

The BTCL failed to realise dues worth around Tk 316 crore and falsely recorded it as “current asset” in its financial statement.



Story on B4

## GP declares 160% interim dividend for Q2 despite profit fall

STAR BUSINESS REPORT

Grameenphone Ltd registered higher revenue in the April to June quarter of 2024, yet its profit dropped mainly due to higher tax expenses.

The board of the company, however, recommended a 160 percent interim cash dividend to be paid out in the quarter.

Revenue for the largest mobile phone operator of Bangladesh rose around 6 percent year-on-year to Tk 4,223 crore in the second quarter of 2024, according to the financial report.

The profit was supposed to be higher thanks to a rise in turnover and a decline in finance costs. However, the bottom line plunged around 28 percent to Tk 861 crore.

Although finance costs fell 78 percent to Tk 115 crore, it could not offset the higher income tax expenses.

Deferred tax expenses increased to Tk 634 crore in the second quarter whereas its deferred tax income was Tk 93 crore in the same period last year.

“The macroeconomic headwinds that have been prevalent since last year exacerbated due to the central bank’s continued tightening policies, calibration of energy prices while reducing subsidies, the increase of supplementary duties and the effects of natural disasters such as cyclones and flood,” said Yasir Azman, CEO of Grameenphone, in a press release.

“Despite macroeconomic challenges, the company remained focused on its growth strategies and showed stability in its performance by delivering consistent growth in revenue and earnings before interest, tax, and depreciation.”

The operator said its MyGP app continues to be the largest local self-service app in Bangladesh, with a staggering two crore monthly active users.

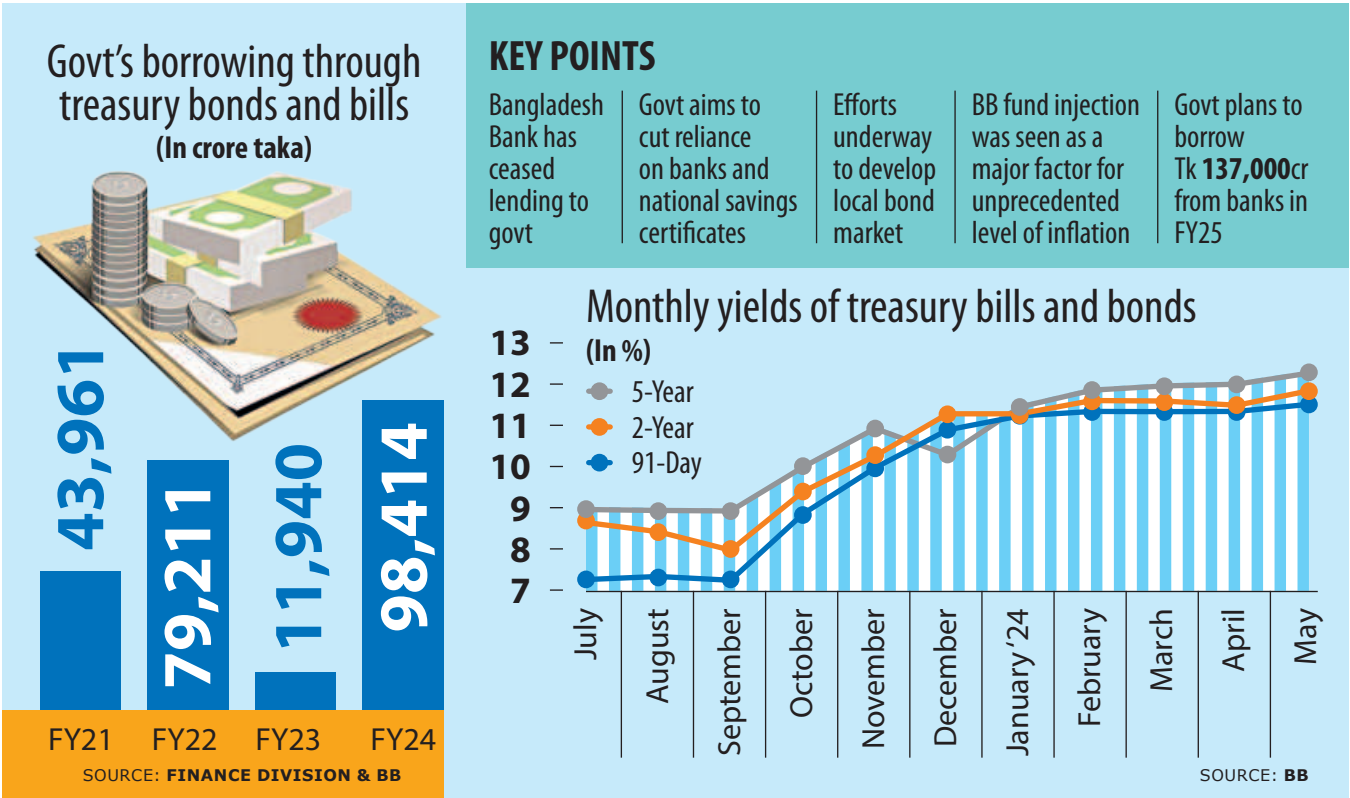
GP has focused on the use of artificial intelligence technologies and has introduced smart and adaptive strategies such as deploying an AI-powered dynamic network optimisation system that delivers seamless connectivity based on real-time movement.

The company acquired 23 lakh new subscribers, raising the total to 8.53 crore at the end of the second quarter. Some 58.3 percent of Grameenphone’s total subscribers, or 4.97 crore, use internet services.

“Through a relentless focus on efficiency and automation, we have been able to offset cost pressure and deliver a solid ebitda margin of 60.4 percent. This was the thirteenth consecutive quarter of growth in both turnover and ebitda,” said Otto Risbakk, chief financial officer of Grameenphone.

Ebitda, or earnings before interest, taxes, depreciation, and amortisation, is an alternate measure of profitability to net income.

## Govt borrowing through bonds, bills rises fivefold



REJAUL KARIM BYRON

The government’s borrowing through the sales of treasury bonds and bills jumped fivefold in the last fiscal year, which raised its debt servicing cost compared to the level projected initially.

It mobilised Tk 62,812 crore by issuing bills and bonds in 2023-24, which ended on June 30, provisional data from the Bangladesh Bank showed, up from Tk 13,456 crore a year earlier.

A finance ministry official said the actual figure could be known once the final calculation for the entire fiscal year’s budget expenditure is made.

The government’s reliance on the two securities is on the rise as it drastically cut its dependence on the banking sector and the central bank to meet its expenses amid lower-than-expected revenue collections.

The shift came as the higher borrowing from the banking sector had been described as one of the key factors for the unprecedented long spell of escalated inflation, which stayed at more than 9 percent for the past two years.

According to the central bank, the government secured Tk 21,129 crore through the auction of treasury bonds in FY24. In contrast, it did not borrow any money through the tool in 2022-2023. Rather, such debts went down by Tk 615 crore compared to the previous fiscal year.

In FY24, the state borrowing through treasury bills was Tk 41,683 crore compared to Tk 14,072 crore in FY23.

