

# Star BUSINESS

The ongoing unrest and curfew have raised apprehensions over Bangladesh's future exports on the back of data corrections by the BB.



Story on B4

## Reserves fall by \$1.3b in a month

STAR BUSINESS REPORT

Bangladesh's foreign currency reserves declined by \$1.3 billion over the past month as inflow was lower than the outflow for payments, including imports, which reflect increasing pressure on the country's external account.

The reserves stood at \$20.48 billion on July 31, down from \$21.78 billion the month prior, according to data published by the central bank.

The depletion in forex reserves comes after S&P Global downgraded Bangladesh's rating amid persistent pressure on the country's external accounts and deadly government job quota reform protests.

The US-based credit ratings agency lowered its long-term sovereign ratings on Bangladesh to B+ from BB-.

It said external pressure particularly stemmed from the continued decline in foreign exchange reserves.

This has occurred despite import compression measures enacted by the central bank and a smaller current account deficit.

S&P said the gross reserves, measured on an IMF formula, were \$21.8 billion at the end of June 2024, down 35 percent from June 2022.

The July 31 forex reserves would cover 3.7 months of the country's import bills.

The latest data on foreign exchange reserves came just two days after S&P Global downgraded Bangladesh's rating amid persistent pressure on the country's external accounts and deadly protests.

The country's average monthly import bill is \$5.52 billion.

Since July 12 last year, Bangladesh Bank has been publishing data on the foreign exchange reserves in line with the IMF's formula.

Between July 12 last year and July 31 this year, the overall reserves, as the IMF method, declined 13 percent or \$3.08 billion, according to the central bank.

## BB plans to develop alternative internet infrastructure

STAR BUSINESS REPORT

Bangladesh Bank (BB) is planning to develop an alternative internet infrastructure in order to keep the financial sector insulated and ensure smooth execution of transactions in the event of any unexpected situation, such as the recent nationwide internet outage.

The central bank shared the plan at a meeting with the Association of Bankers, Bangladesh (ABB), a platform of top officials of banks, at its headquarters yesterday.

BB Governor Abdur Rouf Talukder presided over the meeting while managing directors and CEOs of Pubali Bank, City Bank, Jamuna Bank, Eastern Bank, Bank Asia, Islami Bank Bangladesh and Mutual Trust Bank were also present.

"We have learned a lot from the recent abnormal situation," ABB Chairman Selim RF Hussain told journalists after the meeting.

"...and we have discussed ways on how to keep banking operations unaffected in case of any difficult situation like that we had to pass through recently," he said.

The learnings are that two forms of security have to be ensured, one for brick-and-mortar branches and the other for online banking, said Hussain, also the managing director of BRAC Bank.

"We have to make an alternative internet infrastructure...and improve broadband

capability so that we can continue banking services... The good news is that Bangladesh Bank is thinking about an alternative internet infrastructure for banks," he said.

He said the IT department of the central bank would prepare a draft plan and share the document with the banks.

Bangladesh suffered from an internet blackout for five days since July 18 amidst violence centring the public job quota reform movement.

