Star BUSINESS

The ceramics industry has been seeking respite from a spate of crises in recent months, but a worsening gas crisis has deepened their woes.

Story on B4

Stock regulator failed to punish manipulators

Finds CAG's audit report

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) did not punish several investors although they were found to have breached rules by committing abnormal trades, according to an audit.

The Dhaka Stock Exchange (DSE) sent a probe report to the commission on the unusual share transaction that took place in the fiscal year of 2020-21 and recommended punishing the wrongdoers. The bourse also attached the documents naming 63 individuals and firms who were involved in the unusual trading of securities of 21 listed companies, which hurt general investors.

Three years have passed but the stock market regulator has not punished them yet, according to the audit report of the Office of the Comptroller and Auditor General (OCAG).

Even, no hearing took place in some cases, it said, adding that had the BSEC fined them, the amount would have been Tk 3.15 crore.

The OCAG is the supreme audit institution of Bangladesh responsible for auditing government receipts and public expenses and ascertaining whether expenditures have yielded value for money for government offices, public bodies, and statutory organisations.

Speaking about the missing of actions against the manipulators, the BSEC told the auditor that taking legal steps by the enforcement department of the commission was an ongoing process and took time.

The steps involved several phases, and it would take the measures soon, the BSEC said.

The OCAG, however, said the response is not supportive in settling the audit objections since the regulator had not moved to initiate steps despite passing more than three years in most cases.

"As a result, bringing discipline to the capital market, which is a sensitive place, is becoming difficult."

The OCAG found that the BSEC failed to collect fines of Tk 54.6 crore that was imposed on individuals and firms for violating securities rules. As a result, the amount has remained receivable for years.

In FY21, the BSEC fined several individuals and companies Tk 76.10 crore for flouting rules. Of the sum, Tk 21.5 crore was collected.

The accused gets six months to appeal the verdict after a penalty order is issued. If none appeals within the period or makes the payment, the documents are usually sent to the law department of the regulator for initiating further actions.

The OCAG also did not find the BSEC's explanation acceptable in settling the objections since no measure was taken after the deadline lapsed.

The audit report suggested intensive monitoring to collect fines.

The top audit body found the BSEC's liability in the embezzlement of Tk 207 crore by Banco Securities, Tamha Securities, and Firstlead Securities. Due to a lack of proper monitoring, the brokerage houses misappropriated the funds, it said.

Tamha Securities embezzled Tk 140 crore, Banco Securities stole Tk 67 crore, and Firstlead Securities swindled Tk 1 crore, according to an investigation of the DSE.

It was the BSEC's responsibility to monitor, audit and investigate what the intermediaries are doing, the OCAG observed, adding that the brokerage firms got the chance to embezzle investors' funds in the absence of constant monitoring and investigation.

The government lost Tk 48 lakh after the stock market regulator provided lunch bills to its officials by breaking rules, it also said.

The report said the BSEC provided a lunch subsidy of Tk 200 per day to all of its officials from the second grade to the 20th grade whereas the service rules permit such allowance for those belonging to the 11th grade to the 20th grade.

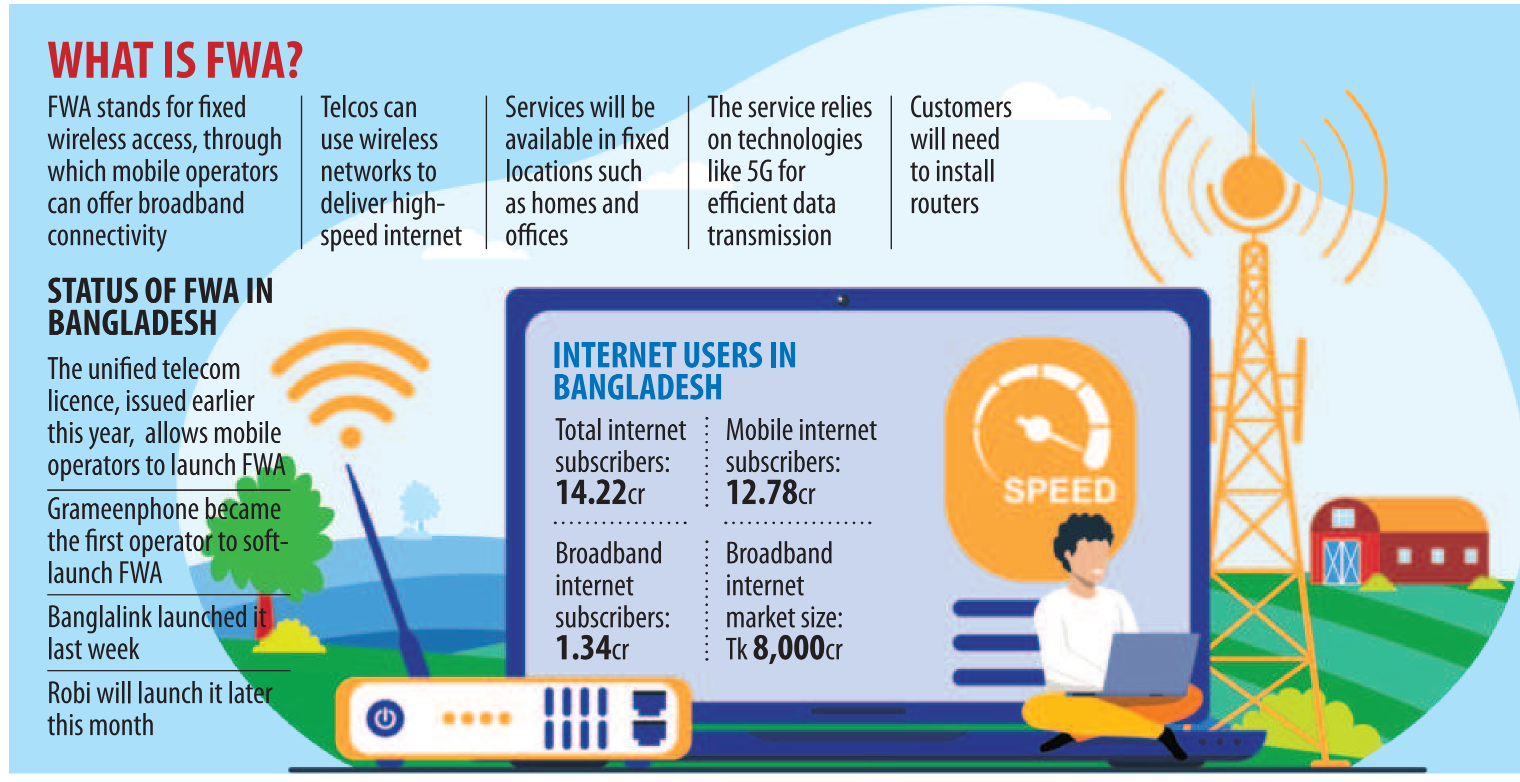
Replying, the commission said the salary, allowance and benefits of its officials may be set in line with the rates and benefits given to the officials of the Bangladesh Bank as per Service Rules, 2014. Therefore, the bill was given following a decision of the commission meeting.

