

star

BUSINESS

Dhaka Bank is increasingly embracing technologies to serve customers digitally as it redesigns its focus to stay relevant.

Story on B4



Austerity measures: FY25

This is the sixth consecutive year of austerity measures

Ministries can spend up to 80% of allocated funds for electricity, petroleum and energy bills

Saved in FY24

Govt saved Tk 2,500cr due to last year's austerity measures



Govt will halt ...

Construction of new residential, non-residential buildings for all ministries, except health, education and agriculture ministries

Purchase of all types of vehicles, including water vessels and aircraft

Overall land acquisition

Block allocation spending

Foreign tour of all govt officials

(Rules might be relaxed in special circumstances)

Inflated export figure leaves businesses upset

REFAYET ULLAH MIRDHA

The adjustment of export figures that saw shipment values plummet by nearly a staggering \$14 billion in the first 10 months of 2023-24 from a year ago has left several businessmen disappointed.

They argued that owing to the inflated export figures, it was difficult for them to convince the government that they were having a difficult time because of the global and local economic crises, the foreign currency shortage, the higher energy costs, and the elevated cost of production.

In May, data from the Export Promotion Bureau (EPB) showed exports stood at \$47.47 billion in the July-April period of FY24. It fell by \$13.8 billion to \$33.67 billion after the central bank on Wednesday released the adjusted data in line with the prescription of the International Monetary Fund (IMF).

The previously higher growth was reported at a time when the economic situation remained volatile at home and abroad, owing to the lingering impacts of the

Stocks rise over 2% after 2 years

STAR BUSINESS REPORT

Shares at Dhaka Stock Exchange (DSE) rose 2.30 percent yesterday with the broad index crossing the 5,400-point mark as skittish investors placed fresh bets on selective large-cap and blue-chip shares over news that public servants may be

allowed to trade.

This is the highest rate of gain attained by the DSEX, the benchmark index of the country's premier bourse, in a day in the past two years.

The key index of the Bangladesh stock market, DSEX, rose by 123.72 points from

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Finance division reveals austerity measures for FY25

REJAUL KARIM BYRON

For the sixth consecutive year, the finance division has imposed several restrictions on allocated budget expenditures, including foreign tours and block allocation, as a part of austerity measures amidst the ongoing economic crisis.

The finance division yesterday issued a circular to rein in the expenses of ministries, state agencies, and public corporations and ensure austerity in fiscal year 2024-25.

The finance division came up with the austerity measures within four days of the new fiscal year, which started on July 1.

According to the circular, block allocations for operating budget will be halted from now on.

Similarly, under both operating and development budgets, foreign tours

and participation in seminars and workshops abroad will be halted.

However, if it is deemed essential, foreign travel is permitted, subject to approval by the appropriate authorities, according to the circular.

To address economic challenges stemming from the onset of the Covid-19 pandemic in March 2020, the government adopted various austerity measures.

However, although the country gradually recovered from the pandemic-induced economic shocks, the country faced new challenges due to the outbreak of the Russia-Ukraine war, which raised commodity prices globally.

As a result, Bangladesh's macroeconomic stability has suffered, with the main challenges being persistently high inflation and a failure

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coronavirus pandemic and the Russia-Ukraine war.

For example, garment exports, which account for 85 percent of national sales abroad, shattered records month after month although western retailers and brands were posting sales slowdown because of the stockpiling of unsold inventories and lower demand for high inflationary pressure.

A number of business leaders yesterday said the government and policymakers received wrong ideas about the situation although the condition of various economic indicators deteriorated.

For example, the government has cut cash incentives for exporters and the prices of utilities like gas and electricity were raised, they alleged.

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LEAD THE FUTURE OF INSURANCE

Position : Chief Executive Officer

Company Overview

Global Insurance Limited, a reputed and fast-growing publicly listed 'AAA' rated general insurance company is planning to hire a Chief Executive Officer (CEO) to lead a dedicated team.

Position Summary

This is a full-time higher management position and directly accountable to the Board of Directors. The incumbent will be responsible for strategic planning along with overall administration and management of the company.

Desired Profile

The Chief Executive Officer should possess a strong personality, exposure, and vast knowledge of the insurance sector. The incumbent should have a clear concept of all prevailing Rules and Regulations of Insurance Development and Regulatory Authority (IDRA) relating to the General Insurance Business. The incumbent should be innovative, creative and have the ability to meet the risks and challenges in a competitive market.

Key Responsibilities

- The incumbent has to lead a team comprising of a large number of staff members including development staff in procuring General Insurance Business.
- The incumbent will be responsible for ensuring sustainable growth of the company and maintaining liaison with different government, non-government organizations and related regulatory authorities.

Qualifications

The incumbent must have a Masters degree from any public university in Bangladesh. Age must be at least 45 Years. The incumbent should comply with all necessary qualifications mentioned in the Insurance Act 2010 and Insurance Regulations 2012 regarding the appointment of the Chief Executive Officer. The incumbent must have at least 12 (twelve) years of practical experience in a senior position, out of which at least 2 (two) years should be as Additional Managing Director (the next position to the CEO) in a reputed General Insurance Company.

Compensation

Highly attractive salary and allowances will be offered which will commensurate with experience and capabilities.

Application Process

Interested candidates are requested to send their CV along with two recent passport size photographs, copies of educational & experience certificates & National ID Card to Company's Head Office, Al-Razi Complex, 12th floor, 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000 on or before 16th July, 2024.

Candidates May Also Apply via Email : hr.globalinsurancebd@gmail.com

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Gold near 2-week high

REUTERS

Gold prices rose more than 1 percent to a near two-week high on Wednesday, driven by increased bets for a September interest rate cut by the Federal Reserve after recent US data suggested that the labor market was softening.

Spot gold was up 1.2 percent at \$2,357.06 per ounce by 02:08 a.m. ET (1808 GMT). US gold futures settled 1.5 percent higher to \$2369.40.