In Bangladesh, treasury bills with three tenures are available, namely 91-day, 182-day and 364-day. They are issued at a discount and redeemed at face value at maturity.

Treasury bonds are coupon-bearing debt instrument, and the maturities range from two years to 20 years. It carries half-yearly coupon payments, and the principal is repaid on maturity.

Both bills and bonds are traded on the secondary market.

A finance ministry official said although the cost of state

borrowing went up last fiscal year, the good thing was the government did not take any money from the BB since fund injection from the central bank would have stoked inflation further.

The zero borrowing from the BB was also part of the government’s process to support the central bank’s contractionary monetary policy.

In June last year, the interest rate against borrowing through treasury bills was a minimum of 6.8 percent to a maximum of 8.9 percent. It surged to 12-13 percent in May this year. The interest rate against treasury bonds rocketed from 8-9 percent to 12-13 percent during the period.

Subsequently, the country’s costs for borrowing from the banking system increased by 28 percent in the first half of FY24, according to a finance ministry report.

In FY24, the government also launched special bonds to pay arrears for electricity and gas as it raised Tk 34,651 crore.

It cleared arrears of Tk 9,753 crore for fertiliser importers and Tk 10,599 crore for power producers through special bonds

in the last fiscal year.

While the bonds and bills witnessed higher sales, the net borrowing from the banking system declined in FY24.

The government set a target to take up loans of Tk 1,32,395 crore from the banking system in FY24, and the figure was reset at Tk 1,55,935 crore in the revised budget.

The borrowing finally stood at Tk 94,281 crore at the end of the year, down from Tk 1,19,465 crore in FY23.

In recent years, borrowing from the central bank has been one of the much-talked about issues since it directly sees an injection of funds into the economy, a debt that fuels inflationary pressures.

The central bank lent Tk 97,646 crore to the government in FY23. Such credits were absent in the last fiscal year. Rather, the government repaid Tk 6,456 crore.

In June, the government’s outstanding net credit from the

READ MORE ON B3

## BB to keep policy rates high to curb inflation

### New monetary policy will be announced tomorrow

REJAUL KARIM BYRON and MD MEHEDI HASAN

Bangladesh Bank is going to unveil the monetary policy for the first half of fiscal year 2024-25 tomorrow and is expected to retain its tight monetary stance as its foremost target is to bring down the spiralling inflation.

The monetary authority is likely to keep unchanged the policy rate, a major tool of monetary policy, as it has little scope to raise it, officials of the central bank said, seeking anonymity.

They said that the policy rate or repo rate, which stood at 8.5 percent, has been hiked nine times since May 2022 to tame higher consumer prices.

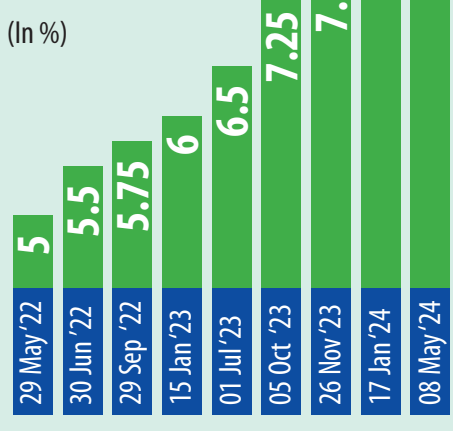
It comes after Bangladesh’s economy found itself in uncharted territory owing to the supply disruptions caused by the Russia-Ukraine war and the lingering impacts of the coronavirus pandemic.

If the rate goes up further, it will adversely impact the GDP (gross domestic product) growth since the lending rate would cross 15 percent, making investments costlier, the officials argued.

The monetary policy committee of the central bank finalised the monetary policy statement

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### Changes in the policy rate by Bangladesh Bank (In %)



STOCKS		
	DSEX ▼	CASPI ▼
	0.03% 5,483.14	0.09% 15,617.04

COMMODITIES		
	Gold ▲	Oil ▼
	\$2,441.32 (per ounce)	\$81.13 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.06% 80,716.55	▲ 2.20% 41,275.08	▼ 0.34% 3,487.91	▲ 0.07% 2,976.30

## LafargeHolcim’s profit declines

STAR BUSINESS REPORT

LafargeHolcim Bangladesh Limited (LHBL), a building material solutions provider, saw its profit decline by 33 percent in the first half of 2024 compared to the same period the year prior due to a sales decline amidst ongoing economic challenges.

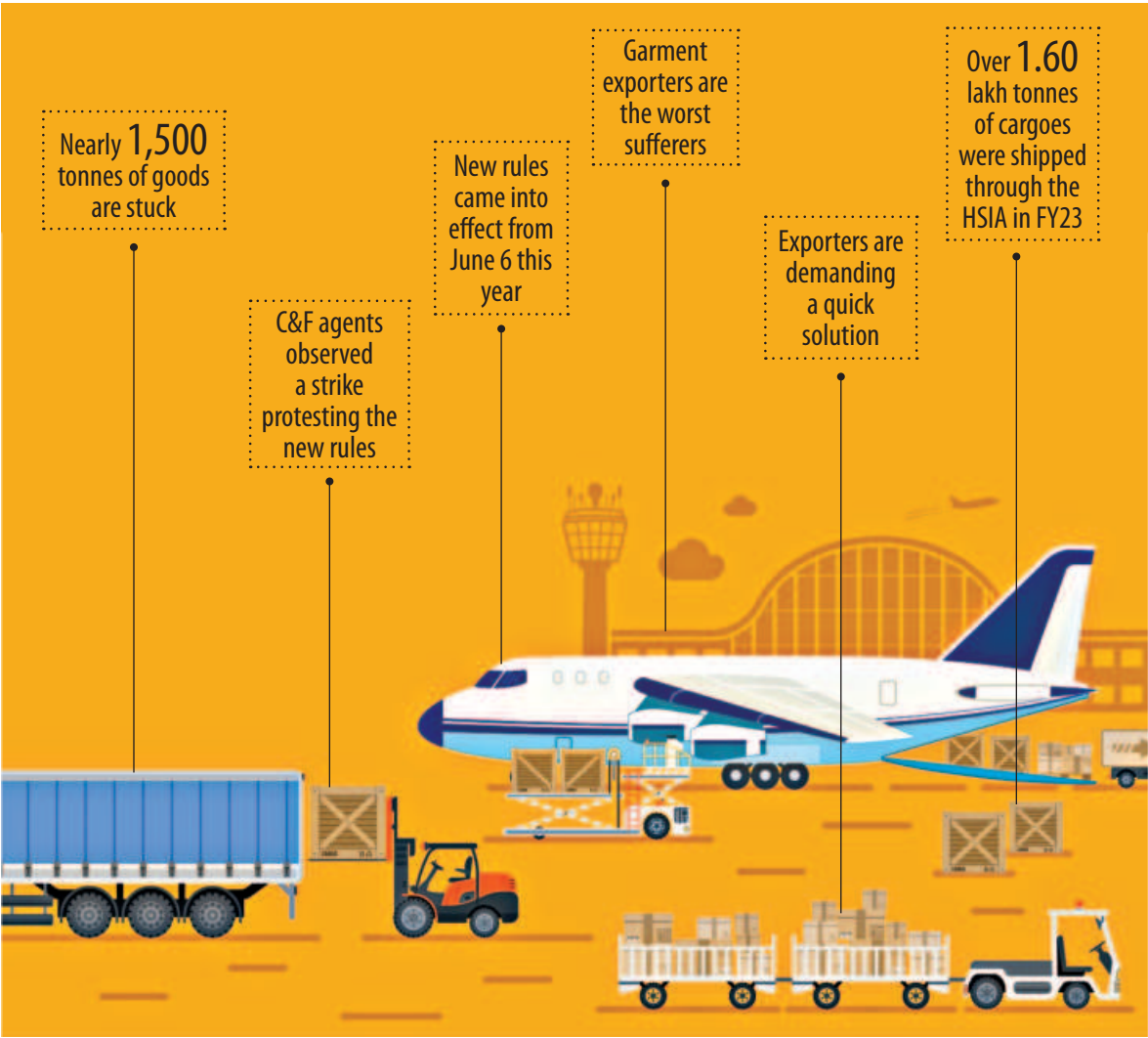
LHBL’s profit fell to Tk 243 crore from Tk 346.60 crore in the same period, according to a company statement.