The auditor said the service rules don't permit the bill and it can't be extended without securing approval from the finance ministry. So, the fund should be taken back, it added.

CAG's audit observations

- BSEC did not fine violators despite DSE's recommendation
- Banco, Tamha and Firstlead Securities embezzled funds for BSEC's laxity
- It failed to collect Tk **54**cr in fines
- BSEC flouted rules by providing lunch bill to officials

Mobile phone operators join race to capture broadband market



MAHMUDUL HASAN

The country's three private mobile network operators are racing to grab a share of the rapidly expanding broadband market by offering fixed wireless access (FWA) services, which give users Wi-Fi connections without cables.

After the Bangladesh Telecommunication Regulatory Commission (BTRC) allowed mobile phone operators to launch FWA services in its cellular mobile services guidelines earlier this year, Grameenphone became the first to soft-launch such products.

It rolled out a service called "gpfi unlimited" yesterday.

Banglalink introduced FWA services last week in partnership with a third-party router supplier. Robi plans to roll out a similar service later this month.

The moves are expected to spark fierce competition in the Tk 8,000 crore broadband internet market in Bangladesh.

Competition will intensify not only among operators but also between network carriers and broadband internet operators.

In Bangladesh, telecom operators provide mobile internet while internet service providers (ISPs) offer broadband services.

Generally, mobile operators deliver services through cellular networks, utilising technologies such as 3G, 4G, and 5G, which enable wireless data transmission to smartphones and tablets, offering flexibility and mobility. On the other hand, broadband companies provide internet via fixed-line connections through cables or fibre optics.

In recent years, the broadband internet market in Bangladesh has expanded rapidly, with 1.34 crore subscriptions as of May, leading to the flourishing of a large number of service providers.

Now, mobile network operators will be able to offer similar services. In order to obtain the service, customers will need just an indoor modem or router and a subscription plan.

However, according to industry insiders, ensuring stable and high-speed connectivity with greater bandwidth and reliability compared to wired broadband will be difficult for operators.

Mohammad Sarwar Alam, assistant professor at the University of Chittagong, has been using 'gpfi' for over six months.

He identified the pros and cons of the service.

He said the internet speed is satisfactory, adding that he can take the router anywhere and use it wherever Grameenphone's network is available.

"However, if the user is present in a room while the router is kept in another room with the door closed, the internet speed starts to fluctuate."

Furthermore, the amount of available spectrum directly affects the capacity and speed of FWA services, posing a challenge for operators. This is because the deployment rate of higher frequency bands such as 2300 MHz and 2600 MHz, used for 4G LTE (long-term evolution), and potentially 5G technology, is low in Bangladesh.

Although the auction for these spectrum bands was held over two years ago, operators have deployed less than 20 percent of the frequencies they have purchased. These bands are crucial for FWA services as they support faster data rates and greater capacity, according to industry experts.

Grameenphone offers two types of routers: one priced at Tk 4,000, which can connect 10 devices, and another priced at Tk 7,500, which can support 32 devices.

Currently, there are three subscription plans: Tk 1,000 per month for 25 Mbps, Tk 1,300 per month for 30 Mbps, and Tk 1,900 per month for 40 Mbps.

As such, prices may be another barrier to mass usage as consumers can buy cheaper broadband packages from traditional ISPs.

Md Emdadul Hoque, president of the Internet Service Providers Association of Bangladesh, stressed that mobile operators should not be allowed to provide any such services through cables.

Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink, said: "Over the past 24 months, we have invested heavily in doubling our nationwide network coverage and enhancing our customers' digital experience by acquiring additional spectrum.

It now offers fixed wireless services through routers, including the Banglalink MiFi routers and fixed routers. Recently, the company partnered with TP-Link to provide high-quality speed with bundled offers.

"We believe in offering seamless, uninterrupted connectivity by combining mobile telephony and fixed wireless services, allowing customers to enjoy optimal internet speeds anytime, anywhere," Rahman said.

"We can do this, or this can be done through partnership models."

Shahed Alam, chief corporate and regulatory officer of Robi Axiata Limited, said WFA has been launched in various countries around the world to cater to the growing demands for uninterrupted high-speed internet service.

Robi had completed preparations to provide wireless broadband services using advanced technology by combining 4G and 5G technology.

READ MORE ON B3

Foreigners working in Bangladesh rising

Indicating a lack of technical and managerial skills of local workforce and unsupportive education system

JAGARAN CHAKMA

An increasing number of foreign nationals are seeking permits to work in Bangladesh because of a lack of skilled managers and an education system not tailored to meet industrialisation in the country.

A total of 16,303 applications from nationals of 101 countries were approved by the Bangladesh Investment Development Authority (Bida) in the fiscal year of 2022-23, up around 8 percent year-on-year.

Of the files, 6,256 are for new work permits while 10,047 are renewals, according to the annual report of the state-run investment promotion agency.

In 2021-22, some 15,128 applicants from 106 countries received the permit, which is a staggering 87 percent increase from that in the fiscal year preceding it. Of them, 7,790 were for new work permits and 7,338 renewals.

The Bida issued 8,076 permits in 2020-21.

