS DESK

Hatil recently signed an agreement with Green Savers to launch a campaign styled "Green Initiative", geared towards nurturing nature for a better future.

Selim H Rahman, chairman and managing director of Hatil, and Ahsan Rony, founder of Green Savers, penned the deal at the former's head office in Dhaka, according to a press release.

The campaign seeks to raise awareness and actively contribute to environmental sustainability through tree plantation activities.

The primary motive of the campaign is to imprint a culture of environmental responsibility.

Environmental disasters are increasing rapidly and Bangladesh is at high risk of the threat of climate change, the main cause of which is deforestation.

With only 15 percent of its land covered by forests, Bangladesh is heavily affected by pollution and facing fast deforestation.

So, Hatil has partnered with Green Savers to amplify the impact of the campaign, read the press release.

From now on, the furniture brand will give a tree to its customers for every piece of furniture purchased from Hatil showrooms in Dhaka. Green Savers will plant the tree on their behalf.

This initiative aligns with Hatil's long-term vision of integrating sustainability into its operations.

Moreover, Hatil avoids deforestation in Bangladesh and sources its wood from responsibly-managed forests from abroad, the press release added.

Initiatives such as sourcing wood from FSC-certified companies, implementing effective waste management practices, and generating renewable energy in its manufacturing processes represents Hatil's commitment to sustainability.

Moshiur Rahman, director for sales and marketing at Hatil, and Syed MD Tariq, chief operating officer of DotBirth, were also present.

Nazim becomes BB director

STAR BUSINESS REPORT



Md Nazim Uddin, additional director of the Banking Regulations and Policy Department of Bangladesh Bank, has been promoted to the post of director in the same department.

The central bank issued an office order to this end on Monday, said a press release.

Nazim Uddin joined Bangladesh Bank in 2000 as an assistant director.

Since then, he served in various positions in inspection and offsite supervision department and the governor's secretariat of the central bank.

In recognition of his work, he was awarded a gold medal in "Bangladesh Bank Employees Recognition Award-2014".

Nazim Uddin obtained first class in bachelor's and master's degrees from the department of social welfare at the University of Dhaka.

Before joining Bangladesh Bank, he had been working in Janata Bank as a senior officer from 1998 to 2000.

He obtained the Institute of Bankers, Bangladesh (IBB) degree from the Associate of the Institute of Bankers, Bangladesh (AIBB).

Edison Real Estate, Haier Bangladesh sign MoU on service benefits

STAR BUSINESS DESK

Edison Real Estate Ltd recently signed a memorandum of understanding (MoU) with Haier Bangladesh Ltd.

Ahmed Pasha, director of product and marketing of the real estate company, and Ashraf Alam, head of sales of the electronics company, penned the MoU at the former's office in the capital's Tejgaon, the realtor said in a press release.

Under this MoU, Haier Bangladesh will offer up to a 15 percent discount on products such as televisions, air

conditioners, refrigerators, freezers, and washing machines to members of Edison Royal Club.

Mohammed Taiabur Rahman, general manager and head of marketing and customer experience of the real estate developer, Ninian Adhikary Nitol, deputy manager for marketing, and Mejbah Uddin, head of product management of the electronics company, Md Raju Ahmed, manager for corporate sales, and Niu Huaxia, PGH from the multinational home appliances manufacturer, were among those present.



Ahmed Pasha, director of product and marketing of Edison Real Estate Ltd, and Ashraf Alam, head of sales of Haier Bangladesh Ltd, pose for photographs after signing a memorandum of understanding at the former's office in the capital's Tejgaon recently.

PHOTO: EDISON REAL ESTATE



Md Abdul Mannan, executive director of Bangladesh Bank Barishal office, poses for photographs with participants of a workshop organised by IFIC Bank in Barishal recently.

PHOTO: IFIC BANK

IFIC Bank holds workshop on fake currency detection in Barishal

STAR BUSINESS DESK

IFIC Bank recently organised a daylong workshop on "Fake Note Detection and Prevention of its Circulation" in Barishal.

Md Abdul Mannan, executive director of the Bangladesh Bank Barishal office, inaugurated the workshop as chief guest, the bank said in a press release.

Around 121 employees from Barishal,

Patuakhali, Jhalakathi, Faridpur, Shariatpur, Madaripur and Gopalganj participated in the workshop.

Md Faruq Hossain, deputy director of the central bank, and Md Atiqur Rahman, assistant director, attended the event as resource persons.

Among others, William Chowdhury, head of currency management of IFIC Bank, and Md Zobayer Hossain, manager of Barishal branch, were also present.

Microsoft consolidates retail channels in China

REUTERS, Shanghai

Microsoft is consolidating its retail channels in mainland China, the firm said in response to media reports that it is closing its network of authorised physical retailers in the world's second-largest economy.

Microsoft did not confirm or deny the closures and did not comment on the number of authorised stores that would be impacted by the consolidation, in response to a request for comment from Reuters.

