

Star BUSINESS

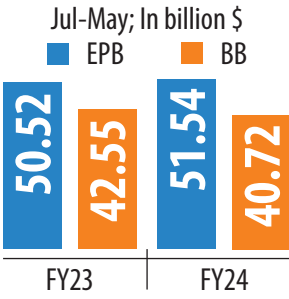
The government plans to construct facilities all across the country to attract both local and international tourists looking for eco-tourism.

Story on B4



Exports actually fell in July-May

Export data by EPB and BB



SOHEL PARVEZ

Bangladesh's exports declined 4.28 percent year-on-year in July-May of 2023-24, said the central bank yesterday after correcting the shipment data published by the Export Promotion Bureau (EPB) earlier.

On June 5, the EPB said exports grew 2.01 percent to \$51.54 billion in the first 11 months of the last fiscal year.

The Bangladesh Bank said the actual shipment was worth \$40.72 billion during the period, a decrease of \$10.82 billion, or 21 percent, from the figure released by the EPB.

However, the export figure for May published by the EPB was close to the BB's number. Both agencies reported a \$4

READ MORE ON B3

BB signals further monetary tightening as inflation rages

MD MEHEDI HASAN

The central bank has signalled that it would go for more tightening of the monetary policy since inflationary pressure shows no signs of cooling.

The Bangladesh Bank gave the hints about its upcoming measures in its monetary policy review for the just-concluded fiscal year. The report was released yesterday.

"Monetary policy would need to be restrictive for sufficiently long to return inflation to around the 7.5 percent target sustainably in the medium term, and further tightening would be required if there were evidence of more persistent inflationary pressures," it said.

Annual inflation rose to 9.73 percent in 2023-24, the highest since 2011-12 when it was 10.62 percent, overshooting the government's target of containing it to 7.5 percent, according to the Bangladesh Bureau of Statistics (BBS).

This is the second year in a row that the Consumer Price Index (CPI), a measure of the increase in the prices of a basket of products and services, crossed 9 percent. This means the monetary policy of the central bank could do little to bring it down although it initiated several measures, albeit belatedly.

READ MORE ON B2



Experts identify challenges for semiconductor industry

MAJOR BARRIERS TO SEMICONDUCTOR TRADE

- ➔ Lack of understanding of industry dynamics
- ➔ Weak decisions in adapting with unfolding scenario
- ➔ Excessive reliance on incentives, subsidies
- ➔ Weak focus on technology, innovation and R&D
- ➔ Lack of performance-centric incentives

POTENTIAL

- Bangladesh has the opportunity to export \$10b worth of semiconductors by 2041
- Growth of semiconductor business will contribute to national GDP

GLOBAL SCENARIO

- Global semiconductor business to reach \$1tr by 2030

STAR BUSINESS REPORT

A study has identified several risk factors for the development of the semiconductor industry in Bangladesh.

A lack of understanding of industry dynamics, weak decisions in adapting to unfolding scenarios, excessive reliance on incentives and subsidies, and generic human resource development are among the major risk factors.

Also included are the disproportionate dependence on wage differential and infrastructure, lack of synchronisation and synergy in actions resulting in weak specialisation, weak focus on technology, innovation and research and development (R&D), and a lack of performance-centric incentives and disciplinary actions.

The better performance of competing countries was also outlined as one of the risk factors in the study, titled "Developing Semiconductor Industry in Bangladesh", which was made public by the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday.

It recommended offering education and training with the assistance of industry experts to existing students and graduates in electrical engineering, computer science and engineering, and physics to increase the supply of chip designers.

It also asked to offer research and development grants as well as fellowships at the master's and PhD levels to support the development of microchip design-related intellectual properties, process node migration, and prototype microchips.

The study also advised to offer incentives to local producers,

particularly in the apparel, shoes, and farming sectors, for pursuing microchip-led incremental innovation for their products and processes and support linkage with academia and chip design entities.

Bangladesh has the opportunity to export \$10 billion worth of semiconductors by 2041 and take the sector's contribution to the GDP from the current 0.3 percent to 4.5 percent.

Semiconductors are the fourth most-traded products in the world after crude oil, motor vehicles and their parts, and refined oil.

Global semiconductor industry sales totaled \$526.8 billion in 2023, a decrease of 8.2 percent compared to \$574.1 billion a year ago, the highest ever, according to the Semiconductor Industry Association.

The semiconductor business is projected to become a \$1 trillion industry by 2030, which presents a huge opportunity for Bangladesh.

The country can utilise its supply of talent to create high-earning prospects for graduates and diversify foreign earnings as a shortage of skilled manpower in this sector has been projected.

For instance, by 2030, experts estimate there will be a shortage of 67,000 workers in this industry in the US alone.

Currently, there are three firms in the chip design segment in Bangladesh. These companies employ around 400 chip designers, generating over \$6 million in revenue.

The only chip testing firm is Luna Lighting, which is fully owned by a Japanese company.

READ MORE ON B3

Robi, Banglalink face show-cause notice

MAHMDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday issued show-cause notices to Robi Axiata and Banglalink for "failing to achieve the target to improve the quality of service" in line with the benchmark set by the regulator.

This comes after the regulator sent a notice to GP on June 30 for "not using the allocated spectrum", which affected the operator's quality of service.

Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink, said yesterday: "Banglalink has always tried to ensure best quality of service and has actually been able to provide the fastest mobile internet in the country continuously

READ MORE ON B3

NBR makes five-year plan to modernise customs

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has finalised a five-year strategic plan for customs aiming at modernising customs procedures, reducing trade costs and improving revenue performance.

The proper implementation of the plan would significantly reduce trade costs, improve revenue performance, develop essential infrastructure, introduce crucial legal reforms, and build the capacity of customs officials and ultimately facilitate smoother trade operations, according to the NBR.

The plan will be published soon, Sayed A Momen, senior information officer at the NBR, said after a workshop on the finalisation of the strategic

READ MORE ON B3

Inflation outpaces wage growth for 29th month straight

MD ASADUZ ZAMAN

Although wage growth in Bangladesh has been slowly climbing since July 2021, it has remained below the inflation rate for the past two and a half years, government data shows.

Wages of low-paid and unskilled workers grew 7.95 percent in June, which was 1.77 percentage points below the inflation rate of 9.72 percent in the same month, showed the Wage Rate Index (WRI) of the Bangladesh Bureau of Statistics (BBS).

This trend has been continuing for the past 29 months, as per data from the BBS.