Besides, government agencies such as the Bangladesh

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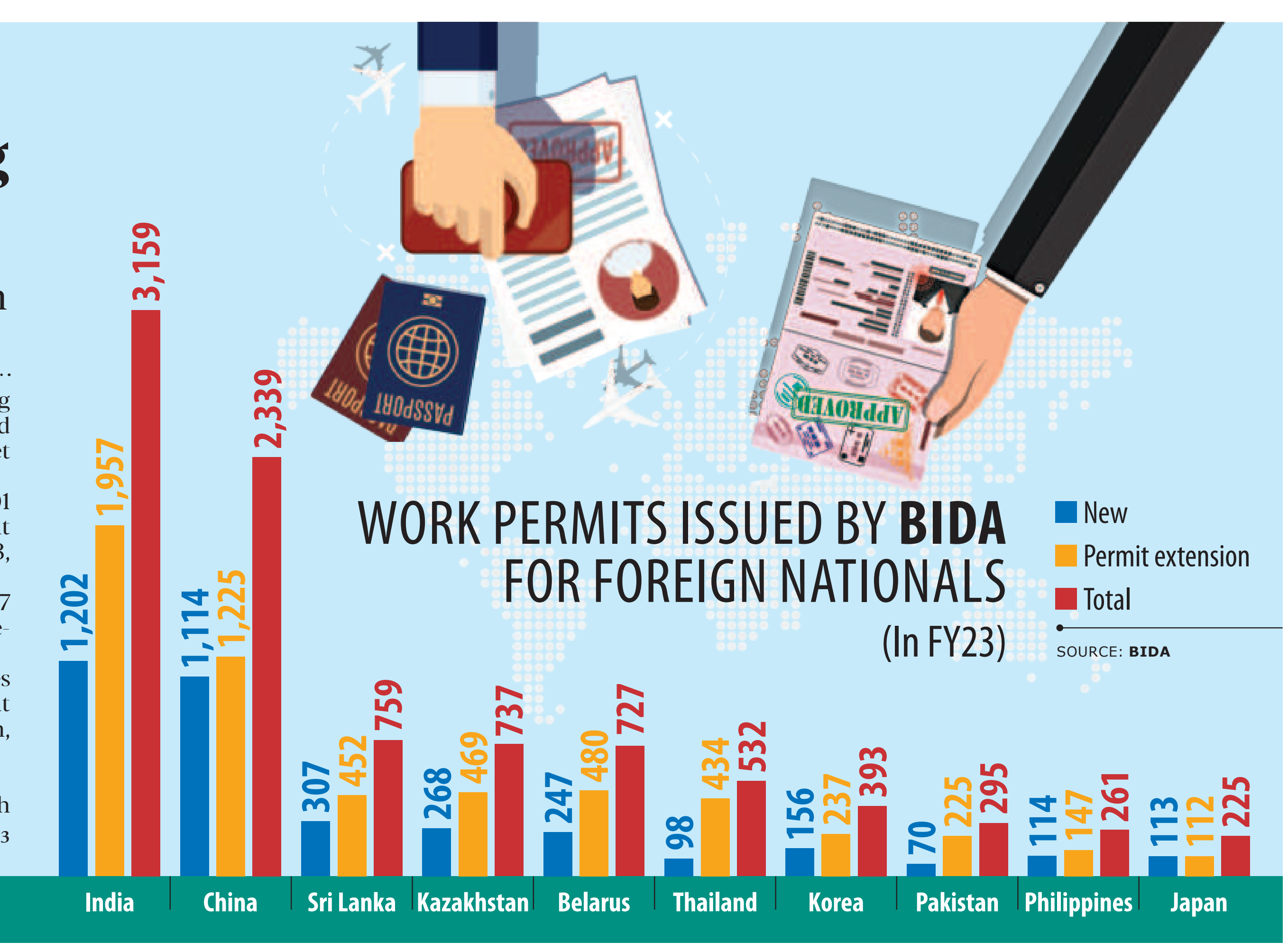


Local credit card use shows upward trend

FEDA AL HOSSAIN

Purchases using credit cards in Bangladesh displayed periodic fluctuations but overall indicated an upward trend in the months since May 2023, highlighting a growing appetite among consumers for credit.

Credit card holders spent Tk 2,742 crore in May this year, a year-on-year increase of 15 percent from Tk 2,369 crore in the same month last year, according to a Bangladesh Bank report released yesterday.

Transactions, however, decreased 1.47 percent compared to April's Tk 2,783 crore.

Md Mahiul Islam, deputy managing director of BRAC Bank, said transactions declined slightly in recent months. "However, it will pick up."

The spending peaked at Tk 2,987 crore in March before registering a decline in the following months. Even though the expenses fell, purchases in certain categories experienced growth.

For example, transactions at

READ MORE ON B3

Walton awarded with National Export Trophy

STAR BUSINESS REPORT

PHOTO: WALTON

Prime Minister Sheikh Hasina hands over the "National Export Trophy" in gold category to SM Nurul Alam Rezvi, former chairman and incumbent director of Walton Hi-Tech Industries, at a function at the Osmani Memorial Auditorium in Dhaka on Sunday.

Walton Hi-Tech Industries, a multinational electronics company in Bangladesh, has received the National Export Trophy in gold category in recognition of its outstanding contribution to the exports of electrical and electronics products in 2021-22 financial year.

A total of 77 companies in 32 product categories were awarded "National Export Trophy" in gold, silver and bronze categories at a programme held at the Osmani Memorial Auditorium in the capital on July 14.

Among them, Walton was awarded the gold trophy in the electric and electronic product export category.

Prime Minister Sheikh Hasina handed over the gold trophy to SM Nurul Alam Rezvi, former chairman and incumbent director of Walton Hi-Tech Industries.

Tipu Munshi, president of the parliamentary standing committee on the commerce ministry, also attended the function as special guest while State Minister for Commerce Ahasanul Islam Titu chaired the event.

Md Anwar Hossain, vice-chairman of Export Promotion Bureau (EPB), Md Selim Uddin, secretary of the ministry of commerce and Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, among others, were also present.

Expressing his reaction, Walton's Former Chairman and Incumbent Director Rezvi said, "Once the domestic electrical and electronics market was fully import-oriented. But now, "Made in Bangladesh" labelled electrical, and electronics products are being exported to more than 40 countries around the world."

"Undoubtedly, it's a great pride for us. As a recognition of this achievement, Walton was awarded the National Export Trophy. We thank the authorities concerned for giving us this award."

He also said that Walton made a bright future for Bangladesh in manufacturing hi-tech products.

Walton is exporting electronics and electrical products to over 40 countries, including countries in Asia, Middle East, Africa, Europe and America, brightening Bangladesh's image to the global arena, said the company in a press release.

Walton is moving ahead with the vision of becoming one of the best global electronics brands in the world.

In a bid to expand its global business in the markets of Australia, Europe and America, Walton also took part in different fairs around the world.

Walton has already grabbed international attention after participating in the world's most influential tech event "Consumer Electronics Show (CES)-2023" held at Las Vegas in the USA and Canton Fair in China, the company said.

Shamsul Islam re-appointed MD of National Housing Finance

STAR BUSINESS DESK

Mohammad Shamsul Islam has been re-appointed managing director of National Housing Finance (NHF) for another three-year term with effect from July 16.

Islam joined NHF as additional managing director in February 2021, the company said in a press release.

He successfully served the company as managing director from July 16, 2021 to July 15, 2024.

He has more than 35 years' experience in the banking sector.

Islam started his professional career with AB Bank Limited as a probationary officer in 1989.

Oil steady

REUTERS, *London*

Oil held its ground on Monday as downward pressure from a stronger US dollar and concern about demand in top importer China offset support from strong demand elsewhere and Opec+ supply restraint.

The dollar firmed as trading on a victory by Donald Trump in the coming US election gathered steam after an attempted assassination of the former US President. A stronger dollar makes oil more expensive for buyers with other currencies and tends to weigh on oil prices.

Brent crude futures were up 8 cents, or 0.1 percent, at $85.11 a barrel by 1000 GMT. US West Texas Intermediate crude gained 19 cents, or 0.2 percent, to $82.40.

"Chinese data including refinery runs and crude imports are not supportive," said UBS analyst Giovanni Staunovo. "But demand growth elsewhere is still healthy."

Crude fell last week after four weeks of gains as hopes of strong US summer demand were countered by concern over demand in China.