"The precious metals complex, as well as base metals, are rallying across the board on ADP and jobless claims data that reinforces the 'softening economy' narrative which will likely lead to the first rate cut in September," said Tai Wong, a New York-based independent metals trader.

"Bulls are trying to get ahead of what many believe will finally be a weak payrolls report on Friday," he added.

First-time applications for US unemployment benefits increased last week, while the number of people on jobless rolls rose further to a 2-1/2 year high towards the end of June, consistent with a gradual cooling in the labor market.

A measure of US services sector activity slumped to a four-year low in June amid a sharp drop in orders, potentially hinting at a loss of momentum in the economy at the end of the second quarter.

Following the US data, the dollar slipped to a two-week low, making gold more attractive for other currency holders, while the yield on the benchmark US 10-year Treasury note slid.

Eastern Bank launches revamped Skybanking app with new features, security



Ali Reza Iftekhar, managing director of Eastern Bank, poses for photographs after the launch of a new app, styled "EBL Skybanking", at a function at the bank's head office in the capital's Gulshan yesterday.

PHOTO: EASTERN BANK

STAR BUSINESS DESK

Eastern Bank Limited (EBL) yesterday launched a revamped mobile banking app, "EBL Skybanking", with numerous new features and robust security.

The user-friendly app is set to revolutionise customers' banking experience. The new app will be available on the Google Play Store and Apple's App Store from today, the bank said in a press release.

Ali Reza Iftekhar, managing director of the bank, inaugurated the app at a function held at the bank's head office in the capital's Gulshan.

"The launch of EBL Skybanking is a testament to our commitment to meeting customers' evolving needs and staying ahead in the rapidly changing financial landscape," Iftekhar said.

"EBL Skybanking is more than just a digital platform; it is a commitment to our customers to provide them with the most advanced, secure, user-friendly, and enjoyable banking services."

The app will also allow non-resident Bangladeshis (NRBs) to register on the app. They can then instantly open an EBL local currency account or apply for an offshore banking account using their

overseas mobile phone number.

EBL Skybanking now offers more than 150 services and has a user base of over 5 lakh. The average transaction volume per day is more than Tk 60 crore. It crosses 120 crore during festival days.

Ahmed Shaheen, additional managing director of the bank, M Khorshed Anwar, deputy managing director and head of retail and SME banking, Ahsan Ullah Chowdhury, head of digital financial services, Amin Md Mehedi Hasan, head of digital banking, and Sanjit Dutta, head of technology development and transformation, were among those present.

Al-Arafah Islami Bank opens Atwari branch in Panchagarh

STAR BUSINESS DESK

Al-Arafah Islami Bank yesterday opened its 220th branch, located in the Atwari upazilla of Panchagarh district in Rangpur.

Farman R Chowdhury, managing director and CEO of the bank, inaugurated the branch as chief guest, the bank said in a press release.

Chowdhury said the Islamic banking system enables socio-economic development and halal business management.

"The Islamic banking system has already succeeded in proving that. With all the latest banking services, Al-Arafah Islami Bank will assist the development of this area," he said. ANM Mufidul Islam, head of Bogura zone and executive vice-president of the bank, presided over the ceremony.

Jalal Ahmed, executive vice-president and head of public relations division, conducted the event, where Md Habib Ullah, senior executive vice-president of the bank, and Md Jahedul Islam, manager of the Atwari branch, were present.

Samsujjoha Ahammed, managing director of Syan Cold Storage, Md Delwar Hossain, owner of SK Cold Storage, and Anisur Rahman, chairman of Atwari Upazila, along with a number of locals were also present.



Farman R Chowdhury, managing director and CEO of Al-Arafah Islami Bank, cuts a ribbon to inaugurate a new branch at Atwari in Panchagarh yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

Data centre boom reveals AI hype's physical limits

REUTERS, London

The craze in artificial intelligence has so far focused on chips made by Nvidia and apps like OpenAI's ChatGPT. Underpinning this frenzy is a rush to build the infrastructure needed to train and run generative AI (GenAI) models. Nvidia CEO Jensen Huang predicts the sum invested in these data centres will double to \$2 trillion in the next five years. Yet the world's ability to construct, power and cool these facilities will determine the physical limits of the boom.

The real-world manifestation of the AI scramble is evident in the northern English county of Northumberland. That is where Blackstone, the world's largest commercial real estate owner, in May bought 95 hectares of land with plans to spend 10 billion pounds (\$13 billion) building one of Europe's largest data centre campuses. The derelict site, which once housed a power plant, is first in line to be connected for electricity, according to a person familiar with the matter. Still, that depends on negotiations with Britain's National Grid, and planning permissions from local authorities. Blackstone could yet walk away.

The seemingly insatiable appetite for AI contrasts with the more mundane challenges of building and operating data centres. These warehouse-like buildings which house servers and chips are measured by their demand for electricity. So-called "hyperscaler" data centers, which are mainly used for data storage and cloud computing services, typically have capacity of 20 to 50 megawatts.

The arrival of GenAI means greater processing power which requires more electricity. A ChatGPT text search consumes 10

times the power of a Google search, per Goldman Sachs analysts, while generating an image using a GenAI model could take as much energy as half a smartphone charge, according to a study by researchers at the AI startup Hugging Face and Carnegie Mellon University. Data centre operators are now planning and constructing facilities with capacity of 200 to 500 MW. Morgan Stanley analysts estimate the cost of building a campus at \$10 million per megawatt.

These plans are testing energy infrastructure. Data centres, including those used to mine cryptocurrencies, sucked up about 460 terawatt hours (TWh), or 2 percent of global electricity demand in 2022, according to the International Energy Agency. In Europe, Morgan Stanley analysts estimate they will account for 4 percent of power demand by 2035,

up from 1 percent today.