This widening gap is forcing low-income and unskilled workers to cut consumption amid falling real incomes, according to analysts.

The nominal wage rate growth stood at 7.88 percent in May while the inflation rate was 9.89 percent, it added.

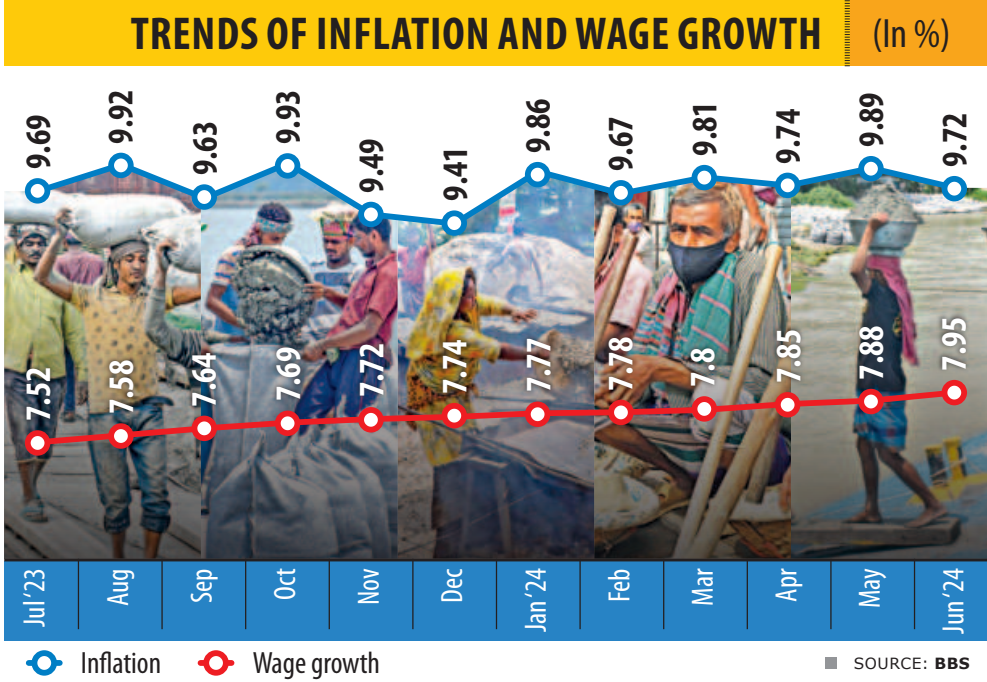
"When high inflation persists for a long time, it will definitely impact the poverty rate and create many new poor," said MM Akash, a former chairman of the economics department at the University of Dhaka.

People who are now struggling to keep their heads above water may be dragged below the poverty line, he added.

Rizwanul Islam, an economist and former special adviser for employment at the International Labour Office in Geneva, said high inflation, especially high food inflation, has been affecting the purchasing power of low-income people.

This also reduces coping strategies and gradually narrows opportunities for low-income and low-skilled people.

"More than 40 percent of the population of Bangladesh is in real difficulty because of continuously elevated inflation, especially food inflation," Islam said, adding that it has



been affecting low-skilled, self-employed and middle-income individuals.

In June, food inflation slipped to 10.42 percent from 10.76 percent a month ago. However, food inflation has hovered above 9 percent since May 2023. It crossed 9.5 percent every month of fiscal year 2023-24 except February.

In FY24, the highest rate of food inflation was witnessed in October, when it hit 12.56 percent. If effective trade unions existed, there would have been an uproar regarding the situation, according to Islam.

"But we don't see such issues. Rather, everyone is more focused on how to cope with the situation," he said.

The WRI takes into account the wages of informal workers, who get their payments on a daily basis, across 63 occupations in the agriculture, industry and services sectors.

Asked about the impact on the labour market due to the persistently higher inflation, Islam said there is an inverse relationship between inflation and unemployment as illustrated by the Phillips curve.

"However, in Bangladesh, it's not clear if such a relationship will work because there are other factors such as import compression working that are simultaneously having an adverse effect on growth."

READ MORE ON B3

To be a finest corporate citizen through joining in

Mercantile Bank PLC., as Management Trainee Officer (MTO)

Mercantile Bank PLC., a leading and prominent private commercial Bank of the country that continuously thriving in creating Human Capital through vast learning process, experienced work pool and development initiatives in every aspects of Banking arena. In successful 25 years of our achievement, we have made a "Brand Image" and offering a diverse range of financial products while delivering superior services to our valued clients.

To enrich our human capital with talented, self-motivated and committed young Bangladeshis, we are particularly interested in those who are willing to take the challenge and grab the opportunities as a long-term career in MBPLC family.

Position : Management Trainee Officer (MTO), MTO- IT and MTO-Law	
Eligibility Criteria	Other Requirements
Academic Qualifications for MTO : <ul style="list-style-type: none">■ Post-graduation/D4 years' graduation in any discipline from any reputed UGC approved University with minimum CGPA 3.00 on a 4.00 point scale or 1st Class. MBA, BBA, Economics, Banking, Finance, Marketing, Management, Accounting, Statistics will be given preference.■ 4.00 on a 5.00 point scale in SSC and HSC or minimum "B" in O Level and "B" in A Level.	<ul style="list-style-type: none">■ Must demonstrate excellent interpersonal and communication skills with fluency in English and be well conversant in computer literacy and sound analytical proficiency.■ Entrepreneurial, energetic, self-motivated and driven to succeed in a highly competitive and challenging environment.■ Age not over 30 years as on June 30, 2024.■ Applicant must be a Bangladeshi citizen.■ Willingness to serve anywhere in Bangladesh.
Academic Qualifications for MTO-IT : <ul style="list-style-type: none">■ Post-graduation/D4 years' graduation preferably in Computer Science, Computer Science & Engineering, Information Technology, Information & Communication Engineering, Software Engineering, Telecommunication Engineering, and other IT related subjects from any reputed UGC approved University with minimum CGPA 3.00 on a 4.00 point scale or 1st Class.■ 4.00 on a 5.00 point scale in SSC and HSC or minimum "B" in O Level and "B" in A Level.	We Offer <ul style="list-style-type: none">■ A consolidated monthly remuneration of Tk.46,000/- will be paid during 01 (one) year of probation period. Upon satisfactory completion of probation period, MTOs will be absorbed in the grade of 'Executive Officer' at an initial Gross Salary of Tk.82,000/- per month with other admissible benefits.■ Smooth career progression.■ Opportunity to learn thriving as a leader.
Academic Qualifications for MTO-Law : <ul style="list-style-type: none">■ Post-graduation/D4 years' graduation, preferably LLB and LL.M from any reputed UGC approved University with minimum CGPA 3.00 on a 4.00 point scale or 1st Class.■ 4.00 on a 5.00 point scale in SSC and HSC or minimum "B" in O Level and "B" in A Level.	Selection Process <ul style="list-style-type: none">■ The selection process will be purely on merit basis.■ Shortlisted candidates will have to appear for a competitive written examination.■ Successful candidates in the written examination will be called for interview.
Application Procedure: <ul style="list-style-type: none">■ A Candidate can apply for only one post upon fulfilling related eligibility criteria.■ Eligible and interested job aspirants are requested to apply through "Career Section" in www.mtbltd.com with an attachment of a recent passport size colored photograph (size 50kb max) latest by July 21, 2024. Hard Copy of Resume will not be accepted.	
<ul style="list-style-type: none">■ Candidates in the services of MBPLC may also encouraged to apply for this post fulfilling the eligibility criteria.■ No TA/DA will be allowed for appearing at the written examination & Viva-Voice test.	
The Bank reserves the right to accept or cancel any application without assigning any reason whatsoever at any stage of the recruitment & selection process and against which no claim can be made, either to the Bank or with any Authority.	

