



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 ESBN 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.