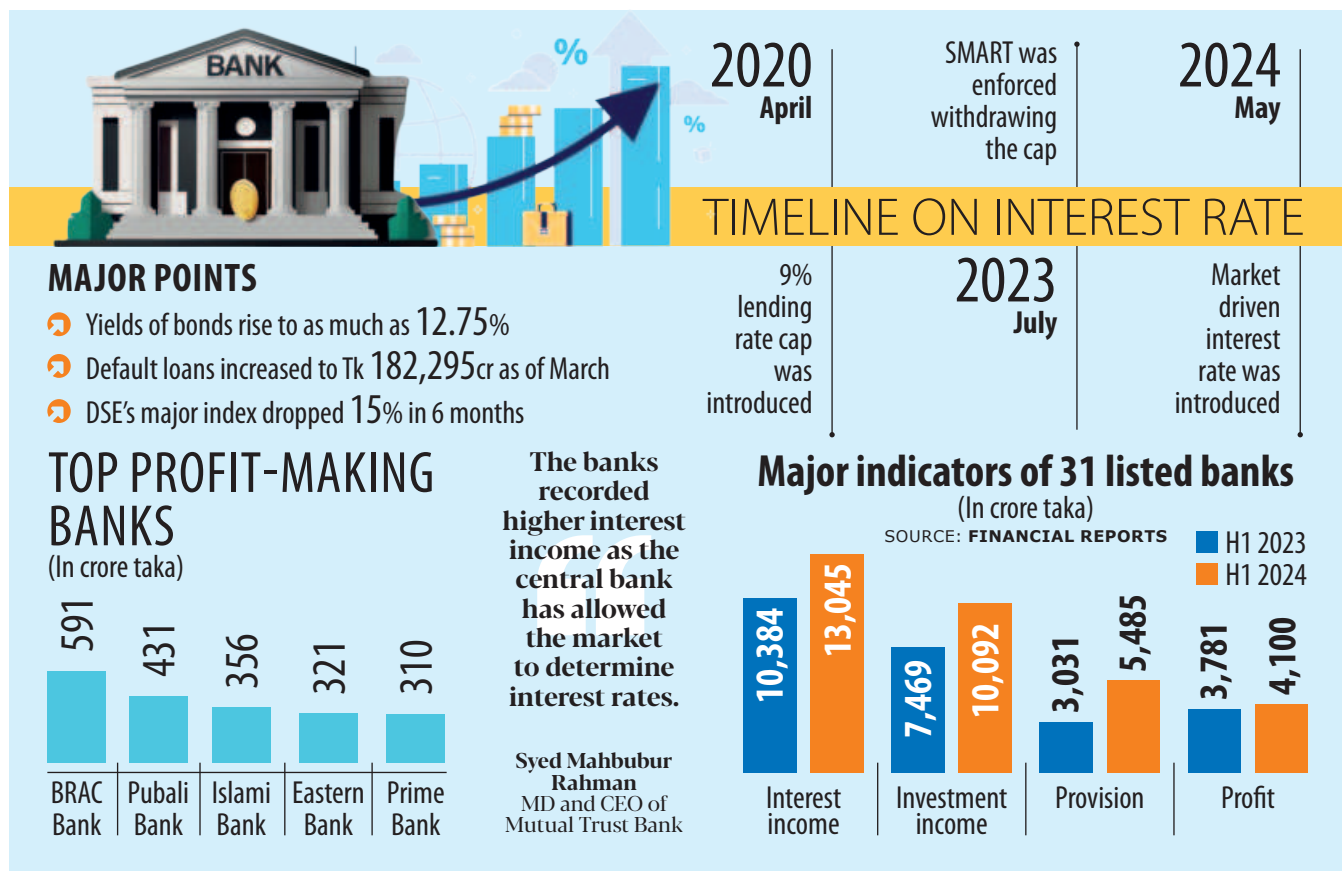
**Bangladesh Bank has taken the move to ensure smooth execution of transactions in the event of any unexpected situation**

Afterwards the government imposed a nationwide curfew and announced general holidays, which affected online and physical banking activities for three days.

Amidst the curfew, a lot of ATM booths were kept shut while many ran out of cash. As a result, people faced difficulties in withdrawing money. People were also unable to pay utility bills.

Bankers said they also discussed the trend of remittance inflow and the situation in the country's forex market.

BB Governor Talukder suggested banks stay focused on remittance collection as the foreign exchange reserve has continued to decline, said a meeting participant.



## 31 listed banks see a surge in interest income

AHSAN HABIB

Banks listed in the stock market logged Tk 2,700 crore higher interest income in the first half of this calendar year as lending rates rose after Bangladesh Bank eased its grip on the sector.

Besides, increasing yields from treasury bonds helped the banks post more profit even though they had to keep hefty provisions against investments in stocks and default loans.

Default loans in the banking sector have hit an all-time high of Tk 182,000 crore, according to the central bank.

As per the recently published financial statements of 31 out of 36 listed lenders in the country, their combined interest income soared 26 percent year-on-year to Tk 13,045 crore in the January-June period.

Of this amount, their income from investments, mostly in government bills and bonds, jumped 35 percent year-on-year to Tk 10,092 crore.

"The banks recorded higher interest income as the central bank has allowed the market to determine interest rates," said Syed Mahubur Rahman, managing director and CEO of Mutual Trust Bank.

In May earlier this year, Bangladesh Bank returned to the market-driven interest rate regime after a gap of about four years by scrapping the Six-month Moving Average Rate of Treasury Bills (SMART).

In July last year, the central bank

withdrew the 9 percent cap on lending and introduced the SMART formula as prescribed by the International Monetary Fund for securing a \$4.7 billion loan.