www.mtbltd.com

যাচাইকৃত ব্যাংক ফিল্যান্স
Mercantile Bank PLC.
শ্রমিকদের আবেদন

১৬২২৬
আইসিআই ১৬২২৬

Prime Bank gets BB recognition as sustainable bank for second year

STAR BUSINESS DESK

Prime Bank was recently recognised by the Bangladesh Bank for the second time as one of the top banks in its latest Sustainable Rating 2023, according to a press release.

Commenting on the award, Hassan O Rashid, chief executive officer of Prime Bank, said: "Prime Bank is committed to ensuring sustainable business practices and undertaking initiatives that uphold the principles of green banking."

"Our efforts have been recognised for the last two years by Bangladesh Bank with the prestigious Sustainability Award for maintaining excellence in sustainable and green refinancing, corporate social responsibility and core banking," he added.

Oil steadies

REUTERS, London

Oil prices were stable on Thursday with the Brent benchmark holding above \$85 a barrel, as investors balanced a bleaker demand growth view from the International Energy Agency (IEA) with a indications of growing US consumption.

Brent futures were up by 21 cents, or 0.25 percent to \$85.29 a barrel by 0938 GMT. US West Texas Intermediate (WTI) crude rose 13 cents, or 0.16 percent, to \$82.23.

In a report, the IEA saw global demand growth at its lowest in over a year at 710,000 barrels per day in the second quarter.

Al-Arafah Islami Bank holds 'Business Development Conference'

STAR BUSINESS DESK

Al-Arafah Islami Bank organised a half-yearly "Business Development Conference- 2024" at the bank's head office in Dhaka yesterday.

Abdus Samad Labu, chairman of the bank, attended the conference as chief guest, the bank said in a press release.

Farman R Chowdhury, managing director and CEO, presided over the programme, which was joined virtually by managers from 209 branches alongside managers from corporate branches, zonal heads and senior executives.

Among others, Shabbir Ahmed, Syed Masodul Bari, Muhammed Nadim, Md Abdullah Al Mamun, Md Fazlur Rahman Chowdhury, Md Asaduzzaman Bhuiyan, Md Aminul Islam Bhuiyan and Mohammed Hossain, deputy managing directors of the bank, were also present.

Premier Bank opens relocated Mohakhali Islamic banking branch



Mohammad Abu Jafar, managing director and CEO of Premier Bank, cuts a ribbon to inaugurate a relocated Islamic banking branch at MS Centre in Mohakhali, Dhaka yesterday.

PHOTO: PREMIER BANK

STAR BUSINESS DESK

Premier Bank opened a relocated Islamic banking branch at MS Centre in the capital's Mohakhali yesterday to provide modern and the best-in-class services to customers.

Mohammad Abu Jafar, managing director and CEO of the bank, inaugurated the branch as chief guest, the bank said in

a press release.

Syed Nowsher Ali, additional managing director of the bank, Md Fayeazur Rahman Talukder, deputy managing director and head of Uttara branch, Abdul Quaium Chowdhury, deputy managing director and head of Dilkusha branch, Syed Abul Hashem, deputy managing director and CFO, and SM Waliul Morshed, deputy managing director and head of Mohakhali

branch, were present.

MA Razzak Khan, chairman of Minister Group, A Mannan Khan, chairman of Mango Teleservices, Mosharaf Hossain, chairman of Mosharaf Group, Mamun Mahmud, senior executive vice-president and chief human resources officer, Mohammad Ishrat Hossain Khan, executive vice-president and head of Islamic banking, were also present.



Abdus Samad Labu, chairman of Al-Arafah Islami Bank, attends the bank's half-yearly "Business Development Conference- 2024" as chief guest at the bank's head office in Dhaka yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

Wall Street places reluctant bet on Trump

REUTERS, New York

The idea of Jamie Dimon running for president has become something of a meme in the financial world. The JPMorgan CEO says he doesn't want the job – or at least, not if it requires an election. Yet financial pundits like hedge fund manager Bill Ackman still occasionally attempt to coax Dimon out of his shell, misty-eyed over the idea of one of their own in the White House. President Joe Biden's recent poor debate performance has revived the fever dream.

The question isn't whether Dimon might run – he almost certainly will not – but why anyone would want him to. And the answer is that for Wall Street, the coming White House race, which currently pits Biden against former President Donald Trump, offers a singularly unappetizing menu. November's election will present voters with a choice between two possible administrations, neither of which looks much like the moderate, business-friendly centrism under which the financial sector tends to thrive. It's an unenviable choice.

So far, Wall Street money is leaning to the right. The finance, insurance and real estate sectors have donated \$247 million to Republican candidates in the current two-year political cycle, versus \$227 million to Democrats, according to data crunched by OpenSecrets. Focus on donations supporting presidential hopefuls, and Trump is the financiers' clear favorite, collecting \$115 million to Biden's \$46 million. Of course, money does not guarantee electoral success: Wall Street roundly backed presidential losers Mitt Romney in 2012 and Hillary Clinton in 2016.