BFIU organises training programme in Pirojpur

Mohammad Anisur Rahman, director of Bangladesh Financial Intelligence Unit, poses for photographs with participants of a training programme at the Pirojpur Convention Centre recently. PHOTO: BRAC BANK

STAR BUSINESS DESK

The Bangladesh Financial Intelligence Unit (BFIU) recently organised a daylong training programme on "Prevention of Money Laundering and Combating Financing of Terrorism" for bank officials in Pirojpur.

More than 100 senior officials from 19 banks participated in the event at the Pirojpur Convention Centre. BRAC Bank facilitated the training programme as the lead bank, according to a press release.

Mohammad Anisur Rahman, director of the BFIU, attended the inaugural session of the training programme as chief guest.

Chowdhury Moinul Islam, deputy managing director and chief anti-money laundering compliance officer (CAMLCO) at BRAC Bank, chaired the session.

Ibna Ahsan Kabir and Md Ashraful Alam, joint directors of the BFIU, and Md Manirul Islam, deputy director, led the training session.

The event covered a wide range of anti-money laundering (AML) and combating the financing of terrorism (CFT)-related issues.

These included recent developments and regulatory requirements, typologies and trends, including risk and impact of trade-based and credit-backed money laundering, online gambling, betting, illegal trading of cryptocurrency and foreign exchange, transaction monitoring and AML and CFT system check inspection and rating.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (JULY 15, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 78	-4.11	3.70 ↑
Coarse rice (kg)	Tk 50-Tk 54	0 ↓	6.12 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-16.67 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	1.01 ↑	-10.98 ↓
Potato (kg)	Tk 56-Tk 65	5.22 ↑	42.35 ↑
Onion (kg)	Tk 110-Tk 120	35.29 ↑	76.92 ↑
Egg (4 pcs)	Tk 46-Tk 50	-10.28 ↓	0

SOURCE: TCB

The main obstacles

FROM PAGE B4

to positive territory but are rising only slightly, with June's increase just 0.2 percent, according to data released on Wednesday.

Stagnant or falling prices are bad for the economy's health, forcing firms to cut back to clear their stocks or reduce production in the absence of demand, which weighs on their profitability and willingness to hire.

REAL ESTATE IN CRISIS

The property sector, which enjoyed two decades of meteoric growth as the population's standard of living rose, long accounted for more than a quarter of China's GDP.

But it has been under pressure since the government tightened credit conditions for property groups in 2020 in order to reduce their debt. Many such firms are now on the verge of bankruptcy.

That disincentivises Chinese people to invest in property, especially as real estate in China is often paid for before it is even built.

The fall in prices per square metre is also a blow to the wallets of homeowners, who have long seen property as a safe investment.

LOCAL AUTHORITIES IN DEBT

The finances of some local authorities are stretched to the limit after three years of astronomical spending to combat the Covid-19 pandemic and, above all, a property crisis that has deprived them of a major source of income.

The economic context is exacerbating their difficulties, according to analysts at SinoInsider, an American consultancy specialising in China.

And they point out that some companies have recently complained about receiving tax arrears dating back to the 1990s.

SinoInsider noted that local governments are "trying various methods" to increase their revenues, at the risk of weakening businesses that have already been tested by the economic situation.

TRADE UNDER PRESSURE

China's exports are also a matter of concern for the country's leaders.

Historically they are a major growth driver and have a direct impact on employment for thousands of companies.

But the sector is under pressure from geopolitical tensions between Beijing and Washington, as well as those with the European Union, a key trading partner for the Asian giant.

In early July, the EU imposed additional customs duties of up to 38 percent on imports of Chinese electric cars, a decision that could become final in November.

Brussels accuses Beijing of illegally favouring its manufacturers through subsidies.

WEAK INVESTMENT

The economic situation in China, geopolitical tensions with Washington and the risk they pose to supply chains are holding back foreign investment.

The Chinese economy has potential, with its doors wide open and private investment welcome, say China's leaders, who in recent months have stepped up their efforts to attract foreign business figures.

Over the period from January to May, foreign investment nevertheless fell by 28 percent year-on-year, according to figures from the commerce ministry.

FINANCIAL PRESSURE

Given the economic climate, the financial sector is reluctant to invest in traditional growth sectors, fuelling an "asset shortage", SinoInsider said.

On the other hand, it is buying more and more "risk-free" long-term government bonds, which is driving down yields.

This is helping to depreciate the Chinese currency, with the risk of accelerating capital flight, SinoInsider warned.

HSBC signs deal with Bepza to relocate EPZ offices

STAR BUSINESS DESK

The Hongkong and Shanghai Banking Corporation (HSBC) Bangladesh recently signed an agreement with the Bangladesh Export Processing Zones Authority (Bepza) to relocate its export processing zone (EPZ) offices in Dhaka and Chattogram.

Md Ashraful Kabir, member (investment promotion) at Bepza, and Devesh Mathur, chief operating officer of HSBC Bangladesh, penned the deal in Dhaka, the bank said in a press release.

Md Raihan Islam, deputy director (investment promotion) of Bepza, Muhammad Shohiduzzaman, head of global trade solutions at HSBC Bangladesh, and Mir Ashiqur Rahman, vice-president of corporate services were also present.

Devesh Mathur, chief operating officer of HSBC Bangladesh, and Md Ashraful Kabir, member (investment promotion) at Bangladesh Export Processing Zones Authority, pose for photographs after signing an agreement in Dhaka recently.

PHOTO: HSBC BANGLADESH

China posts disappointing growth

FROM PAGE B4

Communist Party kicked off a key meeting led by President Xi Jinping focused on the economy, known as the Third Plenum.

The Chinese leader delivered a "work report" at the opening of the meeting, state news agency Xinhua said.

He also "expounded on a draft decision of the (Communist Party) Central Committee on further comprehensively deepening reform and advancing Chinese modernisation", it added.

Beijing has offered few hints about what might be on the table.

Xi has said the party is planning "major" reforms.

Analysts are hoping those pledges will result in badly needed support for the economy.

"The four-day meeting of the country's top governing body couldn't come soon enough," Harry Murphy Cruise, an economist at Moody's Analytics, said in a note.

But, he said, "while the case for reform is high, it's unlikely to be a particularly exciting affair".

"Instead, we expect a modest policy tweak that expands high-tech manufacturing and delivers a sprinkling of support to housing and households," he added.

The People's Daily, the Communist Party's official newspaper, appeared to confirm lower expectations when it warned last week that "reform is not about changing direction and transformation is not about changing colour".

Ting Lu, chief China economist at Nomura, said the meeting was "intended to generate and discuss big, long-term ideas and structural reforms instead of making short-term policy adjustments".

The Third Plenum has previously been an occasion for the party's top leadership to unveil major economic policy shifts.

In 1978, then-leader Deng Xiaoping used the meeting to announce market reforms that would put China on the path to dazzling economic growth by opening it to the world.

