



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

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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%