"Microsoft continually assesses its retail strategy to meet the evolving needs of our valued customers and we've made the decision to focus our channel approach in Mainland China," it said in a statement.

Microsoft products would still be available in the mainland via its retail partners and its own website, it added.

Life & Health, Bangkok Hospital arrange health session on air ambulance service

STAR BUSINESS DESK

Life & Health Ltd recently organised a health session on the air ambulance service with Bangkok Hospital in the city.

Nilanjon Sen, managing director of Life & Health Ltd, attended the session as chief guest, according to a press release.

Life & Health is an initiative of two Bangladesh born doctors with its headquarters in Dhanmondi. It also has offices in Banani and Chattogram.

Mohammad Shohid Ullah, director for operation and marketing and in-charge of air ambulance services at Life & Health Ltd, explained the state of the air ambulance service in Bangladesh.

Dhun Damrongsak, assistant chief executive officer of the hospital, and Shakti R Paul, internal medicine specialist, joined the event virtually and delivered speeches regarding the air



Nilanjon Sen, managing director of Life & Health Ltd, and Mohammad Shohid Ullah, director for operation and marketing and in charge of air ambulance services, pose for photographs with participants of a health session in the capital recently.

PHOTO: LIFE & HEALTH

ambulance service.

Bangkok Hospital provides advanced technologies and one of the world's best air ambulance services. Whether a patient is critical and in need of urgent medical transport within Thailand or internationally, Bangkok Hospital's specialised team ensures swift and safe transfers, the press release added.

With modern equipment and experienced medical professionals on board, its air ambulance service guarantees top-notch care during critical moments.

Bangkok Hospital is one of the first private hospitals of Thailand. For the past 50 years, it has expanded operations to become a tertiary care facility with dedicated hospitals for cancer and cardiology.

Bangkok Hospital and Bangkok International Hospital were both ranked as one of the world's best hospitals by Newsweek and Statista in 2024.

BYD posts 21% jump in EV sales, closes gap with Tesla

REUTERS, Beijing

China's BYD posted a 21 percent rise in second-quarter electric vehicle sales, closing the gap with Tesla after handing back the world's top EV vendor title to the US rival in the first quarter.

BYD sold 426,039 EVs in the April-June quarter, according to Reuters' calculations based on its monthly sales reports. That's around 12,000 vehicles fewer than Tesla's vehicle deliveries estimated for the second quarter.

Tesla is expected to report a 6 percent drop in April-June quarter vehicle

deliveries on Tuesday, the first time the US firm is set to post two straight quarters of decline, as it deals with stiff competition in China and slow demand due to a lack of affordable new models.

The company may again cede its EV championship to BYD if the actual results turn out to be softer than estimated, with Barclays predicting an 11 percent drop in second-quarter deliveries, Tesla's biggest ever.

Tesla's China-made EV sales in June fell 24.2 percent from a year earlier to 71,007, according to data from China Passenger Car Association (CPCA), extending a year-

on-year decline for a third month.

Tesla has hit a speed bump after years of rapid growth that helped make it the world's most valuable automaker. It warned in January that deliveries growth in 2024 would be "notably lower" as a boost from months-long price cuts wanes.

The EV maker has cut output of its best-selling Model Y electric car by a double-digit percentage number at its Shanghai plant since March to address weakening demand for its aged models in China, its second-largest market after the United States, Reuters reported in May.

By comparison, its top Chinese

competitor BYD maintained steady growth in EV sales, while EV upstarts such as Nio reported stellar growth last quarter. NIO's vehicle deliveries in the second quarter more than doubled to 57,300 units.

Price cuts and a growing shift in consumer demand to EVs and hybrids from gasoline-powered vehicles are the main reasons behind Chinese EV makers' strong sales in recent months, said Cui Dongshu, secretary general at CPCA.

Sales of new energy vehicles including EVs and plug-in hybrids in China made up 46.7 percent of total car sales in May, a fresh monthly high, as per CPCA data.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JULY 2, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 78	0	2.22 ↑
Coarse rice (kg)	Tk 48-Tk 52	-3.85 ↓	2.04 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-20.56 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	1.69 ↑	-12.28 ↓
Potato (kg)	Tk 56-Tk 65	10.00 ↑	61.33 ↑
Onion (kg)	Tk 95-Tk 100	21.88 ↑	18.18 ↑
Egg (4 pcs)	Tk 48-Tk 54	-2.86 ↓	9.68 ↑

SOURCE: TCB

German inflation slows more than expected

AFP, Frankfurt

Germany's inflation rate slowed more than expected in June, official data showed Monday, in welcome news for the European Central Bank following last month's first interest rate cut since 2019.

Inflation in Europe's biggest economy edged back down to 2.2 percent from a year ago, preliminary data from federal statistics agency Destatis showed.

The decline comes after one-off factors saw consumer prices rise by 2.4 percent in May, the first increase in six months.