In some areas, however, the figure is much higher. Ireland, which is home to many large tech companies, has seen the proportion of its electricity consumed by data centres rise from 5 percent in 2015 to 18 percent in 2022. The figure is projected by EirGrid to hit 28 percent by 2031, prompting the state utility to place a moratorium on new data centres until 2028. By 2033, Goldman analysts expect AI data centres to add 370 TWh of power demand globally, equivalent to the combined power consumption of the United Kingdom and the Netherlands in 2023.

One potential solution is to build data centres in regions like Scandinavia, which have fewer people, a cooler climate, and an abundance of hydro power. But governments there are cautious. Sweden, once

considered a prime destination for bitcoin miners in Europe, eliminated tax incentives for data centres last year, and started charging additional taxes on a per kilowatt hour (kWh) basis. A 2017 plan to build a 1,000 MW data centre – the world's largest – in Norway collapsed after the government tweaked rules over relief on cryptocurrency miners.

Giant data centres in remote locations can perform the large numbers of calculations required to train AI models. When it comes to using applications like ChatGPT, however, physical proximity matters. A user who is 100 km away from an AI application's servers will receive slower responses than one who is 10 km away. While a scientist may be willing to wait for more accurate queries, users looking for a better alternative to Google expect the same instant results.



An employee checks a server room of Samsung Networks' Telco Data Centre at the headquarters of Samsung Electronics in Suwon, South Korea. These warehouse-like buildings which house servers and chips are measured by their demand for electricity.

PHOTO: AFP/FILE

Akram, Hannan elected as vice-chairmen of Mercantile Bank



Akram Hossain



Md Abdul Hannan

STAR BUSINESS DESK

Akram Hossain (Humayun) and Md Abdul Hannan have recently been elected as vice-chairmen of Mercantile Bank.

Both Humayun and Hannan are eminent businessmen and sponsor directors of the bank, according to a press release.

Humayun is the chairman and managing director of FARS Group and is also engaged in the real estate business.

On the other hand, Hannan is the chairman and managing director of Dabstar & Associates Limited and Murad Apparels Limited.

He is also involved with several export-oriented ready-made garment factories and other businesses.

Oil prices slip

REUTERS, London

Oil prices edged lower on Thursday, retreating from the previous session's multi-month highs, with investors taking profits as demand caution remained in focus despite last week's decline in US inventories.

Brent crude futures were down 40 cents, or 0.46 percent, at \$86.94 a barrel by 1105 GMT while US West Texas Intermediate (WTI) crude futures fell 44 cents, or 0.52 percent, to \$83.44 in trade thinned by the US Independence Day holiday.

In the previous session, Brent gained 1.3 percent to settle at \$87.34 for its highest close since April 30.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JULY 4, 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	5.22 ↑	55.13 ↑
Onion (kg)	Tk 95-Tk 100	21.88 ↑	30.00 ↑
Egg (4 pcs)	Tk 48-Tk 52	-4.76 ↓	2.04 ↑
SOURCE: TCB			

EU slaps Chinese electric

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The United States has already hiked customs duties on Chinese electric cars to 100 percent, while Canada is considering similar action.

But Brussels faces a delicate balancing act as it seeks to defend Europe's auto industry – the jewel in its industrial crown with iconic brands such as Mercedes – while avoiding a showdown with China and meeting its targets for slashing carbon emissions.

The EU aims to get more Europeans driving electric vehicles as it plans to outlaw the sale of new fossil fuel-powered cars from 2035.

Chinese-made vehicles' market share in EU electric car sales climbed from around three percent to more than 20 percent in the past three years, according to the European Automobile Manufacturers' Association.

Chinese brands account for around eight percent of that share, it said.

Germany's Kiel Institute for the World Economy, alongside Austrian

institutes, predicted the provisional higher taxes would reduce vehicle imports from China by 42 percent. They added that electric car prices could rise by an average of 0.3 to 0.9 percent in the EU.

Germany, a significant trade partner to China, is unhappy about the EU's move. German auto manufacturers fear any retaliation could hurt their activities in China.

Germany's Vice Chancellor Robert Habeck visited Beijing last month on an 11th hour mission to find a way out of a damaging trade war.

But Germany's moves to appease China, like reportedly offering a compromise to lower tariffs to 15 percent, were described by some in the automotive industry as a stunt.

In contrast, French auto makers have welcomed the tariffs to level the playing field.

Electric automaker Tesla, owned by tech billionaire Elon Musk, is the only company that has asked Brussels for its own duty rate calculated based on evidence it has submitted.

Sri Lanka bond holders

FROM PAGE B4

The latest deal with private creditors was announced at the London Stock Exchange, where \$4.4 billion out of \$12.5 billion of the ISBs were listed.

Under the agreement announced Thursday, the Sri Lankan government said it would pay \$225 million upfront to bond holders.

The nominal haircut of 28 percent could go up to almost 40 percent should the South Asian nation's economy contract over the next few years and dip below agreed targets.

Sri Lanka owes \$2.18 billion to the China Development Bank, and it was not immediately clear if that debt has also been restructured in line with the ISB deal.

The agreement with bond holders must now be presented to official creditors to ensure "comparability of treatment".

Official creditors are not taking a haircut on the principal, but have agreed to reduce interest rates to an average of 2.1 percent and extend the term of the loans by a further eight years, giving the country more time to repay.

The debt deals are expected to revive Sri Lanka's stalled infrastructure projects, including a Japanese-funded airport expansion and a new mass transit light rail in the capital.

Colombo has also secured a moratorium on bilateral debt repayments until 2028, but ISB repayments are due to start in September.

President Ranil Wickremesinghe has doubled taxes, removed generous energy subsidies and is set to sell off loss-making state enterprises to shore up state revenue under the IMF deal.