And more recently following the closed-door meeting in 2013, the leadership pledged to give the free market a "decisive" role in resource allocation, as well as other sweeping changes to economic and social policy.

Beijing has said it is aiming for five percent growth this year -- enviable for many Western countries but a far cry from the double-digit expansion that for years drove the Chinese economy.

But the economic uncertainty is also fuelling a vicious cycle that has kept consumption stubbornly low.

Among the most urgent issues facing the economy is the beleaguered property sector, which long served as a key engine for growth but is now mired in debt, with several top firms facing liquidation.

"The slowing momentum in (the second quarter) means that they may miss the five percent annual growth target without a step-up in policy supports," Macquarie's Larry Hu said in a note.

A dejected Khandkar Abu Bakkar Siddique shows how his chili plants dried up and shrivelled following recent rains and floods which damaged the roots. Even though the waters have receded, there is no way to recover the Tk 1 lakh he has already invested in cultivating the plants on 50 decimals of land at Holokhana village in Kurigram sadar upazila. The photo was taken yesterday afternoon.

PHOTO: S DILIP ROY

Locals bar start of works for Patuakhali EPZ

Demand compensation against land acquisition

SOHRAB HOSSAIN, *Patuakhali*

Locals on Saturday barred the initiation of land development for an export processing zone (EPZ) at Patuakhali sadar upazila demanding compensation for land acquired by the government.

Around 150 people staged the protest at Pachakoralia mouza of Auliapur union.

One of them, Md Shafiqul Islam Bhashani, told The Daily Star that 12 acres of his land had been acquired.

"I submitted related documents at the Deputy Commissioner's (DC) office for compensation but the payment is being delayed under various pretexts," he said.

Patuakhali EPZ will be set up on 410.78 acres of land of around 1,200 people who allsubmitted their documents at the DC office for compensation, confirmed Humayun Kabir, chairman of the union parishad.

Bangladesh Export Processing Zone Authority (BEPZA) gave the compensation totalling Tk 262 crore to the Patuakhali DC for disbursement nine months ago, said the project director, Shafiqul Islam.

Asked, Patuakhali DC Noor Qutubul Alam said the disbursement was delayed for a manpower shortage and they would address the issue soon.

Scheduled to be implemented by Bepza by June 2026, the project will cost Tk 1,443 crore, of which Tk 334 crore would come from Bepza and the rest from the government.

There are currently eight EPZs in Bangladesh, namely the Chittagong EPZ, Dhaka EPZ, Mongla EPZ, Ishwardi EPZ, Cumilla EPZ, Uttara EPZ, Adamji EPZ and Karnaphuli EPZ.

STOCKS

DSEX ▲	CASPI ▼
0.03%	0.18%
5,484.96	15,632.04

COMMODITIES

Gold ▲	Oil ▲
\$2,411.7 (per ounce)	\$82.46 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.18%	▼ 2.45%	▲ 0.06%	▲ 0.09%
80,664.86	41,190.68	3,499.89	2,974.01

Bangladesh lags comparable countries in skills: expert

STAR BUSINESS REPORT

Bangladesh lags behind comparable countries with regard to skills of its human resources, hurting its global competitiveness, while generation of quality employment is insufficient for its development aspirations, said an expert yesterday.

"If we want to create or leverage new opportunities for employment generation, skills upgradation is a must," said M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh.

He made the remarks while presenting a keynote speech at a seminar organised by National Skills Development Authority (NSDA) in the capital's Agargaon in observance of "World Youth Skills Day".

Bangladesh ranked 96th as per a Global Skills Report 2024 of Coursera while Vietnam stood 54th and India 87th.

For Bangladesh, it is critical to increase investment, diversify exports and explore new sectors, said Reaz.

BANGLADESH IN GLOBAL SKILLS INDEX, 2024

Global Rank	Country	Business Skills	Technology Skills	Data Science Skills
1	Switzerland	100%	100%	100%
2	Japan	96%	99%	99%
3	Germany	93%	96%	97%
54	Vietnam	58%	58%	48%
87	India	11%	33%	30%
94	Bangladesh	22%	12%	16%

SOURCE: GLOBAL SKILLS REPORT 2024, COURSERA

"Without the skills improvement, we will not attain the economic growth necessary for Vision 2041," he said.

Global trends are fast shifting in this era of artificial intelligence, creating challenges alongside offering many new job opportunities, such as in the green economy, he said.

"If the country's youth workforce does not prepare by gaining the necessary competence keeping pace with the changing job market, Bangladesh is likely to miss out on reaping potential benefits," said Reaz.

"Although Bangladesh has adopted National Skills Development Policy-2020, we still need to develop long-term skills strategies in line with economic growth strategies and drivers," he added.

Reaz also urged to take up initiatives to address the existing skills gaps and training needs of different sectors.

Speaking as the chief guest, Kamal Abdul Naser Chowdhury, education and cultural affairs adviser to the prime minister, also underscored the need for enhancing the skills of the youths of Bangladesh.

"It is necessary to provide skills training to the youth in the technology profession suitable for the present time by eliminating the skills gap and making them suitable for the labour market at home and abroad by re-skilling and up-skilling," he said.

Prof Muhammed Alamgir, chairman (additional charge) of University Grants Commission, emphasised on signing memorandums of understanding with universities to create a skills ecosystem and formulating an action plan accordingly.

Nasreen Afroz, executive chairman of the NSDA, delivered the welcome speech.

Foreigners working in Bangladesh

FROM PAGE B1

Economic Zones Authority (Beza), the Bangladesh Export Processing Zones Authority (Bepza), the NGO Affairs Bureau and some ministries grant permits to foreign nationals to work on projects.

For example, as of June 2024, the Bepza has issued over 1,800 permits for foreign nationals to work inside export processing zones, while the Beza gave its consent for 1,350 applications.

Nationals from India secured the highest number of work permits at 3,159 from the Bida in FY23, followed by those from China (2,339), Sri Lanka (759), and Belarus (727).

Industry insiders say foreigners were hired based on their skills and on their past records of being industrious as they can contribute to outstanding outcomes for industrial development.

Mohsina Yasmin, executive member of the Bida, said the rise was not all that bad as the professionals were meeting the skills gap in the national workforce of the industrial sector, abiding by the laws of Bangladesh and paying taxes.

"We provide work permits as per the guidelines for skilled technicians and managerial level positions as they can help generate skills for our manpower," she told The Daily Star recently.

Yasmin pointed out that the Bida issued work permits solely to those foreign nationals who were engaged in Bida-registered industrial projects, commercial offices and other organisations.

The agency does not maintain the data relating to the total number of foreign workers in Bangladesh, she added.

Abdul Matlub Ahmad, president of the Indo-Bangla Chamber of Commerce and Industry, said Bangladeshi investors, especially in the garment and automobile sectors, usually hire highly skilled Indian engineers and managers.