Analysts surveyed by FactSet had expected the inflation figure to stay unchanged in June.

"The ups and downs continue – yet the overall trend is moving in the right direction," said KfW chief economist Fritz Koehler-Geib.

German energy prices fell by 2.1 percent year-on-year in June, compared with a decline of 1.1 percent in May.

Food inflation accelerated by 1.1 percent in June, while prices for services rose by 3.9 percent, unchanged from May.

Germany's June data will likely be cheered by European Central Bank policymakers, after they began reducing interest rates last month in the face of steadily falling eurozone inflation.

The rate cut lowered the ECB's closely-watched deposit rate from a record four percent to 3.75 percent.

But ECB chief Christine Lagarde warned that there was still a "long way to go until inflation is squeezed out of the economy".

Lagarde and other ECB officials have since been at pains to temper expectations of another reduction in borrowing costs at their July meeting, saying there was no "pre-determined" rate path.

Eurozone inflation rose faster than expected in May, to 2.6 percent.

DSE turnover falls over 38%

STAR BUSINESS REPORT

The turnover at Dhaka Stock Exchange (DSE) plunged over 38 percent yesterday from that on the previous day of trade due to a poor performance of companies accounting for large amounts in market capitalisation.

Market capitalisation means the total market value of a company's outstanding shares of stock.

Turnover, meaning the total value of shares changing hands on a day, hit Tk 440 crore at the end of the day, whereas it was Tk 712 crore on the previous day.

Beach Hatchery topped the turnover list with a rise of 3.17 percent to reach Tk 19.7 crore, followed by Salvo Chemical Industry (4.55 percent), Alif Industries (4.32 percent) and Asiatic Laboratories (2.01 percent).

Block trades, meaning large, privately negotiated securities transactions, stood at Tk 37.4 crore, representing 8.5 percent of the day's overall market turnover.

Sector-wise, information technology, general insurance and travel and leisure closed in the positive while tannery, miscellaneous and telecom in the negative.

The pharmaceuticals sector dominated the turnover chart, accounting for 18.52 percent of the total daily market turnover.

The pharmaceuticals sector dominated the turnover chart, accounting for 18.52 percent of the total daily market turnover

In its daily market update, Shanta Securities said the market movement was driven by positive changes in the market capitalisation of travel and leisure, paper and printing, and general insurance scrips.

Meanwhile, there were negative changes in the market capitalisation of food and allied, financial institutions, and telecommunication issues.

The market closed in the green with most of the large-cap sectors posting a negative performance, according to the daily market update by BRAC EPL Stock Brokerage.

Telecommunication experienced the highest loss of 0.88 percent, followed by food and allied, non-bank financial institutions (NBF), and pharmaceuticals with 0.81 percent, 0.69 percent and 0.55 percent respectively.

Fuel and power also logged a loss of 0.34 percent while banks 0.05 percent and engineering 0.46 percent, correspondingly.

The benchmark index of the country's premier bourse, the DSEX, rose 0.22 percent to close the day at 5,340.19.

Altam Automobiles and Zahintex Industries were the top gainers, rising 10 percent.

The two were followed by Navan CNG, Continental Insurance, Central Insurance Company, Desh General Insurance Company, Rupali Insurance Company, Green Delta Insurance and Bengal Windsor Thermoplastics.

Economic stability govt's main focus

State Minister for Finance Waseqa Ayesha Khan says

STAR BUSINESS REPORT

The government will mainly focus on maintaining economic stability and promote education on science, scientific research and innovation to build a Smart Bangladesh by 2041, State Minister for Finance Waseqa Ayesha Khan said yesterday.

For making a smart country, the government will also extend support to the agriculture sector to ensure food security, improve and expand basic health services and introduce training for the youth and the self-employed.

It will also put strong emphasis on using technology at all levels, including digitising all public services, optimising use of marine resources, ensuring discipline in the financial sector and ensuring a conducive environment for setting up industries and investment.

In Smart Bangladesh, the per capita income will be at least \$12,500, less than 3 percent of the population will be below the poverty line, extreme poverty will be reduced to zero and inflation will be limited to between 4-5 percent, Khan said.

Budget deficit will remain below 5 percent of the gross domestic product (GDP), the revenue GDP ratio will be above 20 percent and investment will be 40 percent of GDP, Khan said.

The state minister made the comments while addressing a group of businessmen of Bangladesh and the USA at the monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham), at The Westin Dhaka hotel.

"We will achieve 100 percent digital economy and science and technology-based literacy," she said.

Financial inclusion and easy access to financial services are regarded as important prerequisites for poverty

had set a target of achieving 30 percent of transactions in the cashless format by 2025 and 100 percent by 2031 at the first Smart Bangladesh Task Force meeting in August of 2023.

Bangladesh Bank has been implementing the National Financial Inclusion Strategy 2021-2026 with a mission to bring 100 percent people under financial inclusion by 2026.