Md Sarwar Bari

Bari set to be next executive chairman of Beza

STAR BUSINESS DESK

The government has appointed Md Sarwar Bari, director general of the PM&E Wing of the Local Government Division, as the new executive chairman of the Bangladesh Economic Zones Authority (Beza).

The Ministry of Public Administration yesterday issued a notification regarding the appointment, which will come into effect within a short period of time.

Bari will replace outgoing chairman Shaikh Yusuf Harun.

Bay Leasing suffers losses in Jan-Mar quarter

STAR BUSINESS REPORT

Bay Leasing & Investment Ltd posted losses in the first quarter of 2024.

Consolidated earnings per share of the non-bank financial institution were Tk 0.44 in negative in January-March against Tk 0.66 in negative in the identical quarter of 2023, according to the unaudited financial statements.

Consolidated net operating cash flow per share rose to Tk 1.60. Consolidated net asset value per share was Tk 5.57 on March 31 against Tk 6.01 on December 31.

Shares of Bay Leasing were up 8.99 percent to Tk 9.7 on the Dhaka Stock Exchange yesterday.



People gather at the International Jewellery Machinery Expo, which began at the International Convention City Bashundhara in Dhaka yesterday. Many modern marvels are on display, some capable of restoring the lustre to old ornaments while others can repair broken chains in minutes. The three-day fair is open from 11am to 7pm.

PHOTO: STAR

Energy ministry suggests 7 projects worth \$1b for China funding during PM's visit

STAFF CORRESPONDENT

The power, energy and mineral resources ministry has prepared a proposal focusing on Prime Minister Sheikh Hasina's upcoming visit to Beijing suggesting seven projects worth \$1 billion that could be financed by China.

Replying to a query at a press conference in Bangladesh Secretariat yesterday, State Minister Nasrul Hamid said they sent the proposal for finalisation by the government.

The prime minister is scheduled to visit China between July 8-11. The foreign ministry has asked ministries to submit proposals on projects that could be initiated through funding from China.

Among the seven projects, six are related to the development of power transmission facilities in different areas of the country, including underground ones, said Nasrul Hamid.

"We have prioritised a parallel gas transmission project under G2G (government to government arrangement) which will transmit gas from two 'to be built' FSRUs (floating storage and regasification units) in Moheshkhali," he said.

He also said the government has been

working on ensuring uninterrupted gas supply from 2027.

"In 2027, the gas demand will be around 6,000 mmcf/d (million cubic feet a day) in the industry and power sectors, which is now 3,500 mmcf/d," said Hamid.

"Two more FSRUs will be established by then to import more gas. We have our 46 gas wells and have drastic plans to explore another 100 wells. Gas will come from the shallow sea by this time as well," he said.

The ministry has applied to invest in gas well drilling, he said, adding that around \$2.5 to \$3 billion would be required for gas exploration.

"It is profitable for us. If we spend around \$20 million in a well, we will find gas worth \$400 million at least," he said.

Petrobangla is now going for deep drilling which also requires a huge amount of money, he said.

"Some will be managed by updating profit sharing contracts with global oil companies, some would come from BOT (build-operate-transfer arrangements)," said Hamid.

About offshore exploration, he said till date, 17 companies showed interest while six have bought the survey data.

The deadline for the submission of their proposals may be extended as they will need more time to study the data, he said.

The last date for the submission of bids for offshore drilling was September 9.

ELECTRICITY PRICE ADJUSTMENT

Nasrul Hamid yesterday hinted at a further rise in electricity prices this year.

He said the power distribution companies are incurring losses due to fluctuations in the exchange rate between US dollar and taka.

"We had been calculating the dollar at Tk 85 since the previous fiscal year. It was then set at Tk 110 and is currently at Tk 117," he said, adding that, "We will need to adjust the price."

According to him, there are plans to change the price of electricity three or four times annually in order to eliminate subsidies.

"We have already adjusted the price twice. We have a plan ... if the government allows," added Hamid.

He hoped for the power supplies to reach normalcy within a couple of weeks.

"During Cyclone Remal, one of our two FSRUs was damaged. It is under maintenance now and will start production on July 14-15," the minister added.

Jewellery machinery expo begins in Dhaka

SUKANTA HALDER

Appraise your gold jewellery down to the precise purity in just 10 seconds, watch in amazement as a broken gold chain is repaired in a heartbeat, or witness new links being forged through a machine in seconds.

These modern-day marvels can be experienced through a visit to the three-day International Jewellery Machinery Expo Bangladesh, which began at the International Convention City Bashundhara in Dhaka yesterday.

This first-of-its-kind exhibition aims to promote technological integration in traditional jewellery-making processes and turn the country's gold industry into an export-oriented sector.

The Bangladesh Jeweller's Association (Bajus), in association with its Indian partner KNC Services, is organising the fair, which runs from 11:00am to 7:00pm every day with the theme "Technology for excellence in jewellery".

Visiting the fair, it was seen that as many as 30 companies from 10 countries, including India, Italy, Turkey, the United Arab Emirates, Germany, China and Thailand, were showcasing their products.

However, all eyes are immediately drawn to a computer-controlled jewellery-making machine, capable of crafting complex designs in minutes.

Venturing further forward, you may arrive at a machine that can appraise your ornaments down to the number of carats within ten seconds.

Arpon Dhar, director of RN MicroTech, importer and sole distributor of Aczet Company's gold testing and hallmark machines, adds that the percentage of other metals in an ornament is also revealed.

He added that another machine, used to clean gold ornaments, could return the shimmer to old jewellery within 5 to 10 minutes. The price of such machines usually runs from Tk 20,000 to Tk 1 lakh.

Dhar said: "Such a fair has never been held before. It's a first-time experience for us. The buyers are very enthusiastic."

A potential customer said he had travelled all the way to the fair from the Karnaphuli area in Chattogram, where he works at a jewellery shop.

He said he had seen various machines that could enhance their production processes and would suggest that the shop owner buy those.