The industry's tentative bet on Trump may say less about the former New York real estate developer, and more about the fact that Biden's



PHOTO: REUTERS/FILE

Former US President and Republican presidential candidate Donald Trump attends a campaign event in Philadelphia, Pennsylvania. November's election will present voters with a choice between two possible administrations, neither of which looks moderate and business-friendly.

scrutiny has contributed to a sharp slowdown in merger activity.

Few moves have generated more acrimony, meanwhile, than the Federal Reserve's package of bank rules known as the Basel Endgame, cooked up by Vice Chair Michael Barr, who was also nominated by Biden. Those regulatory tweaks, which could raise the capital the biggest American banks have to hold by one-fifth, provoked so much

ire that lenders and their trade associations have threatened to take the Fed to court. The 486 federal lobbyists working for large lenders at the end of 2023 was the highest since the 2008 financial crisis, Reuters reported in February. Though the Fed has started to capitulate, the mistrust lingers.

By contrast, Trump's vague plans offer red meat for profit-minded Wall Street capitalists. The former president says he will cut

the corporate income tax rate to 20 percent from 21, scrap tax that service-industry workers pay on their tips, and retain the threshold for death tax, which has been temporarily raised. That's easy to prefer over Biden's proposal of a 28 percent corporate tax rate, higher taxes on dividends and capital gains, and a plan to quadruple the 1 percent levy on corporate share buybacks that kicked in this year.

BB signals further monetary tightening

FROM PAGE B1

With global components of inflation turning down, most countries have experienced a significant fall in inflation relative to its peak, said Lisa DeNell Cook, a member of the Federal Reserve Board of Governors of the US, at the Australian Conference of Economists in Adelaide of Australia, on Wednesday.

Even cash-strapped Sri Lanka succeeded in controlling inflation. On the other hand, consumer prices have kept rising in Bangladesh. The government aims to contain it to 6.5 percent in the fiscal year of 2024-25, which begins on July 1.

In the review, the central bank said the lag effect of marked global commodity price hikes, partly exacerbated by the weaker exchange rate of the taka against US dollars, has prolonged the persistently high inflation.

"Inflationary pressures have also broadened within the core basket, reflecting spillover and second-round effects as well as the pass-through of costs associated with electricity generation."

It said despite decreasing trend of global commodity prices, Bangladesh's economy could not benefit due to the significant domestic currency depreciation, which subsequently raised import prices, thereby contributing to inflationary pressures.

The taka has lost its value by about 35 percent against the US dollar in the past two years.

In FY24, the central bank adopted a tight monetary policy stance and raised the policy rate – at which it lends to commercial banks – on several occasions to lift it to 8.5 percent. The rate was hiked by 400 basis points since the middle of 2022.

The International Monetary Fund (IMF) has suggested the central bank raise the policy rate by 50 basis points by December this year since its monetary tightening is yet to rein in inflation.

However, most central banks

stopped raising their policy rates over the past year. Some are considering how long to keep rates at restrictive levels or, if inflation picks up again, whether to raise rates further, according to Lisa DeNell Cook.

The BB said over the past year, fluctuations in fuel, food, and energy prices have been the predominant drivers of headline inflation, with food and fuel costs largely mirroring global commodity price trends.

It blamed higher food prices for the spike in demand ahead of Ramadan and Eid-ul-Fitr celebrations.

Among the components of non-food inflation, the highest rate was recorded in the health sector at 13.69 percent, followed by 11.34 percent in furnishings, household equipment, and routine maintenance of the house, according to the report.

In the review, BB Governor Abdur Rouf Talukder said Bangladesh economy was not immune to the impact of global issues, though it performed fairly well a couple of years after the Covid-19 recovery.

However, since 2023, the economy began feeling the pressures of persistently high inflation and the exchange rate depreciation, particularly through geopolitical tension and trade uncertainties, he added.

Despite the challenges, provisional estimates from the BBS indicate that gross domestic product (GDP) grew 5.82 percent in FY24, up from 5.78 percent in FY23, reflecting a modest improvement in the country's economic performance.

"To mitigate inflationary pressure and restore the stability of the exchange rate, BB upheld a hawkish approach to monetary policy throughout last year and continued the contractionary stance for the second half of the last fiscal year," he said.

The BB has not gained much success in curbing higher inflation because of the lack of a market-based interest rate system. In April 2020, the BB first introduced a 9 percent

interest rate ceiling.

Although it was withdrawn in the first month of the last fiscal year, the banking regulator introduced a new interest rate system based on the six-month moving average rate of treasury bills known as SMART, which was still considered as another cap.

Finally, in May this year, the BB allowed banks to determine a market-driven interest rate in line with the IMF's prescription.

At a webinar recently, Birupaksha Paul, a professor of economics at the State University of New York, said the interest rate cap was largely responsible for the current inflationary pressure.

He explained when interest rates were increased all over the world to tackle inflation, the central bank walked in the opposite direction. The lending cap was withdrawn following the advice of the IMF.

In May, the BB also rolled out a more flexible exchange rate policy, moving away from its practices where banks would determine the price of the dollar in line with the verbal instructions of the central bank.

The governor hoped that the crawling peg will help to tackle the present challenges.

Amid the persisting macroeconomic challenge, the BB is going to announce the monetary policy for the first half of FY25 in the third week of July. The main objective will be to control inflation and achieve the GDP growth target set by the government.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, recently said the policy rate would have to be hiked to control inflation.

"If the central bank and the government maintain strict policy measures, it will help reduce inflation."

The government has also set high bank borrowing targets for FY25, but banks are facing liquidity shortages. This prompts the economist to suggest the central bank be strict about refraining from granting loans to the government.

IPDC Finance top performer in BB's Sustainability Rating 2023

STAR BUSINESS REPORT

IPDC Finance has been recognised as one of the top performing finance companies in the Bangladesh Bank's Sustainability Rating 2023.

The Sustainability Rating evaluates banks and financial institutions based on several components: sustainable finance, green finance, green refinancing, core banking sustainability, corporate social responsibility (CSR) activities and banking services coverage.

"IPDC Finance's outstanding performance in these areas has earned it a prominent position for the third time," the company said in a statement.

"We express our sincerest gratitude to the central bank for this recognition, the guidance, and the leadership for promoting sustainability within the financial sector," said Rizwan Dawood Shams, managing director of IPDC Finance.

A total of 32 organisations, including 30 banks and 2 other financial institutions, got recognised for achieving this position

"This award shows we're on the right track with integrating sustainable practices into everything we do, not just eco-friendly activities. We're all about keeping our unbounded passion alive."