Now though, it is going for a more market-based system to determine interest rates, effectively removing the caps imposed since April 2020.

However, private sector demand for credit slowed as the cost of borrowing rose. Against this backdrop, many banks

showed.

Regarding the higher provisioning, Rahman said they had to do it as default loans were rising and they suffered losses from investments in stocks.

"But if the banks keep higher provisions, it will be helpful for them in the future," added Rahman, also a former chairman of the Association of Bankers, Bangladesh.

Default loans in the banking sector amounted to 11.10 percent of the total outstanding loans by the end of March this year.

Meanwhile, the DSEX, the benchmark index of Dhaka Stock Exchange, lost 14 percent to reach 5,328 points by the end of June this year.

Another top official of a leading bank said several banks shifted their focus to treasury bonds instead of lending as the yields were comparatively more lucrative.

"It is a smart decision [to invest in treasury bonds] as these are safe and offer high income," he said while citing how such investments carry no risk of default and therefore do not require provisioning.

"On the other hand, banks have to take the risk of default if they lend to any sector. So, banks need to keep a minimum provision on unclassified loans too," he added.

The annual yield from treasury bills of different tenures currently ranges from



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## EU halts Dhaka talks. Is it a bad omen?

REFAYET ULLAH MIRDHA

The European Union's (EU) postponement of the first round of negotiations with Bangladesh on a new agreement will impact trade, investment and development cooperation with the country's largest trading partner.

"In light of the prevailing situation, the first round of negotiations on the Partnership and Cooperation Agreement envisaged for September has been postponed with no later date fixed as yet," Nabila Massrati, EU spokesperson for Foreign Affairs and Security Policy, told The Daily Star in a message on July 31.

The decision comes after EU High Representative and Foreign Policy Chief Josep Borrell on Tuesday issued a statement condemning a "shoot-on-sight policy" announced by Awami League general secretary centring the quota reform protest.

In the statement, Borrell also expressed grave concern over unlawful killings perpetrated in recent days by the authorities in Bangladesh. He called for thoroughly investigating the killings and bringing those responsible to justice.

Many important issues are pending for negotiations with the EU. This includes negotiations for obtaining lower tariffs on exports to the EU under a Generalised Scheme of Preferences (GSP) Plus scheme.

Bangladesh's eligibility for a current GSP will expire once it makes the United Nations country status graduation from a least developed to a developing nation in November 2026.

Moreover, issues over trade and development cooperation policies, investment, Rules of Origin (RoO) or the criteria for determining the

### KEY POINTS

- The EU's postponement of negotiation will have negative impact on trade and investment
- Many pending issues need to be negotiated with the EU
- GSP Plus status is an important issue to be negotiated with the EU
- The EU is the largest export destination for Bangladesh; shipment was worth \$24b last year
- The EU will continue GSP for Bangladesh up to 2029

national source of products and business climate and dialogues are pending with the largest trade bloc of the world.

"The relationship of Bangladesh with the EU is multifaceted," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

A negative impact on economic cooperation may come about if the current situation is not improved and negotiations initiated soon, said Rahman, also a noted economist and trade analyst.

Bangladesh must take into consideration the EU's concern over the country's current situation because the EU is the main export destination of the country, he said.

Bangladesh exported more than \$24 billion worth of goods to the EU in 2023. This is 58 percent of Bangladesh's total export, according to the Export Promotion Bureau.

The postponement sends a negative signal to Bangladesh because the EU has been a very good friendly development partner since the country gained independence, said Rahman.

The next important issue is the negotiations on being eligible for the GSP Plus scheme. However, the negotiations will be delayed if the EU is not satisfied with the current situation of the country, he said.

Obtaining concessional loans and determining the RoO for Bangladesh will also be affected because of the postponement, he added.

Bangladesh has been enjoying duty-free trade benefits since 1975 under the EU's generous Everything but Arms (EBA) scheme.

Enjoying such preferential trade benefits, Bangladesh has eventually turned into a key trading partner to become the third largest exporter to this trade bloc of 27 countries.

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## Remittance hit 10-month low in July

STAR BUSINESS REPORT

Bangladesh's remittance inflow fell to a 10-month low of \$1.90 billion in July as expatriates were unable to send funds for some time due to an internet blackout centring the students' quota reform movement.

Earlier, the lowest expatriate income came in September last year at \$1.33 billion, according to Bangladesh Bank's latest report on expatriate income.