Samiul Islam, a sales engineer at Dreamz Instrument Technology, said one of their machines could repair broken chains through a laser welding machine in a matter of seconds.

He added that their machines are used to test gold in more than 70 labs in the country.

Gunjan Priyadarshi, general manager of Indian company MSakshi International, said they have automatic machines imported from China and Italy which can make chains. The price of the machines is around Tk 40 lakh to Tk 60 lakh.

During the inauguration ceremony yesterday, Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, said: "The gold industry will bring billions of dollars into the country from abroad in the days to come."

"If the gold industry gets proper policy support, many businesspeople will enter this industry," he said.

At present, most jewellers in the country sell handmade jewellery. But when making jewellery by hand, some precious metal is lost, which increases the price of jewellery.

If jewellery can be made with the help of machines, the loss of gold will be reduced, he said.

Bajus hopes the exhibition will encourage entrepreneurs to set up new jewellery factories in the country.

Inflated export figure

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The cut in the cash incentives came also because of the government's efforts to reduce its subsidy burden.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the inflated data has impacted the business severely because policymakers have framed policies based on it.

"Looking at the higher export of merchandise over the years, the government had thought that the export sector had been doing well although the real picture was different."

Like others, Hatem, on several occasions, publicly said that there was a big mismatch between the actual export proceeds and the data released by the EPB. However, no visible steps were taken by the government to make the required amendments.

The suspicion deepened, Hatem explained, when the issuance of the vital Utilisation Declaration (UD) for exports from both the BKMEA and the Bangladesh Garment Manufacturers

and Exporters Association did not support the EPB data.

Md Amin Helaly, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said it is sad that the incidence of wrong data presentation had taken place in the case of exports.

"The amount is also high."

He urged the government to ensure data accuracy when it comes to various economic indicators because the figures play an important role when the government prepares plans and policies.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, urged the government to look at the data in other areas such as economic growth, incentives, GDP calculation, and per capita income since the numbers don't match reality.

Due to multiple counting of export shipments, policymakers may take the wrong policies, he said.

FBCCI President Mahbubul Alam claimed local sales made by

the factories located inside of the export processing zones are also considered as exports. If such sales are considered, the \$14 billion gap will not seem incorrect, he said.

State Minister for Commerce Ahasanul Islam Titu backed the EPB, a body under the commerce ministry, saying it just compiles the export data received from the National Board of Revenue (NBR) and the Bangladesh Bank (BB). "The EPB does not have its own data source."

Titu also said the amount might be a bit higher as the sales of yarn and fabrics by the local factories are included while calculating the national export volume.

The commerce ministry has initiated a project so that the EPB can collect the primary data to prepare the final figure, he said.

An official of the EPB, asking not to be named, said: "We only have access to the data when goods leave the country. If a consignment returns, the EPB does not have the chance to know it as it is monitored by the BB and the NBR."

Finance division reveals

FROM PAGE B1

to maintain adequate foreign currency reserves over the past two years.

Against that backdrop, Bangladesh entered a \$4.7 billion loan programme with the International Monetary Fund in January last year.

Bangladesh Bank has also been implementing a contractionary monetary policy since fiscal year 2023-24 to tackle high inflation and the forex crunch.

Meanwhile, the IMF and local economists suggested that the government reduce its expenditure further.

The latest budget for FY25 saw only a 4.6 percent increase from the previous year's original budget while the development expenditure increased by only 0.6 percent.

The finance division circular says ministries, divisions, and other public agencies will be allowed to spend a maximum of 80 percent of total allocations for electricity, petroleum, and gas from the operating budget during FY25.

Except for those of the education, health, and agriculture, no ministry will be allowed to construct residential, non-residential, or other buildings.

However, if 70 percent of the construction work on any building has been completed, the agencies may continue construction after approval from the finance division.

"The purchases of all types of vehicles, water vessels, and aircraft from the allocated fund will be halted," the circular stated.

However, ministries can replace vehicles older than 10 years subject to approval from the finance division. Land acquisition from the operating budget allocation has also been halted.

For land acquisition, ministries and state agencies can acquire land based on clearance from the finance division, provided they complete all procedures.

A finance ministry official said because of last year's austerity measures, the government saved about Tk 2,500 crore.

Economists also said the finance minister should disclose the amount saved from austerity measures during the annual budget speech.

So far, none of the finance ministers have made such disclosures.

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that on the day before, reaching a six-week high of 5,497.56.

Likewise, the DSES, the index that represents Shariah-compliant companies, went up 1.87 percent to 1,208.70.

Meanwhile, the DS30, the index that is composed of the best blue-chip stocks, increased by 2.01 percent to 1,951.34.

The market generally bounces back in its own way after it falls, said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

"It might seem that after this abrupt surge the market is back up and running. But the market cannot get back up so easily. To gain its own progress, the market witnesses ups and downs," he said.

"If we want to make the progress sustainable, we should all jointly work together to ensure transparency in

the market and bring back investors' confidence," he said.

A top official of a leading merchant bank said news was going around that government officials may be allowed to invest in the stock market, which has given a boost to investors' confidence.

The ministry sent the draft of amendments to a Government Servants (Conduct) Rules, 1979 to the law ministry seeking approval for allowing government employees to buy or sell primary shares or bonds of any company registered with the share market.

Turnover, meaning the total value of shares traded on a given day, stood at Tk 770 crore, an increase of 42.91 percent compared to that on the previous day of trade.

Of the 369 issues that were traded on the DSE, 365 advanced, 13 declined and the rest of the 18 scrips did not

see any price movement.

A high official of an asset management company, seeking anonymity, said he did not see any plausible logic behind this sudden rise.