The company said, due to macroeconomic challenges, industry de-growth resulted in a net sales reduction of 5 percent during January to June of 2024.

According to the statement, the company’s net sales revenue reduced to Tk 1,442 crore in the first half of 2024 whereas it was Tk 1,526 crore in the same period last year.

It also said operating earnings before interest and taxes reached Tk 346.6 crore in the first half of

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## Cargo piles up at HSIA as C&F agents observe strike for 3 days

They temporarily call off strike after consultation

REFAYET ULLAH MIRDHA

Nearly 1,500 tonnes of cargo have been stockpiled at the Hazrat Shahjalal International Airport (HSIA) in Dhaka over the past three days due to a strike called by clearing and forwarding (C&F) agents.

Of the amount, nearly 800 tonnes are imported goods while another 700 tonnes, mainly garment items, are meant for export.

The pile-up comes as C&F agents observed work abstention in the past three days as they demanded withdrawal of the newly implemented express delivery service at the HSIA, which is costing them business.

They ended agitation yesterday after assurance that the rules may be amended.

Under the new rules, which came into effect from June 6, any export or import consignment under 30 kilogrammes (kgs) will be delivered by express delivery service providers.

This will be beneficial for exporters because, under express delivery services, goods are released in a day. However,

under normal delivery services, it takes between seven days and two weeks due to bureaucratic complexity, especially unexpected delays in customs services.

The rules were made in consultation with stakeholders, including C&F agents, but perhaps they did not realise the implications of the rules when they were framed, Kabir Ahmed, president of the International Air Express Association of Bangladesh (IAEB), said.

Md Khairul Alam Bhuiyan Mithu, vice-president of the Dhaka Customs Agents Association (DCAA), said they had withdrawn the strike after consultation with the customs commissioner, who assured them that the rules may be amended.

“If a memorandum of understanding on amending the rules is not signed by Sunday, we will go on strike again from Monday,” Mithu told The Daily Star over the phone.

Nearly 2,000 C&F agents have been working at the HSIA over the past 53 years, but their names were not included on the

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## Prime Bank, Syngenta Bangladesh sign MoU for distributor financing

STAR BUSINESS DESK

Prime Bank recently signed a memorandum of understanding (MoU) with Syngenta Bangladesh, an agrochemical company.

Md Nazeem A Choudhury, deputy managing director of the bank, and Mohammad Hedayet Ullah, managing director of the agrochemical company, penned the MoU at the latter's head office in Dhaka, according to a press release.

Under the agreement, the bank will provide mortgage free overdraft loans up to Tk 1 crore to Syngenta's distributor.

Md Asif Bin Idrish, head of commercial banking of the bank, and Sajid Rahman, head of corporate and institutional banking, were present alongside other senior officials from both organisations.



Mohammad Hedayet Ullah, managing director of Syngenta Bangladesh, and Md Nazeem A Choudhury, deputy managing director of Prime Bank, pose for photographs after signing a memorandum of understanding at the former's head office in Dhaka recently.

PHOTO: PRIME BANK



Maj Gen Md Jubayer Salehin, vice-chairman of Trust Bank, presides over the bank's 25th annual general meeting, which was held virtually yesterday. The meeting announced a 20 percent dividend, including a 12 percent cash dividend, for 2023.

PHOTO: TRUST BANK

## Trust Bank declares 20% dividend

STAR BUSINESS DESK

Trust Bank announced a 20 percent dividend, including a 12 percent cash dividend, for the year that ended on December 31, 2023.

The announcement came at the bank's 25th annual general meeting (AGM), which was held virtually yesterday, the bank said in a press release.

Maj Gen Md Jubayer Salehin, vice-chairman of the bank, presided over the meeting, which was joined by a significant number of shareholders.

Proposals to change the name of the bank to "Trust Bank PLC" and to increase the authorised share capital of the bank to Tk 2,500 crore were also approved at the meeting.

Brig Gen SM Zia-Ul-Azim, Brig Gen Md Kaiser Hasan Malik, Brig Gen Mohammad Moazzem Hossain, Brig Gen Md Nishatul Islam Khan, Brig Gen Md Munirul Islam, Brig Gen Md Sajjad Hossain, Brig Gen Rakibul Karim Chowdhury, members of the board of the bank, attended the meeting.

Among others, Nusrat Khan, independent director, Ahsan Zaman Chowdhury, managing director, and Md Mizanur Rahman, company secretary, also joined the AGM.

# Recent data adds to Fed confidence on cooling inflation: Powell

AFP, Washington

Federal Reserve Chair Jerome Powell said Monday that recent data boosts the central bank's confidence that inflation is coming down towards its two percent target -- a trend that signals interest rate cuts on the horizon.

"We didn't gain any additional confidence in the first quarter but the three readings in the second quarter, including the one from last week, do add somewhat to confidence," Powell said in an interview with David Rubenstein of the Economic Club of Washington DC.

While the central bank has focused largely on inflation -- which surged in the wake of the pandemic -- it is now also closely monitoring its mandate of promoting

maximum employment, Powell added.

"If we were to see an unexpected weakening in the labor market, then that might also be a reason for reaction by us," he said.

To ease demand and cool inflation, the Fed in 2022 rapidly lifted the benchmark lending rate. It has since held rates at a decades-high level in the face of sticky price increases.

But last week a key inflation gauge, the consumer price index, ticked down more than expected, in a positive development for policymakers.

Similar trends, along with a rise in unemployment to the highest level since 2021, could nudge the Fed to reduce rates sooner rather than later.

"I have always felt like there was a

pathway to getting inflation back down to our two percent goal on a sustainable basis without the kind of pain in the labor market, kind of high unemployment that has been typical of tightening cycles and

**Last week, the consumer price index ticked down more than expected, in a positive development for policymakers.**

getting inflation down," Powell said.