The bKash and Nagad have revolutionised financial inclusion, reaching millions in rural areas who were previously excluded from the formal banking system.

Bangladesh now has 22.4 crore mobile financial service accounts, which has surpassed the number of total population of the country.

Automated teller machines, debit cards, credit cards, point-of-sales and internet banking are playing an important role to create branchless and cashless services, the state minister said.

Some 11,295 bank branches, 3,656 sub-branches, 21,613 agent outlets, 1.77 million MFS agent points, 25,336 MFI branches and 9,886 post offices are working throughout the country for financial inclusion of the mass people, she said.

Inflation is currently one of Bangladesh's major challenges, said AmCham President Syed Ershad Ahmed.

The lead time is increasing in business due to the lack of adequate logistics infrastructure and policy, he said.

"Due to our higher logistics cost and longer lead time, we are lagging behind other competitor countries," he said.

Financial inclusion and easy access to financial services are regarded as important prerequisites for poverty alleviation and boosting e-commerce

Waseqa Ayesha Khan
State minister for finance



alleviation and boosting e-commerce, she said.

"Our government and financial institutions have been implementing numerous plans to encourage digital payments," she also said.

She said her government

Tug-building deal with Navy boosts share prices of Indian shipbuilder

STAFF CORRESPONDENT, Ctg

Shares of an Indian warship builder jumped after the company announced that it had signed a \$21 million contract to make an advanced ocean-going tug for Bangladesh Navy.

The vessel builder, Garden Reach Shipbuilders & Engineers Ltd (GRSE), under the control of India's defence ministry, saw its share price jump from INR 2,099 on June 28 to INR 2,306 at the close of trading on July 1, posting a 9.86 percent gain after the announcement.

Yesterday, its shares soared to as high as INR 2,473.95 at 9:25 am during the intraday trade before ending the day at INR 2,405.55 on the National Stock Exchange (NSE) of India.

As per the contract, the ocean-going tug will be delivered to Bangladesh within 24 months, according to information given by GRSE to the NSE

GRSE said the tug would be primarily used for towing ships at sea, both alongside and astern, assisting them during berthing and casting off, and aiding in turning through pushing and pulling.

Its secondary role will be to provide firefighting support to ships at sea and take pollution control measures on a limited scale.

The vessel will be nearly 61 metres long and 15.80 metres wide, with a maximum speed of at least 13 knots when fully loaded, according to a statement issued by the company on July 1.

The vessel will also be capable of carrying out rescue and salvage operations at sea.

Additionally, it will be equipped with an advanced computer-controlled system that will allow it to maintain its heading and position without the use of mooring lines or anchors, GRSE also said.

As per the contract, the ocean-going tug will be delivered to Bangladesh within 24 months, according to information given by GRSE to the NSE.

A few weeks ago, GRSE signed another contract with Bangladesh for delivery of a Trailing Suction Dredger, according to the press release.

Bangladesh

FROM PAGE B1

domestic debt to 83.3 percent in FY27 from 77.1 percent in FY25.

The share of T-bonds in gross financing needs to increase from 21.9 percent in the new fiscal year to 48.3 percent in FY27. The stake of T-bills will go down from 39.3 percent to 22.2 percent during the period.

The government is aware that as the liquidity position in the financial market remains tight, there will be some challenges to implement the strategy.

"The government will pursue external investment in the domestic debt market to alleviate the pressure," the paper said.

As per strategy, the government does not plan to issue any international sovereign bonds.

"The government's objective is to maintain the reforms already in place and plan and implement others as and when practicable."

BB injected

FROM PAGE B1

He said that banks are now liquid in terms of dollars, which is why they do not need to take support.

Amid the restrictions brought on by the Covid-19 pandemic, import payments, international travel, and outflow of foreign currency for other purposes fell drastically.

At the same time, remittance inflow increased, taking the reserves to a record \$48 billion in August 2021. As import payments started to rise and the economy gradually reopened, the reserves began to fall.

In 2022, the country's forex market became more volatile as supply chain disruptions caused by the Russia-Ukraine war elevated commodity prices globally.

Bankers also say mismanagement in the forex market in Bangladesh, frequent policy changes by the central bank, and the gap between the official exchange rate and the unofficial one are also to blame for the volatile dollar market. Since August 2021, the forex reserves have fallen by \$24 billion.

Dollar strengthens

AFP, Hong Kong

The dollar rose Tuesday and Asia equities were mixed as investors weighed the possibility of another Donald Trump presidency after last week's poor debate performance by incumbent Joe Biden.

Speculation about a second term for the Republican rose on the Supreme Court's ruling that all former leaders had "absolute immunity" from criminal prosecution for "official acts" taken while in office but could still face criminal penalties for "unofficial acts".

The decision comes as Trump faces criminal charges over his attempts to overturn his 2020 election loss to Biden, but that trial had been put on hold while judges considered his immunity claims.

Bets on a second term for the controversial tycoon rose after Thursday's debate, in which he was widely considered to have come out on top after Biden struggled through answers and stumbled over his lines.