This achievement highlights IPDC Finance's strategic focus on sustainability, he said.

"While we prioritise providing innovative environment-friendly green financing solutions and promoting eco-friendly practices through green refinancing, this award underscores our strategic focus on CSME growth, long-term profitability, liquidity, capital adequacy, non-performing loans, credit ratings, financial inclusion, women's empowerment, and CSR."

A total of 32 organisations, including 30 banks and 2 other financial institutions, were recognised along with IPDC Finance.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JULY 11, 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	1.01 ↑	-12.28 ↓
Potato (kg)	Tk 56-Tk 65	5.22 ↑	42.35 ↑
Onion (kg)	Tk 105-Tk 120	45.16 ↑	55.17 ↑
Egg (4 pcs)	Tk 45-Tk 50	-10.38 ↓	-1.04 ↓
SOURCE: TCB			

Govt to buy 30,000 tonnes of diesel from India

STAR BUSINESS REPORT

The cabinet committee on government procurement yesterday approved the purchase of 30,000 tonnes of diesel from India and one cargo liquefied natural gas (LNG) from the spot market through Switzerland's TotalEnergies.

According to the meeting minutes, diesel will be purchased from India's Numaligarh Refinery Limited between July and December this year through the India-Bangladesh Friendship Pipeline at a cost of Tk 273.67 crore.

M/S TotalEnergies Gas and Power Ltd will supply the LNG cargo at Tk 583.56 crore, where per unit (MMBtu) will cost at \$12.58, which was \$13.56 last month.

Besides, the committee approved the purchase of different kinds of refined oil under different agreements with Oman, China, Malaysia, Thailand, UAE and Indonesia worth Tk 16,484 crore.

Every year, Bangladesh consumes around 50 lakh tonnes of diesel and Petrobangla purchases 12-15 cargoes of LNG from international spot market.



The Bangladesh Bureau of Statistics (BBS) has started running the fourth economic census from this month, going door to door collecting relevant information about the residents, beginning with their profession or source of income. The census will run until the end of next year. The photo was taken at Mohammadpur in Dhaka yesterday.

PHOTO: PRABIR DAS

Stocks drop amid profit booking

STAR BUSINESS REPORT

Shares in Bangladesh dropped for a second consecutive day yesterday as skittish investors chose to sell off their scrips to make a quick gain.

The DSEX, the major index of Dhaka Stock Exchange (DSE), went down by 1.11 percent from that on the day before to close at 5,506.67.

Likewise, the DSES, the index that represents Shariah-compliant companies, dropped 11.95 points, or 0.98 percent, to 1,207.53.

Meanwhile the DS30, the index that is composed of blue-chip firms, slipped 15.77 points, or 0.80 percent, to 1,942.36.

The day's turnover, meaning the total value of shares changing hands, decreased 31.32 percent to Tk 664 crore.

The pharmaceutical sector dominated with an 18.14 percent share of the turnover.

Sea Pearl Beach Resort and Spa was the most traded share with a turnover of Tk

24.5 crore.

Another 5.3 percent was contributed by block trades, meaning high-volume transactions of securities that are privately negotiated and executed outside of the open market.

Of the 397 issues that changed hands on the DSE, 36 advanced, 343 declined and 18 did not witness any price movement.

Chittagong Stock Exchange also saw a similar trend as the Caspi, the broad index of the premier bourse of the port city, shed 128.06 points to reach 15,757.61 points.

BRAC EPL Stock Brokerage in its daily market update said all the sectors that account for large amounts in market capitalisation, which is the total value of their shares at present, posted a negative performance.

Non-bank financial institutions (NBFIs) experienced the highest loss of 2.31 percent, followed by engineering (1.81 percent), fuel and power (1.54 percent) and food and allied (1.21 percent).

Losses were also suffered by telecommunications (1.08 percent), banking (0.97 percent) and pharmaceuticals (0.71 percent).

Aftab Automobiles topped the gainers' chart of large-cap companies with a rise of 0.65 percent, according to LankaBangla Financials.

Of the 397 issues that changed hands on the DSE, 36 advanced, 343 declined and 18 did not witness any price movement

Midland Bank, Pragati Life Insurance, Oimex Electrode, Dalfodil Computers, Deshbandhu Polymer, Shahjalal Islami Bank, Gemini Sea Food, Reckitt Benckiser Bangladesh and Sonali Paper and Board Mills were also on the same chart.

Beximco Pharmaceuticals led the chart comprising those suffering losses with a drop of 5.33 percent, followed by BAT

Bangladesh and Beacon Pharmaceuticals with 2.64 percent and 2.44 percent respectively.

Olympic Industries, Eastern Bank, Best Holdings, Robi Axiata, City Bank, Renata and LafargeHolcim Bangladesh also displayed a negative performance of more than one percent.

Market capitalisation decreased for travel and leisure, bank, and paper and printing scrips, according to the daily market update by Shanta Securities.

However, it rose for only jute stocks.

Overall, Global Heavy Chemicals took the first place on the gainers' list with an increase of 9.88 percent followed by Salvo Chemical Industry, Oimex Electrode, NRB Bank, Midland Bank, and Standard Ceramic Industries.

BBS Cables and Linde Bangladesh shed the most, losing three percent each.

Delta Life Insurance Company, Eastern Housing, RN Spinning Mills, Green Delta Insurance, Standard Bank and Union Insurance Company also suffered losses.

Broad approach required to face AI's ethical challenges: Palak

STAR BUSINESS REPORT

There needs to be a multifaceted approach to address the ethical challenges posed by artificial intelligence (AI), said State Minister for ICT Division Zunaid Ahmed Palak.

AI should be used to close the gap on digital divides and empower society, rather than worsen existing inequalities, he said.

He also called for robust policy frameworks, regulatory measures and international cooperation to address these challenges.

The minister made these remarks at a "National Stakeholder Consultation on Assessing AI Readiness of Bangladesh", organised by the ICT Division in partnership with Unesco and Aspire to Innovate (a2i) at the ICT Tower in the capital recently.

The event highlighted the country's proactive approach in integrating AI to achieve its Sustainable Development Goals, according to a press release from the ICT Division.

The government is focusing on capacity building and regulatory frameworks and policies that ensure the ethical deployment of AI technologies, it read.

This is being achieved through collaborations with international organisations such as the United Nations Educational, Scientific and Cultural Organization (Unesco) and the United Nations Development Programme (UNDP), it added.