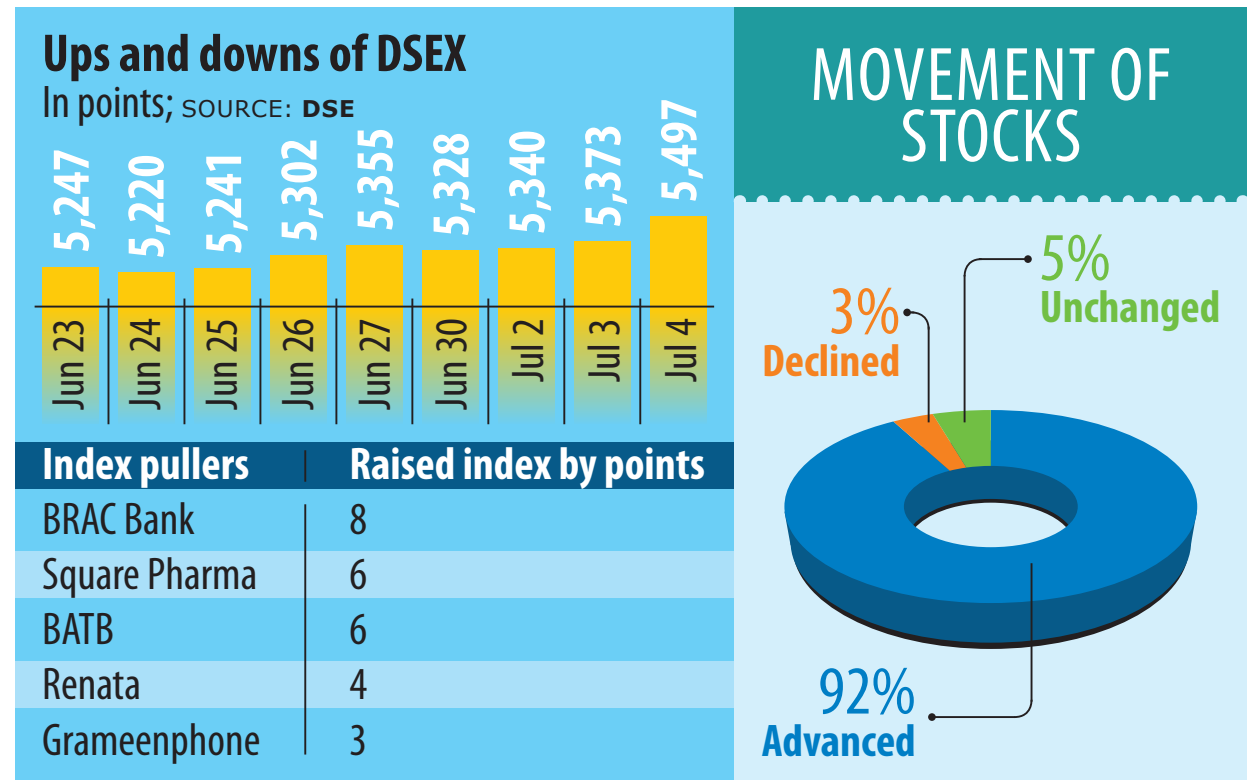
The market rose in June for a rumour that the imposition of taxes on capital gains may be deferred but that did not happen, he said.

A rise of over 2 percent is never that easy. One explanation could be that the market rose on falling a lot. "It is not a good explanation... We need to find a solid and plausible logic for this," he added.

"We all know that the market can surge in case of a big economic change. But we have no such economic issues right now," he said.

Chittagong Stock Exchange also saw a similar trend as the CASPI, the premier index of the port city, edged up 306.49 points, or 2.02 percent, to 15,463.493.

Stocks rise over 2%



Dhaka Bank looks to spread its wings to fuel growth

Says its Chairman Abdul Hai Sarker in an interview

AM JAHID

Dhaka Bank is increasingly embracing technologies to serve customers digitally and enhancing its lending to small clients as it redesigns its focus to stay relevant.

“Our ultimate target is to become a paperless bank. We want to spread our wings,” said Abdul Hai Sarker, chairman of the private commercial bank, during an interview with The Daily Star on Wednesday.

He shared the plans as Dhaka Bank celebrates its 30th founding anniversary today, marking the three-decade of unwavering progress and success.

In 1995, the bank started its journey with an authorised capital of Tk 100 crore and a paid-up capital of Tk 10 crore. Now, its authorised capital has surged to Tk 2,000 crore while the paid-up capital jumped to Tk 1,006.6 crore.

It has made its presence vibrant across the country with 116 branches, three SME service centres, 31 sub-branches, and 87 automated teller machines (ATMs). It also has two offshore banking units.

As of June 30, deposits totalled Tk 29,119 crore while lending exceeded Tk 26,287 crore. Currently, 1,951 of its officials and employees are serving 960,900 clients.

“Since we started our journey, we complied with all rules and regulations and consistently ensured quality service for customers. Therefore, we have

been able to come to this stage. Our commitment and honesty helped win the trust of depositors,” Sarker said.

As of June 30, the total equity (capital and reserves) of the bank stood at Tk 2,244 crore. Its operating profit was Tk 815 crore in the year that ended on December 31.

“We always try to do it as much as possible for the benefit of our customers. We do our best to make them feel resilient,” he said.

“We must keep customers always

a former director of the Federation of Bangladesh Chamber of Commerce and Industries.

The industrialist also talked about the bank’s journey towards digital banking.

“It has become far easier to secure banking services since the world has become more digitalised. Transformation is taking place everywhere.”

The bank is currently bringing about a fundamental change and is moving towards cashless banking.

Report.

“Cashless and paperless banking is a risky business if we see it from the security aspect. Therefore, we have to ensure security if we want to sustain digital transformation,” Sarker said.

Sarker said they are now worried about the defaulted loans. Currently, the bank has a non-performing loan of Tk 1,251 crore.

“It is one of the major problems right now. The owners of four large companies have fled the country taking the money of shareholders and depositors. Now we are bearing the brunt of the wrongdoings.”