That led to calls for him to step down due to worries over his mental state, but Democrats have pushed back and are reportedly seeking a vote next month that would formally make him the party

candidate for November's poll.

"Those two headlines, and given the reaction to President Biden's first debate, continue to suggest a Trump presidency is looking more likely at this stage," Tapas Strickland at National Australia Bank said in a commentary.

Observers said the prospect of another Trump presidency fuelled talk of tax cuts and a fresh spike in inflation, pushing up yields and denting hopes for interest rate cuts.

That, in turn, boosted the dollar against its main peers, pushing back to 38-year highs against the yen, putting Japanese authorities on alert after they previously warned they were ready to intervene in forex markets to support the unit.

The euro was also a little softer, though it managed to hold most of the gains made Monday in a relief rally that came after the far-right National Rally (NR) looked unlikely to win an absolute majority in French legislative elections as had been feared.

President Emmanuel Macron and his allies are now involved in intense campaigning and horse-trading ahead of the second round of polls Sunday as they look to deny NR an absolute majority and control of government.

Complaints bring no solutions

FROM PAGE B1

(additional charge) at Teletalk. BTSS, commonly known as telecom towers, enable wireless communication by facilitating the transmission and reception of radio signals between mobile devices and the network.

"We are implementing a project to expand network coverage and are hopeful that a positive change will be visible by June next year," Chowdhury added.

Teletalk, which began its

journey in December 2004 with a mission to acquire a significant market share by providing countrywide network coverage, has become a burden for the government owing to mounting losses.

As it keeps losing customers and its performance in various service metrics deteriorates, Teletalk's revival appears uncertain.

In the last financial year ending on June 30, Teletalk's total losses

amounted to Tk 1,337 crore, reflecting a persistent trend of net losses since its establishment.

It only made a profit in 2010-11 and 2012-13, according to the financial report for 2022-23.

On January 13 this year, Zunaïd Ahmed Palak, state minister for telecom, asked state-run telecom companies to attain profitability by June this year, warning officials that they would otherwise be shown the door.

Rangs eMart brings new LG OLED

FROM PAGE B1

incorporates the Alpha Seven Generation Four AI Processor, enhancing sharpness, clarity, and picture colour.

The NANO 75 series offers the latest in TV technology. These TVs come with the webOS smart TV platform, Think AI, Google Assistant, and

Amazon Alexa.

The UR8050 series features 4K UHD resolution, a quad-core processor, HDR support, webOS smart TV platform, AI picture, and AI sound technology.

Rangs eMart also has the world's largest OLED TV which is LG's 97-inch OLED TV and is only available in

its store.

Rangs eMart is a distribution partner of renowned global brands like Samsung, Hitachi, LG, Toshiba, Whirlpool, Panasonic, and Phillips. It has 36 retail outlets, 25 exclusive dealers and more than 100 multi-brand dealers' outlets, according to its website.

Echoes of dotcom bubble haunt AI-driven US stock market

REUTERS, New York

A US stock rally supercharged by excitement over artificial intelligence is drawing comparisons with the dotcom bubble two decades ago, raising the question of whether prices have again been inflated by optimism over a revolutionary technology.

AI fever, coupled with a resilient economy and stronger earnings, has lifted the S&P 500 index to fresh records this year following a run of more than 50 percent from its October 2022 low. The tech-heavy Nasdaq Composite index has gained over 70 percent since the end of 2022.

While various metrics show stock valuations and investor exuberance have yet to hit peaks reached at the turn of the century, the similarities are easy to spot. A small group of massive tech stocks including AI chipmaker Nvidia

symbolize today's market, recalling the "Four Horsemen" of the late 1990s: Cisco, Dell, Microsoft and Intel.

The dizzying run in shares of Nvidia, which gained nearly 4,300 percent in a recent five-year period, stirred memories of how network equipment maker Cisco surged about 4,500 percent over five years leading up to its peak in 2000, according to a BTIG comparison of the two stocks.

Valuations have grown as well, though many tech champions appear to be in far better financial shape than their dot-com counterparts of the late 1990s and early 2000s. Other measures, such as investor bullishness, have yet to reach the frothy heights of the turn of the century.

The concern is that the AI-driven surge will end the same way as the dot-com boom - with an epic crash. After nearly quadrupling in just over

three years, the Nasdaq Composite plunged almost 80 percent from its March 2000 peak to October 2002. The S&P 500, which doubled in a similar timeframe, collapsed nearly 50 percent in that period.

While several internet stocks such as Amazon survived and eventually thrived, others never recovered.

"No one exactly knows what will happen with artificial intelligence," said Sameer Samana, senior global market strategist at the Wells Fargo Investment Institute, noting the same uncertainty about the eventual long-term winners.

Echoing the dot-com boom, the information technology sector has swelled to 32 percent of the S&P 500's total market value, the largest percentage since 2000 when it rose to nearly 35 percent, according to LSEG Datastream.