Md Shamsul Arefin, secretary of the ICT division, said AI can positively contribute to society through the ethical use of its transformative powers.

Md Mahmudul Hossain Khan, secretary on coordination and reforms to the Cabinet Division, stressed the significance of identifying gaps, opportunities and challenges in AI adaptation to formulate effective and sustainable strategies.

The event also featured insights from international representatives.

Charles Whiteley, ambassador and head of delegation of the European Union in Bangladesh, and Huhua Fan, OIC head of the Unesco Office in Dhaka, noted the importance of a comprehensive evaluation of AI readiness.

STOCKS		
DSEX ▼	CASPI ▼	
1.10%	0.80%	
5,506.78	15,757.60	

COMMODITIES		
Gold ▲	Oil ▲	
\$2,381.59	\$82.51	
(per ounce)	(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.12%	▲ 0.94%	▲ 0.56%	▲ 1.06%	
79,831.98	42,224.02	3,479.20	2,970.39	

US tightens steel, aluminum import rules to curb China tariff evasion

AFP, Washington

The United States unveiled stricter rules Wednesday on steel and aluminum imports from Mexico, moving to prevent China-origin goods from avoiding tariffs.

The election-season actions by President Joe Biden's administration mark the latest in efforts to guard against excess industrial capacity in China, which Washington has warned could bring a flood of unfairly priced goods to other markets.

China accused the United States of "protectionism," denying talk of overcapacity in its steel and aluminum sectors.

Steel arriving via Mexico will qualify for duty-free benefits only if melted and poured in that country, or in the United States or Canada, White House National Economic Advisor Lael Brainard told reporters. Otherwise, they will face tariffs of 25 percent.

Aluminum imports from Mexico that contain primary aluminum smelt or cast in China, Belarus, Iran or Russia will also face a 10 percent tariff.

Mexico will require importers to provide information about the products' countries of origin.

"These actions fix a major loophole that the previous administration failed to address, and that countries like China use to avoid US tariffs by shipping their products through Mexico," Brainard said.

She charged that "Chinese steel and aluminum entering the US market through Mexico evades tariffs, undermines our investments and harms American workers in states like Pennsylvania and Ohio."

As Biden's reelection bid enters a critical stage, the president has been working to win over voters in swing states including Pennsylvania.

"China and other nations must not be allowed to exploit trade with our neighbors in order to avoid US trade enforcement," said Scott Paul, president at the Alliance for American Manufacturing.

But Liu Pengyu, spokesman of the Chinese embassy in the United States, criticized the argument of overcapacity as a "political tool" to "suppress the Chinese economy."

A senior US official conceded the latest measures are "forward-looking."

Nearly 90 percent of some 3.8 million tons of steel imports from Mexico is already melted and poured in either the United States, Canada or Mexico, an official said on condition of anonymity.

Similarly, of the 105,000 metric tons of aluminum from Mexico, 94 percent was smelted or cast in the three North American countries.

But officials maintained China was producing beyond domestic demand, saying excess capacity is bound to be exported -- potentially impacting other markets.

"These joint actions with Mexico will help to ensure the long-term viability of our steel and aluminum industries," said US Trade Representative Katherine Tai.

The Treasury's under secretary for international affairs, Jay Shambaugh, told an event in Washington that the United States is not alone in trying to combat negative spillovers from China's "non-market practices."

In May, the United States announced steep tariff hikes on Chinese imports including electric vehicles and semiconductors.

Exports actually fell

FROM PAGE B1

The billion worth of shipments for the month.

The BB unveiled the export data in its weekly selected economic indicators, a week after it said actual exports in July-April of FY24 were nearly \$14 billion below the shipment value reported by the EPB.

The mismatch comes as the BB found six types of statistical wrongdoing for the inflated export data. Anomalies range from serial duplication errors to miscalculations of the value of fabrics to repeated miscounts of sample items as exports.

The central bank said exports fell 6.8 percent during the 10-month period against the EPB's claim of a 3.93 percent increase.

The discrepancy in export data came to the BB's notice over the last

year as the gap has widened. The difference has been growing for at least 12 years, with the gap crossing \$12 billion in 2022-23.

At a consultation meeting with stakeholders at the BB headquarters on Wednesday, BB Governor Abdur Rouf Talukder said the export data has been corrected.

"Now the release of accurate export figures will continue," he said, adding a new methodology had been developed by the EPB, the National Board of Revenue, and the BB to report the actual export earnings.

Under the initiative, a platform will be developed to publish real-time data on exports to ensure data accuracy. As per the plan, the NBR will supply the daily export data to the EPB, and the BB will compute it based on the real-time exchange rate.

Experts identify challenges

FROM PAGE B1

Yusuf Haque, chief technology officer and co-founder of eXo Imaging Inc., presented the keynote paper.

M Rokonuzzaman, a professor of the department of electrical and computer engineering at North South University, gave a presentation.

Habibullah N Karim, senior vice-president of MCCI, said the report would serve as more than an academic guide for the semiconductor industry because it also provides guidance on mobilising investment, policy framework, and resources.

Farooq Ahmed, secretary-general and CEO of MCCI, moderated the event, where Kamran T Rahman, MCCI president, and Simeen Rahman, MCCI vice-president, also spoke.

Farooq Ahmed, secretary-general and CEO of MCCI, moderated the event, where Kamran T Rahman, MCCI president, and Simeen Rahman, MCCI vice-president, also spoke.

Shahed Alam, Robi's chief corporate and regulatory officer, said: "We would humbly like to state that according to the rigorous test carried out by BTRC and our own technology team, Robi has been found to be offering better

quality of service than what is expected as per the QoS regulation.

"The show-cause notice thus comes as a surprise for us. The critical point here is that the show-cause notice is made in reference to the unreasonably stringent interim QoS directive issued by the regulator.

"We believe that the existence of such an interim directive on QoS while we have a clearly defined QoS regulation for the same only creates confusion and inconsistency in the regulatory framework for ensuring QoS for our customers.

NBR makes five-year plan to modernise customs

FROM PAGE B1

plan for 2024-2028 at InterContinental Dhaka yesterday.

Senior Secretary of the Internal Resources Division and NBR Chairman Abu Hena Md Rahmatul Muneen, Asian Development Bank Country Director Edimon Ginting, Member of Customs Modernisation Farzana Afrose and other officials were also present in the workshop.

The customs authority said significant progress has been made in the implementation of customs modernisation strategic action plans for 2019-2022 and 2014-2017 and scope for further development is there.