Dhaka Bank is not the only bank in Bangladesh that is experiencing obstacles stemming from the higher level of bad loans. In fact, the entire banking sector is creaking under the weight of bad loans.

In March, default loans hit an all-time high of Tk 182,295 crore, central bank data showed.

However, Sarker said, the amount of bad loans will be not less than Tk 400,000 crore since a large chunk of NPLs has remained in the banking system indirectly.

In 2019, the International Monetary Fund said the actual size of bad loans was more than double the officially recognised figure.

“It has now become a grave concern for the banking sector,” he said.

Since defaulters have run away, banks could not recover the money, Sarker said, adding that lenders faced difficulty in recovering funds owing to complicated legal and policy issues.

He explained when a bank filed a case against defaulters, law enforcers could not produce them before the court as defaulters had left the country after laundering the money they obtained in the form of loans.

However, when banks tried to recoup the funds by selling the mortgaged properties, the defaulters hired lawyers to file writs with courts. “We are not getting the required policy and legal support to this effect,” he said.

“Despite the challenges, we have been able to navigate the situation because of our commitment to the bank and depositors.”

He urged policymakers to formulate policy in a way that will have a positive impact on the market.

BY THE NUMBERS

Number of total accounts: **960,900**

Number of branches: **116**

Number of sub-branches: **31**

Amount of total deposit: Tk **29,119cr**

Amount of total lending: Tk **26,287cr**

Annual operating profit: Tk **815.2cr**

Authorised capital: Tk **2,000cr**

Paid-up capital: Tk **1,006cr**

Total defaulted loans: Tk **1,251cr**

SOURCE: DHAKA BANK



Abdul Hai Sarker

satisfied and always remain connected with them through the services we provide.”

In order to cater to stock investors, the bank has set up Dhaka Bank Securities Ltd having six branches. It has established Dhaka Bank Investment Ltd to operate merchant banking activities.

However, the journey for the bank has not been without challenges.

“We faced a lot of obstacles. However, we have been able to overcome them through our leadership and thanks to support from the government and policymakers,” Sarker said.

Sarker is a former president of the Bangladesh Textile Mills Association, a former vice-chairman of the Bangladesh Association of Banks, and

“If a bank wants to provide paperless service, it will have to ensure all types of digital banking facilities.”

Presently, Dhaka Bank is focusing on promoting micro-level customers apart from big clients. “Micro-level customers need cash support. We are providing the financing,” he said.

The chairman also recognised the importance of ensuring cybersecurity and is aware of crimes being committed in the digital world.

Globally, there were 2,365 cyberattacks in 2023 with 34.33 crore victims, according to an article of Forbes.

The total cost of damages incurred by cybercrime is expected to reach \$10.5 trillion by 2025, said Cybersecurity Ventures 2023 Official Cybercrime

China’s BYD opens EV plant in Thailand

AFP, Bangkok

China’s electric vehicle giant BYD opened a factory in Thailand on Thursday, continuing its international expansion despite a market slowdown and hours before the European Union was due to impose swingeing tariffs on Chinese EV firms.

The plant in Rayong, an industrial area southeast of Bangkok, will be able to build up to 150,000 vehicles a year, according to the company, which dominates its domestic market.

Wang Chuanfu, Shenzhen-based BYD’s chief executive, said production would initially focus on full electric vehicles and later expand to include plug-in hybrids, which combine a conventional engine with an electric motor.

“BYD Thailand plant has an annual capacity of 150,000 vehicles, including the four major processes of vehicle and parts production, and will create about 10,000 jobs,” Wang said at an opening ceremony.

Thailand has long been a major assembly hub for Japanese car makers including Toyota and Honda, but is now seeking to shift production away from conventional vehicles and towards EVs.

The kingdom has offered substantial tax breaks for companies as it aims for 30 percent of its car production to be EVs by 2030. BYD overtook Elon Musk’s Tesla in the fourth quarter of 2023 to become the world’s top seller of electric vehicles.

Tesla reclaimed top spot in the first quarter of this year, but BYD is bullish about its expansion, insisting last month it would press ahead with a second factory in the European Union.

The Chinese automaker recorded a record annual profit of 30 billion yuan (\$4.1 billion) last year, but in April reported lower than expected revenue for the first quarter of 2024.

BYD has faced a bitter price war in China, where a staggering 129 EV brands are slugging it out -- with only 20 achieving a domestic market share of one percent or more, according to Bloomberg.

China has led the global shift to electric vehicles, with almost one in three cars on its roads set to be electric by 2030, according to the International Energy Agency’s annual Global EV Outlook. But European regulators have raised concerns about what they say is “overcapacity” created by excessive state subsidies.

Seeking to protect European manufacturers from cheaper Chinese imports, Brussels has proposed a provisional hike of tariffs on Chinese manufacturers: 17.4 percent for BYD, 20 percent for Geely and 38.1 percent for SAIC -- in addition to the current 10 percent import duty.

EU and Chinese trade chiefs held talks last weekend in a bid to avert a bitter trade war, but the tariffs are set to come into force on Thursday. But while they are high, the EU tariffs are significantly lower than the 100 percent rate the United States imposed from last month on Chinese electric cars.

EU slaps Chinese electric cars with tariffs of up to 38%

AFP, Brussels

The European Union on Thursday slapped extra provisional duties of up to 38 percent on Chinese electric car imports because of “unfair” state subsidies, despite Beijing’s warnings the move would unleash a trade war.

Brussels launched an investigation last year into Chinese electric vehicle manufacturers to probe whether state subsidies were unfairly undercutting European automakers.

Since announcing the planned tariff hike last month -- on top of current import duties of 10 percent -- the European Commission has begun talks with Beijing to try to resolve the issue, with China threatening retaliation.