Government of the People's Republic of Bangladesh
Office of the Executive Engineer
Education Engineering Department (EED)
Naogaon.
 E-mail: ee_nao@eedmoe.gov.bd

Memo No. 37.07.6400.001.44.001.23-820 Date: 29/06/2024

e-Tender Notice No.- 24/Computer/2023-2024 (OTM)

e-Tender is invited in the National e-GP system portal (<http://www.eprocure.gov.bd>) for the procurement of the following works under EED, Naogaon Districts as mentioned below:

Sl No	Tender ID No.	Name of work	Tender Type	Tender Closing & Opening (Date & Time)
01	998016	Supply of Desktop Computer, Laser Printer, Scanner, Online 1200VA UPS, Power Extension Board/Power Strip to Upazilla Office of Education Engineering Department at Manda, Mohadevpur, Porsha, Raninagar and Badalgachi Upazillas of Naogaon District.	NCT (OTM)	16-Jul-2024; 12:00

a) Tender publication date on live of the package is 30/06/2024 at 21.00.
 b) This is an online Tender, where only e-Tender will be acceptable in the National e-GP System Portal and No offline/hard copies will be accepted.
 c) The fees for downloading the e-Tender Documents from the National e-GP system portal have to be deposited online through any registered Bank's branches up to 11.00 on 16/07/2024.
 d) Credit commitment should be submitted in proper format specifying Tender ID.
 e) The procuring entity reserves the right to accept or reject any or all tender (s) without assianina anv reason what so ever.

Sd/-
 (Prodip Kumar Sarker)
 Executive Engineer
 Education Engineering Department
 Naogaon.

GD-02

Customers' confidence and trust are our capital

Says Citizens Bank Managing Director Mohammad Masoom

AM JAHID

The timing of Citizens Bank's launch on July 3, 2022, could not be worse: Bangladesh was reeling from the twin crises of the coronavirus pandemic and the Russia-Ukraine war, and people's confidence in the banking industry eroded owing to loan scams and irregularities.

The 61st commercial bank of Bangladesh not only stood the test of time but also successfully expanded its footprint and has kept growing.

"Since the very beginning, we experienced problems in almost every step," said Mohammad Masoom, the founding managing director and chief executive officer of Citizens Bank, during an interview with The Daily Star recently.

He said the pandemic and the war had already hurt the economy. Besides, people's trust in the banking industry has weakened centring loan irregularities in some banks, and the interest rate cap on loans affected the flow of deposits.

"It was challenging for the new bank to increase profitability when both lending and deposit rates were capped," he said.

In April 2020, the central bank introduced the 9 percent lending rate ceiling and the 6 percent deposit rate cap.

Masoom said the macroeconomic crisis and an unprecedented level of inflation, fueled largely by the pandemic-induced challenges, the war, and the foreign exchange reserve crisis, have also had a lot of impacts.



in the expansion mode," he said, adding that the bank is planning to open more branches and sub-branches in the next three months.

The first thing the bank did was to build a deposit base because the noted banker believes: "Deposits are the bedrock of a bank. The biggest success is that we have around 11,000 clients."

Citizens Bank has a loan portfolio of more than Tk 850 crore. It has a deposit of about Tk 1,300 crore.

He said the most important thing is that the bank has been able to raise capital and the biggest strength has been to maintain compliance thanks to good corporate governance.

"We learned from the mistakes and problems of other banks. We believed in consistent and considerate growth."

Masoom was appointed in January 2021 as the first managing director and CEO of the bank after it obtained the licence from the central bank in December 2020.

As the first CEO, he wanted to put in place a solid foundation. The bank has generated revenues and ensured cost and time efficiency.

"We have also gained the trust of consumers from the very beginning. Their confidence and trust are our biggest capital. If we can maintain this foundation, the bank will prosper."

He said even though the environment is challenging, the bank will have to

navigate it with professionalism.

In order to attract savers in the challenging environment, Citizens Bank offered a maximum of 8 percent interest for term deposits. It, however, managed to keep the overall cost of deposits at less than 6 percent.

"This has been a major achievement for a new bank," Masoom said.

The bank is currently focusing on micro, small and medium enterprises (MSMEs) since they are the driver of the economy and generate jobs.

The CEO said there are few willful defaulters in the segment, in a country where intentional defaulting is prevalent, threatening the health of the financial sector.

"MSMEs always try heart and soul to establish themselves thanks to their entrepreneurial zeal, and they try to pay back loans on time."

The bank is also funding the supply chain and is lending to the corporate supply chain, backwards and forward linkage industries.

Masoom, who has been working in the banking sector for more than three decades, also talked about the new market-based lending rate system.

It came on May 8 when the central bank scrapped the Treasury-linked interest rate setting mechanism known as SMART (Six-months Moving Average Rate of Treasury bill) as it has continued to struggle to contain inflation, put the

reserves in a good shape and restore the economic stability.