"The Strategic Plan 2024-2028 will build upon the implemented and ongoing reforms and propel the transformation of Bangladesh customs wing towards realising the vision of the smart customs wing by 2041," it said.

The NBR said Bangladesh has made impressive progress on both social and economic spheres in

recent years.

The nation is set to graduate from the least developed country category by 2026.

"As part of enhancing trade competitiveness and preparedness for graduation, timely implementation of this plan will play a crucial role in transforming our customs operations into smart customs, underpinned by modern technology and processes, steering the country towards becoming Smart Bangladesh by 2041."

The customs authority said it has already framed the Customs Act 2023.

The NBR said it implements the Bangladesh Single Window scheme to provide hassle-free services to the traders and cut costs of cross-border trade.

The authority said it has structured the strategic plan around four key pillars -- revenue management, trade facilitation and partnerships, safety and security and development of the organisation and human capital.

Inflation outpaces wage

FROM PAGE B1

So, one cannot expect employment to grow, he said.

"Employment was not growing even when output growth was normal. That's why the informal sector continues to be the major source of employment," Islam said.

He added that inflation may also adversely affect the labour market situation through the consumption and demand route. Elevated levels of inflation have an adverse effect on demand, which in turn affects output growth in various sectors.

Prof Akash added: "It should be mandatory to provide rations or adjust their wages in line with inflation to give a cushion to the workers."

The economist suggested providing cash incentives to low-income people, similar to initiatives during Covid-19, and expanding social safety net programmes.

He also urged the government to extend support to the urban poor, who usually remain out of safety net, by providing essential commodities and cash support for house rent.

"The nominal wage rate climbed from 7.39 percent in June 2023 to 7.7 percent in December 2023. In April 2024, it was 7.85 percent. Despite being less than inflation, the pay index increase significantly represented the current inflationary wave," the Bangladesh Bank said in its monetary policy review yesterday.



As part of a government initiative, projects have been taken up to build tourism facilities in places like Tanguar Haor in Sunamganj. Bangladesh now witnesses about two crore local and foreign tourists per year, with locals making up the most, according to the Bangladesh Tourism Board.

PHOTO: COLLECTED

Eco and heritage tourism targeted as govt eyes more tourists

SUKANTA HALDER

The government has drawn up a plan to construct facilities across the country to attract both local and international tourists looking for eco-tourism and traveling to heritage sites.

Ecotourism is defined as responsible travel to natural areas that conserves the environment and sustains the well-being of the local people. Heritage tourism is a practice where people visit heritage sites within a country or travel abroad to historical places of significance.

The global ecotourism market size was valued at \$216 billion in 2023, according to market research firm Fortune Business Insights. It was \$587 billion for heritage tourism, said IMARC Group.

Such data for Bangladesh is hard to come by but the country boasts spots and sites that can easily draw tourists from home and abroad if they can offer facilities and the government promotes them.

As part of the initiative of the government, projects have been taken up to build tourism facilities in Tanguar Haor in Sunamganj, the Nijhum Island in Noakhali, Sarankhola in the Sundarbans, Somapura Mahavihara in Naogaon's Paharpur, and the Mawa-end of the Padma Bridge.

The move comes as the number of internal tourists has seen a massive surge in recent years on the back of rising per capita income in a nation tipped to become the ninth-largest consumer market globally by 2030.

There were 40 lakh to 50 lakh tourists, both local and foreign, in Bangladesh three years ago. The number has gone up to two crore now, with locals making up



the most, according to the Bangladesh Tourism Board (BTB).

The government has placed special emphasis for the development of eco-tourism and heritage tourism in the country, said Finance Minister Abul Hassan Mahmood Ali in June while placing the budget for the 2024-25 fiscal year.

Thanks to the socio-economic progress of the country, there is a growing domestic demand for tourism apart from the interest of foreign tourists, he said.

The government is implementing a 25-year tourism master plan to contribute to economic development through tourism.

Presently, tourism contributes 3.02 percent to the gross domestic product, Bangladesh Bureau of Statistics data showed. The sector accounts for 8.07 percent of the total employment.

The master plan will serve as a comprehensive roadmap to revitalise the tourism sector. If implemented, its contribution to the national economy will be \$4.77 billion by 2041.

Mohammad Rafeuzzaman, president of the Tour Operators Association of Bangladesh, the apex body of travel agencies, said the government is giving importance to eco-tourism, heritage tourism and MICE tourism.

"These segments have a good prospect." MICE tourism stands for meetings, incentives, conferences, and exhibitions tourism and refers to business travel where people go to different places for professional or educational events.

According to Rafeuzzaman, in the case of eco-tourism and heritage tourism, everything must be adapted to the local community and the current situation of biodiversity.

"Work must be done as per proper planning. Otherwise, the environment will be badly damaged."

He added: "Tourism is such a sector where no plan can be taken and implemented in a hurry since if there is an adverse effect for any reason, the sector will have to suffer the consequences in the long run."

Mazharul Islam, deputy director for research and planning at the state-run BTB, said no large brick-made structures will be built in the areas selected for eco and heritage-based tourism.

He said the National Tourism Council will approve the master plan in a few days. "These projects will be implemented in line with the master plan."

He, however, said it would take one and a half years for the projects to secure approval from the planning ministry. Also, foreign funds are being explored to implement the projects.

In the meantime, feasibility studies about the projects will be carried out.

The government has set up destination management organisations in all these areas to attract tourists, according to the budget speech of the finance minister.

Moreover, with the aim of developing a sustainable tourism industry, the government has taken initiatives to provide advanced training to tour operators and guides and registering them.

Projects have already been started to develop Parki in Chattogram, the Hatia and Nijhum islands in Noakhali, and the Mahananda in Chapainawabganj as tourist destinations.

The government also plans to build facilities of global standards in Rangpur, Chandpur, and Cox's Bazar.

The goat that opened the can of worms

MAHTAB UDDIN AHMED

Students and the youth have always played a significant role in shaping the history of Bangladesh. However, a fresh wave of change has been sweeping the nation in recent weeks, and it was initiated by none other than a lone goat!

The sacrificial goat purchased at a ridiculously high price has since become a weapon against corruption, exposing kingpins who were caught completely off guard. Sometimes, light can shine from the most unexpected cracks in the cave of corruption that plagues Bangladesh, revealing its staggering economic shockwaves.