“Our investigation... concluded that the battery electric vehicles produced in China benefit from unfair subsidisation, which is causing a threat of economic injury to the EU’s own electric car

makers,” the EU’s trade chief Valdis Dombrovskis said.

In response, the commission said it has imposed provisional duties on Chinese manufacturers including 17.4 percent for market major BYD, 19.9 percent for Geely and 37.6 percent for SAIC.

The rates were adjusted slightly downwards for Geely and SAIC, from an initially announced 20 percent and 38.1 percent, after further information provided by “interested parties”, it said.

They will kick in from Friday, with definitive duties to take effect in November for a period of five years, pending a vote by the EU’s 27 member states.

Electric car producers in China that cooperated with the EU will face a tariff of 20.8 percent, while those that did not cooperate would be subject to a 37.6 percent duty.

The move comes despite talks between Chinese and EU trade officials on June 22, but Brussels

will continue “to engage intensively with China on a mutually acceptable solution”, trade chief Dombrovskis said.

“Any negotiated outcome to our investigation must clearly and fully address EU concerns and be in respect of WTO rules,” he said in a statement.

Beijing has already signalled its readiness to retaliate by launching an anti-dumping probe last month into pork imports, threatening Spanish exports. Chinese media suggest Beijing will trigger further probes.

Chinese officials have also railed against probes targeting state subsidies in the green tech sector including wind turbines and solar panels.

“It is plain for all to see who is escalating trade frictions and instigating a ‘trade war,’” a spokesperson for the Chinese commerce ministry said on June 21.

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People are seen next to a sport utility vehicle of Chinese automaker BYD at the Geneva International Motor Show in Geneva, Switzerland. Electric car producers in China that cooperated with the EU will face a tariff of 20.8 percent, while those that did not cooperate would be subject to a 37.6 percent duty.

PHOTO: AFP/FILE

The power of attitude: why the lion is king

MAHTAB UDDIN AHMED

When I worked for Unilever, we had this incredible senior, an IIT graduate, who had a memory like a steel trap. He could glance at your car plate and recall it correctly a year later. He was a walking encyclopedia with knowledge of every subject under the sun.

Despite his potential to be the Elon Musk of Bangladesh, he believed that “eating and sleeping are the cheapest forms of entertainment.” While others chased big dreams, he found joy in hearty meals and power naps, proving that happiness can come from the simplest pleasures. Now, no one knows the sleeping Elon Musk of Bangladesh!

In the jungle, the lion is revered as the king. Considering the diversity of the jungle’s inhabitants, this majestic creature holds a title that seems almost absurd. Some animals are larger, faster, stronger, and even more intelligent than the lion. Yet, the lion reigns supreme. What sets the lion apart is not its physical attributes but its proud attitude.

A survey by the Harvard Business Review found that 58 percent of employees trust strangers more than their own boss, often due to negative attitudes exhibited by leaders.

According to the American Psychological Association, individuals with a positive outlook are less likely to suffer from depression and anxiety. Positive thinking can reduce stress and improve overall mental well-being. Another research study found that people with positive attitudes live 7.5 years longer.

The lion’s attitude personifies confidence, courage, and an undefeatable spirit. In a battle, it is not the size of a lion but its indomitable spirit that makes the difference. The lion believes it is invincible, which translates into its actions. It is precisely this attitude that defines the lion as the king of the jungle.

On the other hand, the elephant, a colossal creature, towers over the lion in size and strength, and yet does not challenge the lion’s supremacy. The elephant’s strength could easily crush a lion, but the lion’s attitude of dominance and fearlessness often deters the elephant from engaging in combat.

The cheetah, known for its incredible speed, can easily outrun a lion. However, the cheetah lacks the lion’s tenacity and attitude of a relentless hunter, unafraid to confront and overpower its prey. This fearless approach ensures the lion can secure a meal, even if it requires outsmarting a faster opponent.

Monkeys and gorillas possess remarkable intelligence and agility. They can navigate the jungle with ease, using their wit to survive. Despite their intellectual prowess, they do not challenge the lion’s authority.

Giraffes, with their towering height and strength, seem like formidable opponents. However, the lion’s perseverance and strategic mindset can often bring down these gentle giants. The lion’s attitude of relentless pursuit, combined with a calculated approach, ensures it can conquer even those with superior physical attributes.

The lion’s story is not just about survival; it is about thriving despite the odds. This powerful metaphor has significant implications for our own lives. Our attitude shapes our reality. Like the lion and my colleague in Unilever, we may face impossible challenges. There will always be individuals who are stronger, faster, more intelligent, or more resourceful. But our attitude can set us apart.

In the grand tapestry of life, it is not always the strongest, fastest, or most intelligent who prevails. It is those with the right attitude who rise to the top.

The lion teaches us that attitude is everything. By cultivating a mindset of confidence, courage, persistence, resilience, and leadership, we, too, can become kings and queens of our jungles. The power of attitude can define who we are and how far we can go in life. Just like the lion, let your attitude be the force that propels you to greatness.

The author is founder and managing director of BuildCon Consultancies Ltd.

Sri Lanka bond holders agree to take 28% haircut: govt

AFP, Colombo

Sri Lanka’s private creditors have accepted a 28 percent haircut on \$12.5 billion in sovereign bonds, the government announced Thursday, meeting a key condition of an IMF bailout.

After two days of talks in Paris with most international sovereign bond (ISB) holders, Colombo clinched the final step in restructuring private, bilateral and domestic debt.

The country defaulted on its external debt in April 2022 after running out of foreign exchange, and the unprecedented economic crisis forced then-president Gotabaya Rajapaksa to step down.

Last week, Sri Lanka announced rescheduling loans from its key bilateral creditor China and other nations, covering up to \$10 billion in official loans.

Debt restructuring is a critical step towards recovery after the 2022 financial crisis and the maintenance of a \$2.9 billion International Monetary Fund bailout loan, spread over four years.

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