In part, this was because the labor market was "so overheated that it could cool down quite a bit."

He added that a hard landing of the economy, marked by a sharp downturn,

would be an unlikely scenario.

The Fed is due to hold its next policy meeting at end-July, and analysts widely expect it could begin cutting interest rates in its September meeting this year.

Responding to the issue of lowering rates during a presidential campaign period, Powell stressed: "We don't take political considerations into account. We don't put up a political filter on our decisions."

He also noted that rates were not likely to return to the low level they were at between the global financial crisis and the pandemic.

On Monday, Powell expressed concern over deficits the country is running as well, saying it was on an "unsustainable path."

## Inflation teaches five lessons

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describing inflation as "transitory."

He introduced the idea in March 2021, when yearly price growth was still below 2 percent, but then stuck with it for months and only "retired it" eight months later.

By then, the Fed's preferred measure of inflation was more than twice its target rate. A lingering anchoring effect probably played a part in the Fed's decision to wait yet another four months before making it pricier to borrow.

A century ago, renowned economist John Maynard Keynes urged investors to change their minds when facts change. The tenet applies equally, if not more so, to interest-rate guardians.

TALK LESS:

In 1987, Greenspan famously told a congressional committee: "If I seem unduly clear to you, you must have misunderstood what I said." It's hardly the case anymore. Pressure from investors, politicians and media for central bankers to be less Delphic has opened the verbal floodgates.

Since January, ECB board members alone have delivered 55 speeches. In the United States, the seven members of the Fed's main board and the heads of its 12 regional banks can often be found behind a microphone somewhere, while in Britain, five internal and four external members of the BoE's Monetary Policy Committee are talkative, too.

Throw in parliamentary appearances and the press conferences that follow interest rate decisions, and it's a veritable Tower of Babel, or babble, to decipher. Investors seem baffled. When academics Anna Cieslak, Michael McMahon and Hao Pang asked ChatGPT models to analyse some 7,700 articles about the Fed published in the Wall Street Journal between 2020 and 2023, they found that more than a third of them conveyed a degree of confusion.

Even the professionals are crying uncle. Although they praise Fed communications overall, nearly

60 percent of experts surveyed by Brookings Institution said regional presidents should say less.

GET UNSTUCK:

Every central banker's worst nightmare is "1970s-style inflation." During that stretch, which extended into the early 1980s, US prices nearly doubled, prompting the Fed, then-led by Paul Volcker, to jack up interest rates to about 20 percent. In Germany, prices rose 46 percent between 1974 and 1982, spurring the Bundesbank to attempt similarly painful heroics.

Powell & Co feared that, as inflation accelerated, companies and workers would recalibrate their own expectations for prices and wages and feed an uncontrollable upward spiral. In applying the Volcker playbook, however, central banks failed to fully appreciate that price growth was largely due to unusual shocks to supply chains and consumer behavior.

In that sense, it was less like the disco era and more like the one after World War Two, a cyclical, albeit prolonged, phenomenon caused by the transition to peacetime economies.

By mimicking Volcker, central banks risk endangering economic growth. The euro zone and Britain already have experienced recessions, albeit shallow ones, while US GDP expanded by just 1.4 percent year-on-year in the first quarter this year, down from 3.4 percent during the last three months of 2023.

CHANGE MODELS:

One shortcoming laid bare has been within PhD-laden central bank research departments: their go-to methods of data crunching aren't necessarily well-suited for every economic situation.

Take the Phillips curve, for example. Developed by New Zealand economist William Phillips, it correlates lower unemployment with higher wages, postulating that there are short-term trade-offs between inflation and joblessness. Its corollary is that to tame prices, central banks have to hurt labor markets.

Powell said as much in a high-profile speech on August 26, 2022, which led to a rout in stock markets. Since the Fed began raising rates, however, US unemployment has hovered around a historically low 3 percent to 4 percent rate. Economists disagree on the reasons, but it's clear the Phillips curve was unreliable this time around.

One possible solution comes from another former Fed chair, Ben Bernanke. When reviewing the BoE's forecasting methods after a series of mistakes, he suggested embracing scenario analysis, or comparing a variety of likely economic outcomes under alternative assumptions.

Bernanke also advocated a "risk-management" approach to policymaking and taking out "insurance" against potential pitfalls. It's what Greenspan did in July 1995, when the Fed unexpectedly cut rates because it feared the economy was weakening.

LOOK AHEAD:

Being at the helm amid choppy waters is a difficult and thankless task. If nothing else, however, this two-year span has shown that economics is not, as Thomas Carlyle said in the 19th century, "a dismal science," but a cheerless art.

After obsessing for years over how to push inflation higher and, in the Fed's case, changing its official target to reflect as much, central bankers were faced with diametrically opposed conditions.

The reliance on historical upheavals and models did not serve them well, even though they may yet engineer the elusive "soft landing." It's important to be thinking about the next crisis as much as the previous or existing ones.

For all their stumbles, Powell, Lagarde and Bailey deserve a victory lap. As they circle the track, they would do well to embrace the lessons from recent experiences and also recall what Powell told his assembled peers almost a year ago: "We are navigating by the stars under cloudy skies."

## IFIC banking services to be unavailable on July 18

STAR BUSINESS DESK

IFIC Bank is implementing a core banking system upgrade to provide customers with more sophisticated and improved banking services.

Due to the upgradation process, banking services will be unavailable on July 18 at all branches and sub-branches of the bank across the country, according to a press release.

However, all sorts of card services will be available and customers can enjoy relevant services using IFIC amar bank digital app, IFIC visual interactive voice response (VIVR) and IFIC customer service centre.

Information related to the above has already been disseminated among customers and stakeholders through SMS, e-mail, press advertisements and social media, the press release also added.

## Gold rises with US rate cut optimism, close to record high

REUTERS, London

Gold prices rose on Tuesday as comments from Federal Reserve Chair Jerome Powell bolstered the case for a September rate cut, while investors awaited more US economic data for further monetary policy cues.

Spot gold gained 0.8 percent to \$2,440.29 per ounce by 1207 GMT. The bullion hovers only slightly below the record high of \$2,449.89 hit on May 20.

Powell said on Monday the three US inflation readings over the second quarter of this year "add somewhat to confidence" that the pace of price increases is returning to the Fed's target in a sustainable fashion. Investors were awaiting US retail sales data due at 1230 GMT on Tuesday for further direction.

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	16.67 ↓
Loose flour (kg)	Tk 40-Tk 45	1.01 ↑	-10.98 ↓
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			

## Once India's

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disputed" that the parent of Byju's, Think & Learn Private Limited, had availed itself of the services of the BCCI and had defaulted on roughly \$19 million in dues.

Delhi-based lawyer Bishwajit Dubey said Byju's controlling shareholders can either appeal the insolvency initiation legally or quickly settle the dispute with the cricket board to resolve the matter.

The BCCI declined a Reuters request for comment.

## DSEX falls

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the gainers' chart with a rise of 10 percent each.