"Besides, there are a lot of Indian entrepreneurs of small and medium enterprises who avail long-term work permits instead of short-term visas for having to regularly travel to Bangladesh."

Ahmad said he had also hired six highly skilled Indian engineers for his Nitol Niloy Group to develop the skills of local engineers and managers.

He acknowledged that the investors prefer to hire such skilled professionals as they contribute to business growth and expansion.

"On the other hand, industries are expanding through foreign direct investments and joint ventures with local investors, all of which require skilled manpower."

Nationals from India secured the highest number of work permits at 3,159 from the Bida in FY23, followed by those from China (2,339), Sri Lanka (759), and Belarus (727).

Mohammed Amirul Haque, managing director of Premier Cement Mills, said investors hire foreign professionals to train local managers and engineers but at the end of the day, this was not always realised.

"So, investors have continued to depend on foreign professionals. However, in some cases, it is better to hire local professionals than foreigners."

If investors get skilled professionals locally, the outflow of funds in the form of remittances will reduce, which will help the economy.

Foreigners working in Bangladesh sent home \$137 million in 2022, World Bank data showed although analysts believe the exact figure would be much higher since many people from other nations are employed in the country without valid permits.

In 2020, the Transparency International Bangladesh (TIB) said an estimated \$3.1 billion was siphoned away every year by foreign nationals employed in the country.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the yearly increase in the number of foreign nationals indicate that the labour market of Bangladesh offered flexibility and satisfaction.

"However, a continuous rise of foreign nationals in the industrial sector was a clear indication that the local graduates and professionals are not as skilled as the foreigners."

"Even though local professionals can be hired at a lower pay, investors recruit foreign professionals offering high remunerations due to their professionalism and skills."

The economist also said this trend raises questions and sends a negative impression about the knowledge being imparted by the educational institutions in the country.

Moazzem suggested building skilled manpower by ensuring quality education to reduce dependency on foreign nationals and to reduce pressure on the forex reserve.

Ferdaus Ara Begum, chief executive officer of think tank Business Initiative Leading Development, blamed the skills gap in the local workforce and a lack of quality education at the tertiary level.

Besides, public university graduates tend to leave the country after gaining skills as they do not get the facilities as per their expectations although the government spends a huge amount of money on their education, she alleged.

Ferdaus Ara also said there were allegations that some foreign nationals come to Bangladesh without job visas and work on a temporary basis.

"It is really tough to identify these temporary workers who come under tourist visas."

Local credit card use

FROM PAGE B1

departmental stores increased to Tk 1,401 crore in May from Tk 1,390 crore in the previous month.

Similarly, there was rise in purchases at retail outlets, utilities, drugs and pharmacies, cash withdrawals, fund transfers, as well as for transportation, business, professional, and government services.

BB data showed a reduction in transactions related to clothing, marking a significant drop from the previous month. This underscores the nature of consumer behaviour and the variability across different spending categories, according to the BB report.

Md Abu Bokar Siddik, head of cards at Mutual Trust Bank PLC, said consumers spend higher amount through credit cards in Ramadan and ahead of Eid-ul-Fitr.

This year, the fasting month began in mid-March and ended in the middle of April.

"Therefore, we saw a spike in expenditures through credit cards in the two months and subsequent decline in the following months. However, transactions increased in June," he said, adding that appetite for credits is growing.

In Bangladesh, there were 24.69 lakh credit cards in use as of April this year, almost doubling from the 13.6 lakh seen five years ago.

Credit card users making purchases abroad totalled Tk 456 crore in May, showing a slide of 9.94 percent, the central bank's report said.

Similarly, transactions through credit cards issued by foreign entities but utilised in Bangladesh declined to Tk 169 crore from Tk 199 crore, a fall of 14.67 percent.

Mobile phone

FROM PAGE 1

"The service will be launched on a wide scale soon," he said. "We believe that this service will open a new option for customers in terms of availing high-speed internet services."

He said competition in the internet service sector will increase through this initiative, providing quality internet service for consumers.

"However, to ensure customer satisfaction, we are conducting thorough market research and gathering overall experience on service delivery variables in this regard."

Dollar rises

REUTERS, *Singapore*

The dollar rose broadly on Monday and cryptocurrencies jumped as trades for a victory by Donald Trump in the upcoming US elections gathered steam in the wake of an attempted assassination of the former US President.

Trump, 78, was holding a campaign rally in Pennsylvania over the weekend when shots rang out, hitting his right ear and leaving his face streaked with blood. His campaign said he was doing well.

India's June exports rise 5.4%

REUTERS, *New Delhi*

India's goods and services exports likely rose 5.4 percent year-on-year to \$65.47 billion in June, driven by a pick-up in orders that could push total exports to \$800 billion in the current fiscal year ending in March 2025, the trade secretary said on Monday.

Merchandise imports in Asia's third-largest economy rose 5 percent to \$56.18 billion in the same month, reflecting a pick-up in domestic demand for industrial machinery and gold imports.

Merchandise exports were up 2.6 percent on year to \$35.2 billion in June.

The goods trade deficit narrowed to \$20.98 billion in June from \$23.78 billion in May. Analysts had expected a deficit of \$21.5 billion, according to a Reuters poll.

"India's total exports in the first quarter of 2024/25 have crossed \$200 billion and, if this trend continues, we hope this fiscal year's exports cross \$800 billion," said Trade Secretary Sunil Barthwal, releasing the monthly trade figures.

He said growth in merchandise exports was driven by engineering, electronic goods and pharmaceuticals, and that the April-June quarter posted a record high in exports.

India's goods and services exports rose to \$778.2 billion in fiscal 2024, and the government expects total exports could touch \$1 trillion by 2030.

The government also estimated services exports in June at \$30.27 billion and imports at \$17.29 billion, compared with \$29.76 billion and \$16.74 billion in May.

China's economy grew much slower than expected in the second quarter,

India's central bank releases the services trade figures after a one-month lag, while the commerce ministry releases its estimates a fortnight earlier, along with merchandise trade data.

Finance Minister Nirmala Sitharaman, who will present the annual budget on July 23, could announce tax incentives to boost exports of items such as farm products, pharmaceutical products, and digital services among others, exporters said.

India's economy, which grew 8.2 percent in fiscal 2024 - the fastest pace among major economies - is estimated to grow close to 7 percent in fiscal 2025.

Ctg customs to auction 182 vehicles as scrap

MOHAMMAD SUMAN, *Chattogram*

Chattogram Customs House earlier this month started dismantling 182 vehicles, which have been abandoned by importers at the Chattogram port, to auction off the parts as scrap.

The vehicles, including pickups, jeeps, sports cars and sedans of several brands, including Toyota, Mercedes-Benz, Tata and Honda, were imported between 2001 and 2012.

The customs law states that importers must take delivery of goods within 30 days of those reaching the port, defaulting on which results in the initiation of auction procedures.