Between April 2020 and June 2023, the central bank maintained the lending rate cap.

Masoom said the introduction of the market-based lending rate is a good step. "If it works, it will benefit everyone. Now, demand and supply will determine the cost of funds."

Talking about the non-performing loans (NPL), he said NPLs have been the biggest drag on growth in the banking industry. "We are concerned about the banking sector."

"Our balance sheet is clean. We don't have any non-performing loans. I think Citizens Bank will be one of the finest banks in Bangladesh and play an important role in building public confidence."

Masoom is also aware of banks' role in ensuring the welfare of clients. "Clients may face financial debacle, or their financial health may weaken for not having any congenial climate. If we are convinced that our clients are sincere, we have a moral obligation to support them during their rainy days too."

He said in that case, the bank looks at it from a human point of view.

"This is also part of our philosophy. This is why the bank has assumed the name Citizens Bank. Our corporate slogan -- Today, Tomorrow, Together -- says a lot about our mission. Today, we are here; we will be there in the future as well."

He said the informal market has to be curbed to accelerate remittance flows with a view to ending the reserve crisis.

Inflation, which has stayed over 9 percent for more than two years, affects everything, he said. "It affects our competitiveness and people in the lower-income group."

Citizens Bank is working on expanding its footprint through digital banking since the country plans to become a cashless society.

"We are working with information technology companies to make our service cost-efficient. We have introduced the mobile app with all kinds of services. We have cashless cards as well."

"We know there is a need for a cashless society. It has a positive impact on the economy. We are focusing on that."

Still, apart from a digital presence, a bank should have a physical existence, Masoom believes.

"A bank should not only have a materialistic transaction; it should have a human side. We want to stay connected with clients. We want to have a relationship with clients."

BB cuts fees for CMSME credit guarantee facility

STAR BUSINESS REPORT

The Bangladesh Bank has reduced fees payable against credit guarantee facility for entrepreneurs in cottage, micro, small and medium enterprises (CMSMEs) and financial inclusion sectors.

The central bank issued a circular to this end on Monday.

Banks or financial institutions partaking in the scheme are required to pay a guarantee fee at the rate of 0.50 percent for the first year of the loan.

However, after the end of the first year and subject to the validity of the guarantee, the fee payable for the following years has been reduced to 0.25 percent from the previous 0.75 percent per year.

The central bank has taken this decision to address the need to make credit guarantee facilities more cost-effective and accessible to entrepreneurs, according to the circular.

On November 8 last year, the BB fixed the 0.75 percent fee from subsequent years after the first year.

The central bank highlighted the positive aspects of the CMSME sector such as contributing to economic growth, reducing rich-poor and regional disparities, and ensuring inclusive development including women's empowerment.

US manufacturing contraction deepens in June

AFP, Washington

US manufacturing activity edged lower in June, deepening a recent slump on continued weak demand, according to industry survey data published Monday.

The Institute for Supply Management's (ISM) manufacturing index came in at 48.5 percent last month, down 0.2 percentage points from May.

The June data came in below market expectations of 49.1 percent, according to Briefing.com, and marked the third consecutive month where the reading was below the 50-point mark separating expansion from contraction.

"US manufacturing activity continued in contraction at the close of the second quarter," ISM survey chief Timothy Fiore said in a statement.

"Demand remains subdued, as companies demonstrate an unwillingness to invest in capital and inventory due to current monetary policy and other conditions," he continued, referring to the US Federal Reserve's ongoing battle against rising prices.

Inflation has fallen sharply since the Fed began hiking interest rates in 2022, but remains stuck above its long-term target of two percent -- keeping borrowing costs high for both consumers and producers.

"Production execution was down compared to the previous month, likely causing revenue declines, putting pressure on profitability," Fiore said.

AT A GLANCE

- Citizens Bank started commercial journey on July 3, 2022
- Number of branches: **12**
- Total deposit: Tk **1,300cr**
- Amount of lending: Tk **875cr**
- Number of accounts: **11,000**
- The bank plans to open more branches and sub-branches in next **2-3** months

"Amid the challenges, we started our commercial journey with a few people and six branches. However, we dealt with the challenges well and we have increased the number of branches."

"We have growth momentum. We are

Eurozone inflation eases slightly in June

AFP, Brussels

Eurozone inflation cooled in June, official data showed Tuesday but experts say it will not be enough to convince the European Central Bank to accelerate its rate-cutting cycle despite sluggish economic growth.

Consumer prices have remained stubbornly above the ECB's two-percent target, although the return to easing inflation will no doubt be welcomed by officials.

Consumer price inflation in the single currency area came in at 2.5 percent in June, down from a 2.6 percent rate in May, the EU's statistics agency said.

The May reading had been higher than expected, ticking above the 2.4 percent rate registered in April.

Economists surveyed by FactSet and Bloomberg had forecast that June inflation would ease to 2.5 percent.