Rangpur Foundry, Libra Infusions, Kohinoor Chemicals, Sena Kalyan Insurance Company, DBH Finance and Ambee Pharmaceuticals were also on the gainers' list.

Prime Textile Spinning Mills shed the most, losing 2.99 percent, followed by Rupali Life Insurance Company, IT Consultants, Heidelberg Materials Bangladesh PLC and Khan Brothers PP Woven Bag Industries.

Of the issues that changed hands, 121 ended higher, 221 declined, and 55 did not see any price fluctuations.

Market capitalisation, meaning the total value of a company's shares at present, decreased for paper and printing, life insurance and jute scrips, according to the daily market update by Shanta Securities.

However, it rose for banks, travel and leisure and financial institutions.

A positive performance was posted by most of the sectors which account for large amounts in market capitalisation.

Among them, non-bank financial institutions booked the highest gain of 2.22 percent followed by engineering, telecommunication and banks at 1.82 percent, 1.12 percent and 1.01 percent respectively.

The pharmaceuticals sector registered a 0.36 percent gain, food and allied 0.12 percent, and fuel and power 0.31 percent.

## Dollar edges higher on yen after Tokyo's likely intervention last week

REUTERS, Singapore/London

The dollar regained some lost ground on the Japanese yen on Tuesday even as traders remained wary of further intervention by Tokyo to prop up their currency after data showed they likely stepped into markets late last week.

The dollar was last up 0.3 percent on the yen at 158.44. It had been trading just shy of 162 yen last week before sudden falls, which took it to as low as 157.16 on Thursday.

Bank of Japan data released on Tuesday suggested Tokyo may have spent 2.14 trillion yen (\$13.5 billion) by stepping into the money market on Friday.

Combined with the estimated amount spent a day earlier, Japan is likely to have bought nearly 6 trillion yen via intervention last week.

Japanese authorities have made it standard practice to not confirm whether they have intervened, but

Chief Cabinet Secretary Yoshimasa Hayashi said Japan stands ready to take all possible steps to counter excessively volatile currency moves.

Moves in Europe were fairly calm as traders were nervous about placing too big bets on sterling ahead of crucial British inflation data due on Wednesday and on the euro, with a European Central Bank (ECB) meeting on Thursday.

The pound was last flat at \$1.29685, having hit a near one year high just shy of \$1.3 a day earlier.

The euro too was little changed at \$1.09003, just shy of a four-month high touched on Monday, having erased losses from the past few weeks when it came under pressure from uncertainty over the French election.

The ECB is expected to hold rates, but attention will be on comments from President Christine Lagarde on timing of the next rate cut.

## Crab farming

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They emphasised the need for increased research and collaboration between government and non-government entities to further develop this promising sector.

The event was organised under the Resilient Homestead and Livelihood Support to the Vulnerable Coastal People of Bangladesh (RHL) project and funded by the Green Climate Fund (GCF).

Speakers at the workshop also highlighted various initiatives undertaken by PKSf to advance crab farming, including the establishment of crab hatcheries, crablet production at the entrepreneurial level, the

creation of crab nurseries and the expansion of crab farming technologies.

These specialised activities under the RHL project aim to support the government's efforts to boost crab exports amidst growing international demand, according to a press release.

Nomita Halder, managing director of PKSf, presided over the workshop with Benoy Kumar Barman, interim country representative of WorldFish Bangladesh; Md Fazlul Kader, additional managing director of PKSf; Fazle Rabbi Sadeque Ahmed, deputy managing director of PKSf, and other officials in attendance.





**Shops at Bailey Road in the capital had little to no customers yesterday evening as a nationwide student movement and road blockades demanding reform of the quota system in government jobs prompted people to stay back in their homes.** PHOTO: PALASH KHAN

# Retailers in Dhaka face low sales

## Customers stay away for quota reform movement

SUKANTA HALDER

Retailers are counting lower sales in Dhaka due to the low turnout of customers amidst a nationwide student movement demanding reforms to the quota system for government jobs. Traders said the fear of vandalism kept shopkeepers from opening their shops in some areas. The current situation is undesirable and should be brought to an end quickly in the interest of the country and businesses, they said. Students of the University of Dhaka and the Jahangirnagar University began staging demonstrations on July 1. Since then, the movement has spread to other public and private universities. In the latest developments, students of different colleges have also joined the movement. At least six people were killed in three districts, including in the capital, in clashes between Chhatra League activists

and quota reform protesters yesterday. Two were slain in Dhaka, three in Chattogram and one in Rangpur. Additionally, a huge number of protesters were seriously injured. To maintain law and order, the Border Guard Bangladesh (BGB) was deployed in Dhaka, Chattogram, Rajshahi and Bogura yesterday. The BGB was deployed to maintain law and order amid the clashes centring the quota reform movement, said Shariful Islam, public relations officer of the BGB. Dewan Aminul Islam Shaheen, president of the Dhaka New Market Business Owners' Association, said businesses were going through a downturn over the last 8 to 10 days due to the movement. Customers are terrified of coming to shop, he told The Daily Star, adding that he hoped for a quick resolution to the crisis. "Buyers are unable to come out of their houses because of the blockades. Many

people close their shop at 3:00pm due to a lack of customers. We want the issues to be resolved quickly," he added. He added that many traders had also suffered financially due to heavy rains and waterlogging over the last couple of days, which turned many products unsuitable for sale. This includes some furniture stores whose products have become wet and unusable, he said. Speaking to The Daily Star, retailers at Elephant Road and Aziz Cooperative Supermarket in Shahbagh informed that they were also facing the same situation. Soumik Das, chief executive officer of clothing and fashion brand Rang Bangladesh, said it was the off-season for clothes sales but added that they were preparing for the upcoming Durga Puja, the biggest Hindu festival which is set to be held in mid-October. They have made different offers available on many products so that customers increase purchases and

enhance the flow of cash to the production centring the Puja festival, he said. At the beginning, when sales offers were made available, the response was good, he said. But after the start of the quota reform movement, sales suddenly dropped by a considerable margin, he added. One of the big retailers of fashionwear, accessories, home textiles, handicrafts, and handloom-based products in the country, on condition of anonymity, said under the current circumstances, the day-to-day volume of sales has decreased a lot. "People don't buy our products as much if they are not at peace because these are not necessarily everyday consumer goods," the retailer said. Helal Uddin, president of the Bangladesh Shop Owners Association, said the situation for businesses was very bad. In some areas, shops cannot be opened. In other areas where shops are open, buyers are scarce.