On why goods are abandoned in this way, customs officials and importers cited a number of reasons.

They include a drop in local market prices, failure to submit original

shipment documents and meet clearance permit prerequisites and refusal to pay fines for rule violations.

According to the auction section of the customs, there had been multiple attempts to auction off the vehicles, manufactured 15 to 26 years ago and having engine capacities ranging from 1,200cc to 3,398cc.

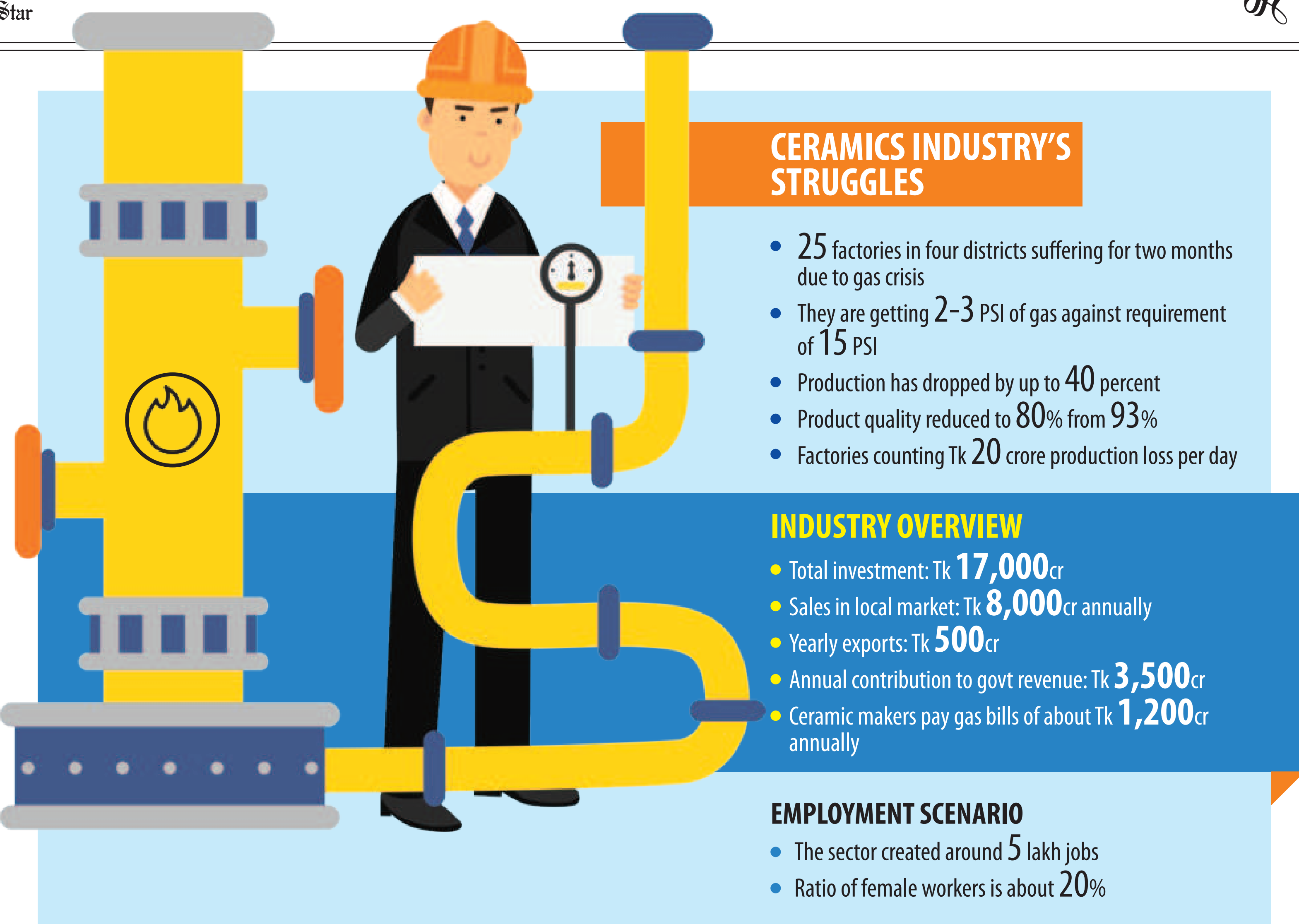
The vehicles have no economic life for being left unused for a long time, Saidul Haque, deputy commissioner of Chattogram Custom House, told The Daily Star.

The port issued several letters to the customs to remove the vehicles from its yard so as to free up space, he said.

Following the demands of the port, the customs started the process of selling these cars as scrap on the recommendation of

A committee was formed comprising several private and government organisations, including customs, port, shipping agents, Bangladesh Road Transport Authority and trade bodies, and it recommended selling the vehicles as scrap.

Initially the parts of 75 vehicles will be auctioned off by weight, followed by another 53 and then the rest in a third auction.



CERAMICS INDUSTRY reeling from three-pronged assault

JAGARAN CHAKMA

The ceramics industry has been desperately seeking respite from a spate of crises in recent months, but their woes have only deepened due to a worsening gas crisis.

One of the major problems facing the industry has been brought on by inflationary pressures, which have eaten away at local demand for ceramics. Annual inflation rose to a 12-year high of 9.73 percent in fiscal year (FY) 2023-24, the highest since 2011-12, according to the Bangladesh Bureau of Statistics.

According to industry insiders, this has caused sales of ceramic products to plunge by 15 to 20 percent over the past four to five months.

Furthermore, there has been no relief from international buyers. On the contrary, exports of ceramic products declined by around 25 percent, according to the latest data.

Exports of ceramic products fell to $30 million during the July-May period of FY24 compared to $39.86 million the prior year, showed data from the Export Promotion Bureau.

Further exacerbating the situation over the past two months is the fact that ceramic industries in four districts have been contending with massive productivity losses due to a gas crisis.

Industry insiders said they were counting production losses amounting to Tk 20 crore per day.

"Around 25 ceramic factories, located in Dhaka, Gazipur, Mymensingh and Narsingdi, have been getting insufficient gas pressure for the past two months," said Md Mamunur Rashid, senior vice president of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

He said ceramics-makers normally require 15 pounds per square inch (PSI) of pressure to maintain product quality but they are getting only 7 to 8 PSI.

As a result, around 7 percent of products did not pass the quality inspection previously, but that number has ballooned to 20 percent due to the crisis, he said, adding: "Our profit declined by at least 25 percent due to production being hampered."

He also highlighted that production had dropped by as much as 40 percent in some factories due to inadequate gas supply, which comes from the Titas Gas Transmission and

> **Further exacerbating the situation over the past two months is the fact that ceramic industries in four districts have been contending with massive productivity losses due to a gas crisis. Industry insiders said they were counting production losses amounting to Tk 20 crore per day.**

Distribution.

Rashid also pointed to a number of other factors that were keeping the industry from thriving, such as import duty on raw materials ranging from 5 to 25 percent, value-added tax of 15 percent on produced goods, and supplementary duty of 15 percent.