Core inflation, which strips out volatile energy, food, alcohol and tobacco prices and is a key indicator for the bank, was flat at 2.9 percent in June. Experts had expected it to cool to 2.8 percent.

Inflation has slowly fallen since reaching a 10.6-percent peak in October 2022 following the outbreak of war in Ukraine, which forced the ECB to launch an unprecedented streak of interest rate hikes.

The ECB cut rates for the first time since 2019 on June 6, but officials have tried to temper expectations of another cut to borrowing costs at their July meeting.

"Our work is not done, and we need to remain vigilant," warned ECB president Christine Lagarde on Monday.

"We will not rest until the match is won and inflation is back at two percent," she added in a speech in Portugal.

Experts said Tuesday's data would bolster the ECB's cautious approach.

"It already seemed unlikely that the ECB would cut interest rates at its meeting in July, and June's inflation data will reinforce policymakers' inclination to move very cautiously," said Jack Allen-Reynolds of London-based consulting firm Capital Economics.

There are however growing expectations that it could lower rates later this year.

But "stubbornly high" services inflation "will cause headaches" for the ECB, according to Riccardo Marcelli Fabiani at Oxford Economics.

Eurostat data showed services prices rose by 4.1 percent in June, stable compared with May.

But energy price rises slowed to a rate of 0.2 percent in June, down from 0.3 percent in May.

Food, alcohol and tobacco price increases also eased to 2.5 percent last month, a slight drop from 2.6 percent in May, according to Eurostat.

Sri Lanka to save \$5b from bilateral debt deal



A vendor, right, selling clothes waits for customers at a market in Colombo. The island nation defaulted on its foreign borrowings in 2022 during an unprecedented economic crisis.

PHOTO: AFP/FILE

AFP, Colombo

Sri Lanka will save \$5 billion following the restructure of its bilateral debt, much of which is owed to China, through slashed interest rates and longer repayment schedules, the president said Tuesday.

The island nation defaulted on its foreign borrowings in 2022 during an unprecedented economic crisis that precipitated months of food, fuel and medicine shortages.

President Ranil Wickremesinghe said a deal struck last week had secured a moratorium on debt payments until 2028, extending the tenure

of loans by eight years and cutting interest rates to an average of 2.1 percent.

Wickremesinghe said bilateral lenders led by China, the government's largest single creditor, did not agree to take a haircut on their loans, but the terms agreed would nonetheless help Sri Lanka.

"With the restructure measures we have agreed, we will make a saving of \$5.0 billion," Wickremesinghe told parliament in his first address to the legislature since the debt deal.

Some of Sri Lanka's loans from China are at high interest rates, going up to nearly 8.0 percent compared to borrowings from

Japan, the second largest lender, at less than 1.0 percent.

Sri Lanka struck separate deals with China and the rest of the bilateral creditors, including Japan, France and India.

Bilateral creditors account for 28.5 percent of Sri Lanka's outstanding foreign debt of \$37 billion, according to treasury data from March. This excludes government-guaranteed external loans.

China accounts for \$4.66 billion of the \$10.58 billion that Sri Lanka has borrowed from other countries.

Wickremesinghe said he expected to complete shortly the restructure of a further \$14.7

billion in external commercial loans, including \$2.18 billion from the China Development Bank.

Sri Lanka's 2022 crisis sparked months of public protests that eventually forced the resignation of then-president Gotabaya Rajapaksa after an angry mob stormed his compound.

Wickremesinghe said the nation was bankrupt when he took over and he hoped the \$2.9 billion International Monetary Fund bailout he secured last year would be the island's last.

Colombo had gone to the IMF, the international lender of last resort, on 16 previous occasions and the debt restructuring is a condition of the IMF bailout.

Gold slips

REUTERS, London

Gold prices fell on Tuesday under pressure from elevated US treasury yields and a stronger dollar while investors awaited comments from Federal Reserve Chair Jerome Powell for further clues about the interest rate path.

Spot gold was down 0.3 percent at \$2,325.3 per ounce by 0952 GMT.

The benchmark 10-year Treasury yield hit a one-month high on Monday and held elevated on Tuesday, making non-yielding bullion less attractive, amid bets on the possibility of a second Donald Trump presidency.

Gold is down 5 percent from a record high of \$2,449.89 per ounce it touched on May 20, a rally caused by safe-haven demand driven by geopolitical and economic uncertainty as well as persistent central bank buying, a crucial category of demand.

"We see no major change in the reason for owning precious metals, and with the prospect of US rate cuts during the second half inviting back ETF investors, a net selling group since 2022, we see higher prices at year-end," Saxo Bank said in a note.

Saxo Bank expects gold and silver to hit \$2,500 and \$35 per ounce, respectively, by the end of 2024. ETFs - global physically backed gold exchange-traded funds - attracted their first inflows in a year in May.

There are, however, signs that central banks are slowing down gold purchases amid this year's high prices, though their demand remains above the pre-2022 level.