## Large businesses keen to adopt sustainability initiatives

### Experts tell ESCAP Sustainable Business Network webinar

STAR BUSINESS REPORT

Large businesses and conglomerates in Bangladesh are keen to adopt sustainability initiatives in their factories to ensure efficient and responsible use of resources, according to experts. "We invested heavily in our factories during the last 10 years for green initiatives," said Shams Mahmud, managing director of Shasha Denims, one of the top denim manufacturers in Bangladesh. These include using the latest technologies and renewable energy sources to address the impacts of climate change, he said. He was addressing a webinar titled "ESCAP Sustainable Business Network (ESBN) Asia-Pacific Green Deal for Business: Accelerating corporate sustainability in Bangladesh", organised by the ESNB yesterday. Mahmud, also a former president of the Dhaka Chamber of Commerce and Industry, said Bangladesh has been making the shift to a circular economy through recycling and repurposing of waste. Regarding renewable energy, he said generating solar power on a massive scale was a challenge as it requires a lot of land, which is limited in Bangladesh. However, he said Bangladesh was home to 200 factories which had the Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council. The country also boasts 10 of the world's top green factories. He further said it was very easy for big factories to adopt sustainability initiatives but significantly tougher for small and medium-scale enterprises. As Bangladesh is going to make the status graduation to a developing country by 2026, it needs to ensure that there are more green factories to avail Generalised Scheme of Preferences (GSP) benefits in the European Union, he said. Nihad Kabir, senior partner at Syed Ishtiaq Ahmad and Associates, said public and private dialogues were very important to ensuring the setting up of green factories on a massive scale. She placed emphasis on the adoption of sustainability initiatives by small and medium enterprises (SMEs) as they are the growth drivers of big industries, serving as vendors and raw materials suppliers. Also a former president of the Metropolitan Chamber of Commerce and Industry, Kabir alleged that banks and financial institutions feel comfortable financing such initiatives for big industries and conglomerates but not for SMEs. Shamima Akhter, director (corporate affairs) at Unilever Bangladesh, said they use locally sourced raw materials, including water, and were committed to addressing the climate change. She also said they have a programme to collect and recycle discarded plastic packaging of their products. Moreover, they have a target to wholly prevent all types of carbon emissions from their manufacturing units by 2030, she noted.

## BB to keep policy rates high to curb inflation

FROM PAGE 1 (MPS) on July 14, and it was discussed at a meeting of the BB's board of directors yesterday. Governor Abdur Rouf Talukder presided over the meeting. A source said that the board discussed the ongoing challenges facing the economy, especially higher inflation. Annual inflation rose to 9.73 percent in 2023-24, the highest since 2011-12, 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 could do little to lower it although the BB initiated several measures in recent times, albeit belatedly. The government has set a goal to limit the CPI to 6.5 percent in 2024-25. It fell slightly to 9.69 percent in July from 9.74 percent in the previous month. The central bank hopes that the

tight monetary stance will help attain the government's target. Both local experts and the International Monetary Fund (IMF) have suggested a hike in the policy rate in the new monetary policy to rein inflation. The IMF has recommended the BB raise the rate by 50 basis points by December. However, the meeting source said that the monetary policy committee reviewed the recent economic trends and observed that the growing trend of the lending rate is likely to adversely impact investment and GDP growth targets. Hiking the policy rate is not the only tool to cool inflation, the board members discussed at the meeting. Fiscal initiatives policy and improving the supply side situation are also important. Recently, Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the policy rate would have to increase to 10 percent. The central bank's upcoming monetary policy also plans to focus on attaining the GDP growth target set by the government. The provisional estimates from the

BBS indicate that the gross domestic product grew 5.82 percent in FY24. The target was set at 6.5 percent. The BB has aimed for a 6.75 percent economic expansion in the current fiscal year in line with the government's goal. Central bankers say the crawling peg system, which is used to fix the exchange rate, will continue in the new fiscal year as the volatility in the foreign exchange market has eased to some extent. In May, the BB introduced the crawling peg, setting a Tk 117 mid-rate for the US dollar in line with the IMF's advice to make the exchange rate market-based. BB officials said that the monetary policy will likely be published on the central bank website, moving away from its usual practice. Generally, the BB unveils the MPS through a press conference. However, the briefing is unlikely to take place this time as a group of journalists have decided to boycott the event in protest of the restriction facing reporters while entering the premises of the central bank headquarters in Dhaka.

## Cargo piles up

FROM PAGE 1 list of express delivery service providers, which caused a furore. Mithu said they want those names to be included alongside foreign companies. Currently, most express delivery service providers have affiliation with the IAEB, which has 81 members. Of the total members, 35 are currently operating while the remaining are in the process of obtaining licences. SMMannan Kochi, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the strike had caused a lot of trouble. "We are facing a lot of difficulties as imported goods cannot be released from the airport and goods cannot be exported through air shipment," he said over the phone yesterday. International clothing retailers and brands are especially worried by the stalemate as it has hindered the timely shipment of goods, Kochi added. The HSIA is an important gateway for international trade as nearly 700 tonnes of goods are imported and exported through the airport daily. Air shipments are viewed as an emergency measure, used only when both senders and receivers want quick delivery of goods. The service is expensive. For instance, it costs nearly \$4 to send each kg of goods to any destination in Europe from the HSIA. However, it would cost less than 20 US cents if goods were delivered to the same destination through waterways even after the recent rate hike due to the Red Sea crisis. Preferring anonymity, a garment exporter at the Dhaka Export Processing Zone said stockpiles of exportable garment items were building up at the factory level because of the strike.

## Govt borrowing

FROM PAGE 1 banking system was Tk 4,88,059 crore, up from Tk 3,93,778 crore a year ago. The government plans to borrow Tk 137,000 crore from banks to finance the deficit in the budget for the ongoing fiscal year. The overall budget deficit is expected to stand at Tk 251,600 crore, which is 4.5 percent of the country's gross domestic product.

## China waits anxiously for economic plan as gloom reigns

AFP, Tianjin

Rows and rows of partially inhabited high-rises sprawl into the suburbs of the northern Chinese metropolis of Tianjin, their empty balconies emblematic of a slowing economy that has not kept pace with the country's ambitions. A year and a half after crippling Covid-19 restrictions ended, the property crisis is just one of the deadweights dragging on China's recovery momentum, sending ripples of unease through the country's leaders and citizens. In Tianjin, grandmother Wang Dongmei told AFP that in 2016, she and her daughter purchased a house near a riverside promenade for 870,000 yuan (\$120,000). It was now worth just over 600,000 yuan, she said. "It's the lowest the price has been in the last 10 years," she sighed, but "we want to sell... that's just how it is". Against this backdrop, the ruling Communist Party is now holding its Third Plenum -- a key meeting historically watched for signals on economic direction. "People are more or less OK with economic downturns as long as there are sufficient policy responses," Dan Wang, chief economist at Hang Seng Bank China, told AFP. "Currently there are lots of uncertainties about what policymakers are going to do." The plenum was "highly anticipated with anxiety" in the hope it would provide answers, she said. Reforms in key sectors such as property are already under way -- in May, China cut the minimum down payment rate for first-time homebuyers and suggested it might buy up commercial real estate. At a housing estate in Tianjin,

customer manager Zhao Xin said there were signs of a slight recovery in the market, driven in part by the new measures. "But it is not realistic to say that it will reach the same high level as before," warned Zhao. /- 'Rather grim' -/Property long served as a vital growth engine as China developed to become the world's second-largest economy but in 2020, regulatory curbs on excessive borrowing and speculation narrowed access to credit. Mounting debt and stalled construction have plagued the sector's leading firms since. Zhao's project is wedged between older complexes developed by companies that have become bywords for the crisis: Evergrande, Country Garden and Vanke. Ratings agency Fitch said recently it projects the value of new home sales will fall 15-20 percent this year, noting a "dampening trend in homebuyer sentiment". A sense of resigned gloom also pervaded a slim-pickings job fair in Shanghai, where candidates milled around stalls under harsh fluorescent lights. "Because the employment environment is rather grim this year, we have to get offline and look for opportunities (in person)," said Wu Jiawen, a 25-year-old who graduated in December and was "very anxious" she was still jobless. Last month, 11.8 million students finished university and will add to the competition. President Xi Jinping said in May that the issue of youth unemployment should be a "top priority". The rate hit unprecedented highs in mid-2023, and officials stopped publishing it for several months before adjusting the calculation method.