Besides, high interest on working capital and on credit for the procurement of capital machineries pushed the industry into further difficulties.

Against this backdrop, the BCMEA requested the government to take urgent steps to ensure normal supply of gas.

Md Sirajul Islam Mollah, president of the BCMEA, wrote to the Ministry of Power, Energy and Mineral Resources about the gas crisis that has been plaguing the ceramics industry since May.

Mentioning that production was being disrupted, he added that the gas pressure sometimes drops from 2 to 3 PSI to near zero.

Mollah explained that ceramics is a gas-dependent industry and natural gas is one of the primary raw materials. It is used as fuel and accounts for 10-12 percent of the total cost of production.

He also said kilns or furnaces need uninterrupted gas supply for 24 hours to prepare ceramics products since firing is done at 1,200 degrees Celsius.

"Without a certain level of pressure, it is not possible to continue production processes."

When the pressure reduces, all the products inside kilns are immediately destroyed, he stated. Additionally, it takes a minimum of 48 hours to 72 hours to restart the kiln once it shuts down. Sometimes, valuable equipment is destroyed, causing huge financial losses, he added.

Irfan Uddin, director of FARR Ceramics Ltd, said production losses had contributed to lower exports.

"If we do not gas as required, we can't ensure quality of production. It is not possible to export substandard products as it is a matter of the industry's image," he said.

So, the volume of exports reduced substantially this year.

Irfan Uddin, also general secretary of the BCMEA, added that it was unfeasible to use alternative fuel sources like liquefied natural gas or compressed natural gas because it would increase the cost of production by over 25 percent.

Dhaka stocks snap three-day losing streak

Investors place fresh bets on lucrative stocks

STAR BUSINESS REPORT

Shares at the Dhaka Stock Exchange (DSE) rose yesterday, breaking a three-day losing streak as investors made fresh bets on lucrative stocks.

The benchmark index of the country's premier bourse, DSEX, rose 2.17 points, or 0.04 percent, to close the day at 5,484.96.

Likewise, the DSES, the index that is composed with the Shariah-compliant companies, went up 0.73 points or 0.06 percent to 1,203.43 while the DS30, the index that comprises of the blue-chip firms, edged up 7.18 points, or 0.37 percent, to 1,944.29.

Turnover, meaning the total value of shares changing hands, increased 6.43 percent to Tk 662 crore compared to the previous day.

Orion Infusion was the most traded share with a turnover of Tk 57.2 crore.

The turnover's 7.7 percent came from block trades, which are high-volume transactions in a security privately negotiated and executed outside of the open market.

Of the issues that traded on the DSE, 140 closed higher, 191 declined and 66 did not see any price movement.

Information Services Network topped the gainers' list posting a rise of 9.93 percent, followed by Techno Drugs, Far East Knitting & Dyeing Industries, Walton Hi-Tech Industries, and Orion Infusion that also fared well.

Mithun Knitting and Dyeing, Far Chemical Industries, Sonargaon Textiles, Bangladesh Industrial Financial Company and Samata Leather Complex were also on the gainers' list.

Linde Bangladesh shed the worst, losing 3 percent.

Salvo Chemical Industry, Beach Hatchery, Oimex Electrode and Khan Brothers PP Woven Bag Industries performed in the negative territory.

> **A mixed performance by large-cap sectors was the highlight of the day, where the engineering sector booked the highest gain of 3.75 percent followed by pharmaceuticals 0.37 percent, non-bank financial institutions 0.14 percent, and food and allied 0.14 percent.**

ICB Islamic Bank, eGeneration, Jute Spinners, Golden Son, and Shurwid Industries were on the losers' list.

A mixed performance by large-cap sectors was the highlight of the market, where the engineering sector booked the highest gain of 3.75 percent followed by pharmaceuticals 0.37 percent, non-bank financial institutions 0.14 percent, and food and allied 0.14 percent.

Telecommunication, bank, and fuel and power also decreased by 0.09 percent, 0.31 percent and 0.32 percent respectively.

Shares of large-cap and blue-chip such as Orion Infusion, Kohinoor Chemicals, Heidelberg Materials Bangladesh, City Bank, BAT Bangladesh, Square Pharmaceuticals, Delta Life Insurance, Far Chemicals Industries, Acme Laboratory and Taufika Foods and Lovello Ice-cream displayed positive performance, according to LankaBangla Financials.

Of them, Orion Infusion posted a rise of 2.09 percent.

Beximco Pharmaceuticals, Best Holdings, Khan Brothers PP Woven Bag Industries, Linde Bangladesh, Prime Bank, Navan Pharma, Al-Arafah Islami Bank, IFIC Bank, Beacon Pharmaceuticals and Southeast Bank performed on a negative note.

Of them, Beximco Pharma logged a fall of 1.73 percent.

However, Chittagong Stock Exchange also saw a downtrend as the Caspi, the broad index of the premier bourse of the port city, shed 29.02 points, or 0.18 percent, to reach 15,632.05.

China posts disappointing growth

AFP, *Beijing*

China posted on Monday lower than expected growth in the second quarter, with all eyes on how top officials gathering for a key meeting in Beijing might seek to tackle the country's deepening economic malaise.

The world's second-largest economy is grappling with a real estate debt crisis, weakening consumption, and an ageing population.

Trade tensions with the United States and the European Union, which have sought to limit Beijing's access to sensitive technology as well as putting up tariffs to protect their markets from cheap, subsidised Chinese goods, are also dragging growth down.

And on Monday, official statistics showed the economy grew by only 4.7 percent in the second quarter of the year.

It represents the slowest rate of expansion since early 2023, when China was emerging from a crippling zero-Covid policy that strangled growth.

Analysts polled by Bloomberg had expected 5.1 percent.

Retail sales -- a key gauge of consumption -- rose just two percent in June, down from 3.7 percent growth in May.

"The external environment is intertwined and complex," the National Bureau of Statistics said.

"Domestic effective demand remains insufficient and the foundation for sound economic recovery and growth still needs to be strengthened," it added.

The figures came the same day that China's ruling

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People visit a shopping mall in Beijing, China. Retail sales -- a key gauge of consumption -- rose just two percent in June, down from 3.7 percent in May.

PHOTO: AFP/FILE

The main obstacles to Chinese growth

AFP, *Beijing*

China's top leadership meets on Monday to thrash out plans to boost growth, but the country's economy remains weakened by sluggish consumption, a property sector in crisis and deflation fears.

Here AFP looks at the main challenges facing the world's second-largest economy:

FRAGILE CONSUMPTION

A high youth unemployment rate -- 14.2 percent in May -- and economic uncertainties are weakening consumption, one of the driving forces behind the Chinese economy.

China plunged into deflation for four months starting last October, with the sharpest contraction in consumer prices in 14 years taking place in January.

They have since returned

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