Corruption in Bangladesh is a deep-rooted issue, but its true magnitude often remains obscure. It impacts all sectors, especially the business community, leading to severe economic repercussions. Many businesses are forced to comply with corrupt conditions and practices, which significantly increases the cost of doing business, let alone the process-related harassment and uncertainties involved.

The unlawful collaboration between corrupt government officials and entrepreneurs is detrimental to business operations and results in a loss of national revenue, adversely affecting the tax-to-GDP ratio.

This bleak environment pushes honest companies to either sell or shut down, as they not only find themselves in an unfair playing field but also struggle with bureaucratic red tape, funding crises, and a lack of interest from the new generation. Interestingly, the game of corruption in this country is multi-layered. While we hang the petty thieves who have nowhere to hide except behind Covid masks, the lynchpins stand tall or fly out of the country, emptying their bank accounts.

Corruption reduces tax revenue as businesses underreport earnings or bribe officials to evade taxes, decreasing the tax-to-GDP ratio, which is a critical economic health indicator. Unfair advantages given to corrupt businesses discourage fair investors, leading to reduced foreign and domestic investments, hindering economic growth. Business costs increase due to bribery, raising consumer prices and reducing economic efficiency.

Policy-makers have tried to counter the goat's impact by incentivising tax evaders and corrupt entities, further alienating honest taxpayers and businesses. If this trend continues, Bangladesh risks driving away honest entrepreneurs and future generations. The goat's anti-corruption movement has, however, sparked a new awareness and hope, stirring the need for stringent anti-corruption measures and systemic reforms.

Breaking the cycle of corruption requires a multifaceted approach. Strengthening institutions like the Anti-Corruption Commission with greater autonomy and resources to promptly investigate and prosecute corrupt activities is essential. Implementing transparency in government and business transactions can significantly reduce corruption.

Protecting and incentivising whistleblowers who expose corrupt practices can also play a crucial role. Encouraging businesses to adopt ethical practices through recognition and rewards, simplifying the tax and other revenue collection systems, and reducing the discretionary powers of tax officials, politicians, and bureaucrats can help lower the scope for corruption.

The government of Bangladesh has made significant strides in digitalising many services, enhancing transparency with the aim to reduce corruption. However, there remain many loopholes that leave sufficient room for human intervention, such as bribery. This issue underscores the need for end-to-end online processes, like successful models in countries like Estonia and Singapore, where automation minimises human involvement and reduces the scope for corruption.

The lone goat's fight against corruption has stimulated a crucial debate about the future of Bangladesh's economy. To ensure sustainable development, the nation must tackle corruption head-on, fostering an environment where honest businesses can thrive and the next generation feels empowered to contribute to building a prosperous Bangladesh.

Considering the storm caused by the telltale goat, perhaps a few hundred such goats are all that we need to make corruption a thing of the past. Maybe it is a blessing in disguise to buy a thousand-dollar goat for ten thousand dollars if it makes Bangladesh a nation free of corruption.

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



Air Astra will soon spread wings on int'l routes: CEO

STAR BUSINESS REPORT

Air Astra will soon spread its wing on different international routes with its expanded fleet of new aircraft, said Imran Asif, CEO of the newest Bangladeshi airline.

He made the comment yesterday at the launch of Air Astra's frequent flyer programme, ORBIT, to cater to its loyal customers through a tiered membership structure – Eco, Evo, and Pro.

Passengers travelling frequently with Air Astra will accumulate mileage and redeem them for a range of rewards both from the airline's privileged services, including free flights, priority check-in, additional free baggage allowance as well as on the airline's partners' services at hotels, fashion and lifestyle brands, restaurants and cafes for exclusive perks and benefits.

The launching event organised at a city hotel was inaugurated by Rubaba Dowla, country managing director of Oracle Bangladesh.

Sohail Majid, CCO of the airline, was also present among others at the event.

To celebrate the launch and to welcome new members, Air Astra is offering a welcome kit, which includes discount & benefit vouchers from 10 leading brands.

The brands include a diverse portfolio of industries: Sharetrip, GoZayaan, Shahrukh Amin, Twelve Clothing, Apex Footwear, Mana Bay Water Park, Sea Pearl Water Park, Secret Recipe, Red by Afroza Parveen and Foy's Lake Resort.

These brands will offer ORBIT members savings on travel, shopping, dining and entertainment.

China building more wind, solar capacity than rest of the world

AFP, Beijing

China is building almost twice as much wind and solar energy capacity as every other country combined, research published Thursday showed.

The world's second-largest economy is the biggest emitter of the greenhouse gases that drive climate change.

China has committed to bring carbon emissions to a peak by 2030 and to net zero by 2060.

It has endured several waves of extreme weather in recent months that scientists say are rendered more severe by climate change.

China currently has a total of 339 gigawatts (GW) of capacity under construction, including 159 GW of wind and 180 GW of solar.

That is "nearly twice as much as the rest of the world combined", according to the study by Global Energy Monitor, a US based NGO.

The figure far exceeds the second-ranked nation, the United States, which is building a total of just 40 GW, the report said.

It said China has broken ground on a third of new wind and solar capacity it has announced to date, compared to a global average of just seven percent.

"The stark contrast in construction rates illustrates the active nature of China's

commitment to building renewables projects," the study said.

Beijing's vast renewable energy buildup does have some drawbacks.

The national grid falls back on heavily polluting coal plants to deal with surges in

power demand.

And it struggles to transmit renewable energy generated in remote northwestern regions to economic and population centres in the east.

However, China's combined wind and



Workers are seen installing solar panels at a desert solar panel base in Zhongwei, in China's northern Ningxia region.

PHOTO: AFP/FILE

solar capacity is set to overtake coal this year, according to the report.

It said the rapid renewables expansion raises hopes that Beijing's carbon emissions will peak even sooner than expected.

In a separate report released on Thursday, the Centre for Research on Energy and Clean Air (CREA) found China issued no new permits for coal-based steelmaking projects in the first half of 2024.

CREA said that was the first time on a half-yearly basis that there have been no new permits since China announced its "dual carbon goals" in September 2020 – a development hailed as a possible "turning point" by the independent research organisation.

"As China's steel demand peaks and more scrap becomes available, there is great potential to shift away from coal-based production, representing a significant opportunity for emissions reduction in the next 10 years," CREA's report said.

Scientists say global warming makes extreme weather more frequent and intense.

China has seen a summer blighted by searing heat in the north and torrential rain in the south.

Its weather agency last week forecast very high temperatures to persist in the coming weeks under the impact of climate change.