## LafargeHolcim's profit declines

FROM PAGE 1 2024, representing a 25 percent decline compared to the same period last year. This was attributed to increased costs and the sharp devaluation of the local currency, the taka, against the US dollar. "Bangladesh's economy is going through certain challenges which are affecting the construction industry, resulting in a decline in sales growth during the first half of 2024. However, our focus for sales channel expansion, stronger aggregates performance, digitalisation and addressing the waste challenges through 'Geocycle'

remained consistent," said Iqbal Chowdhury, chief executive officer of the company. "With continuous emphasis on agility, costs, and innovation, we are confident of demonstrating solid performances in the quarters to come," he added. The company said the rest of the year would be challenging due to persistently high inflation and pressure on the foreign exchange. "Despite that, we are optimistic and well poised to continuously deliver a strong performance with industry-leading margins," Chowdhury added.

The company's earnings per share reduced to Tk 2.09 from Tk 3.11 in the same period. Share of the company closed at Tk 62 on the Dhaka Stock Exchange yesterday. Operating for more than two decades, LafargeHolcim Bangladesh has invested \$500 million in building a fully integrated cement plant and three grinding stations. The joint venture between the Holcim Group, which is based in Switzerland, and Cementos Molins, based in Spain, represents the largest foreign direct investment in the sector.



## Crab farming can boost exports: experts

STAR BUSINESS REPORT

Bangladesh's export earnings will get a boost if crab farming is expanded in the country, as global demand for crabs is on the rise, experts said today.

They spoke at a workshop titled "Possibilities of the crab industry in Bangladesh: existing problems and possible actions" held at the Palli Karma Sahayak Foundation (PKSF) Bhaban in the capital's Agargaon.

Bangladesh can significantly enhance its export income, contributing to the overall economic growth and resilience of its coastal communities by harnessing the potential of crab farming, the experts also said.

During the open discussion session, representatives from various government and non-governmental organisations, including PKSF's partner organisations, shared their experiences and insights on crab farming.

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# BTCL recorded Tk 316cr unrealised dues as 'current asset': CAG

REJAUL KARIM BYRON and MAHMUDUL HASAN

B a n g l a d e s h Telecommunications Company Limited (BTCL) has failed to realise dues worth around Tk 316 crore from different companies and falsely recorded it as "current asset" in its financial statement.

Of the long pending dues, Tk 79.64 crore is owed by Teletalk, Tk 50 crore by Bangladesh Cable Shilpa, Tk 12.81 crore by various government entities and by Tk 174 crore different shuttered companies.

Moreover, the BTCL has not taken any "realistic" or legal step to realise the dues.

The revelation came in a 2023 audit report of the Office of the Comptroller and Auditor General (CAG) on the BTCL's financial statements of fiscal year 2019-20 and 2020-21.

In response to the CAG's query, the BTCL had responded that its dues had been left



unaccounted for since July 2008, when it was formed as a public limited company from a previous Bangladesh Telegraph and Telephone Board.

The BTCL's consultant, Hoda Vasi Chowdhury and CO, is working on compiling the dues, it added.

Earlier in 2022, another audit report of the CAG found that the state coffers is at least Tk 2,258.76 crore short, owing to the BTCL's failure to deposit the sum for mismanagement.

The BTCL, whose main offering of landline telephone has fallen out of favour with the advent of mobile phones, provides a host of telecom services to stay alive by obtaining licences from Bangladesh

Telecommunication Regulatory Commission, the regulator.

And as per licensing terms, the state-run company has to share a portion of the revenue

**The BTCL, whose main offering of landline telephone has fallen out of favour with the advent of mobile phones, provides a host of telecom services to stay alive by obtaining licences from BTRC, the regulator.**

earned from the services with the BTRC, which then deposits the sum to the state coffers.

Once a hugely profitable enterprise, the BTCL has been racking up losses since fiscal

year 2009-10, save for fiscal years 2012-13, 2021-22, 2022-23 when it turned in profits of Tk 5 crore, Tk 6.7 crore and Tk 14 crore respectively.

It last logged in a proper profit back in fiscal year 2009-10: Tk 106.1 crore.

With the view of giving relevance to the dated company, the government has been sanctioning one project after another for it worth thousands of crores of taka.

It has ongoing projects worth about Tk 3,152 crore, including a Tk 945 crore project for "BTCL Internet Protocol (IP) Network Development and Expansion" and a Tk 1,059 crore project for "Development of 5G-compliant Optical Fibre Transmission Network".

Since 2009, it has implemented several projects involving about around Tk 5,200 crore.

The BTCL did not respond to The Daily Star's request for comment as of yesterday.

## Once India's biggest startup, Byju's faces insolvency proceedings

REUTERS, Bengaluru/New Delhi

Edtech company Byju's, once India's biggest startup valued at \$22 billion, will face insolvency proceedings for failure to pay \$19 million in dues to the country's cricket board, a tribunal said on Tuesday.

Byju's has suffered numerous setbacks in recent years, including boardroom exits and a tussle with investors who accused CEO Byju Raveendran of corporate governance lapses, job cuts and a collapse in its valuation to less than \$3 billion, Byju's has denied any wrongdoing.

A ruling by India's companies' tribunal on Tuesday, following a complaint by the Board of Control for Cricket in India (BCCI), initiated insolvency proceedings.

These will include the appointment of an interim resolution professional, Pankaj Srivastava, who will oversee the management of Byju's as the company's board of directors is suspended as per law.

CEO Raveendran will report to the resolution professional, and the company's assets will remain frozen while the proceedings continue.

In a statement, Byju's said it wishes to "reach an amicable settlement with BCCI and we are confident that, despite this order, a settlement can be reached."

The company's lawyers are reviewing the order and will take necessary steps to protect the firm's interests, it added.

Byju's, which operates in more than 21 countries, became popular during Covid-19 pandemic by offering online education courses. It also offers offline coaching classes.

In February a group of Byju's investors including Prosus and Peak XV voted to oust Raveendran, a move which Byju's has called invalid.

The companies' tribunal said in its order "it cannot be

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## Maersk's new shipping service to boost Sino-Bangla trade

STAR BUSINESS REPORT

AP Moller-Maersk (Maersk) announced the launch of SH3, a new ocean shipping service, to facilitate the growing trade volume between China and Bangladesh, particularly in the retail sector.

The SH3 service operational since July 7 of 2024 strengthens Maersk's existing network by increasing capacity on the China-Bangladesh route, the company said in a press release.

The route starts at Shanghai Port in China with stops at Xiamen, Kaohsiung, Nansha, and Tanjung Pelepas before reaching Chattogram in Bangladesh.

The return journey to Shanghai includes a call at Tanjung Pelepas, a key connection point for European routes.

This addition complements Maersk's existing services, SH1, SH2, and IA7, which are operating between the two countries.

Optimisations have also been made to SH1 and SH2 to enhance their offerings, according to the statement.

The customers will benefit from broader coverage in China with more loading options throughout the week from various locations like Shanghai, Nansha, and Ningbo, said Maersk.

Additionally, the expanded network provides more direct



A view of container unloading activities at the Chattogram port, the country's biggest seaport.

PHOTO: RAJIB RAIHAN

shipping choices to Bangladesh.

"The retail industry thrives on timely deliveries across the supply chain," said Wen Bing Lim, regional head of intra-Asia market of Maersk. "This new network expedites the process, aiding Chinese textile raw material exporters and garment manufacturers in Bangladesh."

Nikhil D'Lima, head of Maersk in Bangladesh, emphasised the rising demand for Bangladeshi textiles and garments in Western markets. "Our customers require more

capacity for raw material imports to Bangladesh and finished garment exports," he said.

China's exports to Bangladesh are heavily reliant on textiles, while Bangladesh's garment industry boasts over 4,000 factories supplying goods to more than 100 international clothing brands.

Bangladesh's exports encompass a vast array of knitwear and woven garments, including shirts, trousers, T-shirts, denim, jackets, and sweaters, reaching over 150 countries.

## DSEX falls

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange (DSE) fell yesterday just a day after posting a rise as investors opted to book profits by selling off shares.

The DSEX, the major index of the country's premier bourse, dropped 1.82 points, or 0.03 percent, from that on the day prior to settle at 5,483.14.

Similarly, the DSES, the index that represents Shariah-based companies, slipped 1.57 points, or 0.13 percent, to 1,201.86.

However, the DS30, an index comprised of blue-chip stocks, edged up 17.08 points, or 0.88 percent, to 1,961.37.

The day's turnover, meaning the total value of shares that changed hands, decreased 14.77 percent to Tk 564 crore.

Taufika Foods and Lovello Ice-cream were the most-traded scrips, with a combined turnover of Tk 23.3 crore, followed by DBH Finance, Orion Infusion and NRB Bank.

Turnover at the block market, meaning high volume transactions of privately negotiated securities outside the open market, stood at Tk 50.6 crore, representing 9 percent of the day's total turnover.

Shares of blue-chip companies such as Kohinoor Chemicals, Grameenphone, Square Pharmaceuticals, BRAC Bank, Renata, Eastern Bank, Pubali Bank, DBH Finance, City Bank, and BAT Bangladesh performed well.

Kohinoor Chemicals topped the list of blue-chip companies with the highest gains, rising 3.61 percent.

However, Beximco Pharmaceuticals, Beacon Pharmaceuticals, Khan Brothers PP Woven Bag Industries, Heidelberg Materials Bangladesh PLC, Prime Bank, Linde Bangladesh, Singer Bangladesh, Taufika Foods and Lovello Ice-cream, Orion Pharma and Premier Cement Mills showcased a negative performance.

Beximco Pharmaceuticals shed the most, losing 4.32 percent.

Overall, NRB Bank and Techno Drug dominated

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## India plans new asset class for high-risk investors

REUTERS, Mumbai

The Securities and Exchange Board of India (SEBI) is proposing a new asset class that allows investors to take on higher risk through a regulated product, the Indian market regulator said in a consultation paper released on Tuesday.

The asset class would fall between mutual funds meant for retail investors and portfolio management services that are targeted at high-net-worth individuals.

"The proposed New Asset Class seeks to provide investors with a regulated investment product featuring higher risk-taking capabilities and higher ticket size," SEBI said.

"It is aimed at curbing the proliferation of unregistered and unauthorised investment products," it added.

Under the new asset class, asset management companies can offer riskier strategies such as long-short equity strategies, which seek to deliver returns by taking long and short positions in equity instruments, or inverse exchange-traded funds that generate returns via an inverse correlation with an underlying index.

These funds will also be allowed to invest in derivatives.

The minimum investment amount for this asset class will be 1 million rupees (\$11,961), the regulator proposed.

Fund houses must distinguish these schemes from their mutual fund products and disclose the level of risk associated with the investment strategies, it added.

SEBI has sought comments on its proposal by August 6, before it releases the final guidelines.

## German investor morale records first drop in a year

AFP, Berlin

German investor confidence fell for the first time in a year in July, a key survey said Tuesday, as the prospects for Europe's largest economy seemed to darken once again.

The ZEW institute's closely watched economic expectations index fell to 41.8 points, from 47.5 points in June.

The drop was anticipated by analysts surveyed by financial data firm FactSet, who predicted a fall to 42 points.

The drop was the first time the indicator had dropped since July 2023, concluding a run of 11 straight increases.

"For the first time in a year, economic expectations for Germany are falling," ZEW president Achim Wambach said in a statement.

Wambach pointed to the fact that "German exports decreased more than expected in May" as a factor behind the worsening mood.

"The political uncertainty in France and the lack of clarity regarding the future monetary policy by the (European Central Bank)" also contributed to the drop, Wambach said.

Recent snap legislative elections in France failed to return a majority for any group, leaving Germany's neighbour in political limbo.



People shop at a store in New York City, US. As inflation accelerated in the US, experts feared companies and workers would recalibrate their own expectations for prices and wages and feed an uncontrollable upward spiral.

PHOTO: REUTERS/FILE

## Inflation teaches five lessons for the next crisis

REUTERS, London

Central bankers are close to declaring mission accomplished. After inflation soared beyond 9 percent following the pandemic and Russia's invasion of Ukraine, it's tumbling back toward the 2 percent level targeted by the US Federal Reserve and its peers in Britain and Europe.

They were initially wrong-footed, but eventually responded with sharp and swift increases to benchmark interest rates. And contrary to most predictions by economists and market strategists, this aggressive policy did not trigger major recessions in the world's largest economies.

For monetary authorities, this is as good it gets. But before Fed Chair Jerome Powell, European Central Bank boss Christine Lagarde and Bank of England Governor Andrew Bailey close the book on this treacherous period, they would be well-served to acknowledge the amount of luck that was involved and learn what they could do better when the next crisis rolls around.

As Alan Greenspan, one of Powell's predecessors, once said, "Excessive optimism sown the seeds of its own reversal."

In that spirit, here are five useful takeaways.

**BE HUMBLE:**

Modesty is a relative concept here. By the standards of corporate chieftains, central bankers are typically even-keeled, soft-spoken and deliberate. During this economic cycle, however, they often came off too confident in their convictions.

That's particularly true for Powell and his penchant for

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