July's receipts were lower by 3.2 percent year-on-year as banks could not collect the money sent home by migrant workers because of a five-day internet blackout across the country.

Remittance receipts were \$1.97 billion in July last year, according to Bangladesh Bank Spokesperson Md Mezbaul Haque.

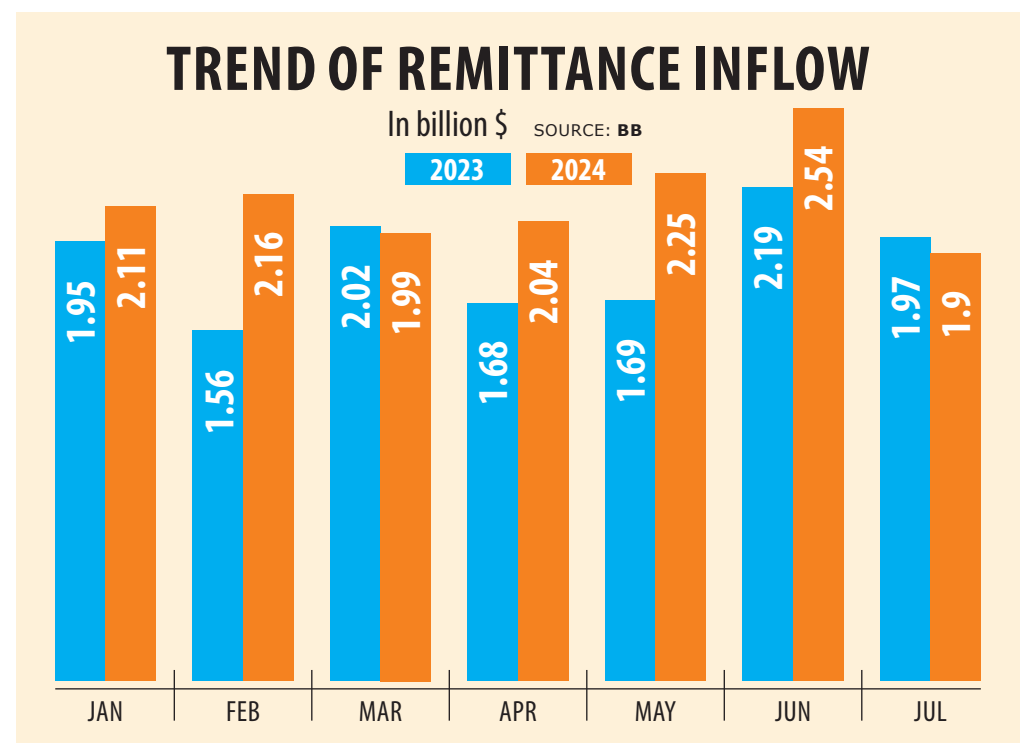
Central bank data showed that the inflow of remittance, a key source of foreign currency, stood at \$138 million from July 21 to July 27, the lowest among the four weeks of the month. As such, Bangladesh missed out on much-needed foreign currencies to boost the country's falling forex reserve.

On the last day of July, remitters sent \$120 million, Haque said.

However, remittance grew 10 percent year-on-year to \$23.9 billion in fiscal 2023-24, with the receipts last June standing at \$2.54 billion, according to central bank data.

Bankers and experts believe that remittance receipts through formal channels would have been higher if there were no bank closures and internet outage.

Bangladesh experienced a five-day internet



outage from around 9:00pm on July 18 following violence, deaths and injuries related to the quota reform movement.

The government partially restored broadband connections on July 23 and fully restored internet access nationwide the next day.

Bankers noted that remittance collection was suspended during the outage, and the

overall flow of receipts did not recover even after the internet was restored.

Monzur Hossain, research director at the Bangladesh Institute of Development Studies, said the recent 3.2 percent decline in remittance is nothing to worry about as it is a normal trend.

"There is nothing unusual about such a change in remittance inflow," Hossain added.

## MTB to finance Pran-RFL's suppliers

STAR BUSINESS DESK

Mutual Trust Bank (MTB) recently signed an agreement with Pran-RFL Group on providing finance to the group's suppliers.

Md Khalid Mahmood Khan, additional managing director and chief business officer of the bank, and Uzma Chowdhury, director for finance at Pran-RFL Group, penned the deal at the bank's corporate head office in Dhaka, according to a press release.

Syed Mahbubur Rahman, managing director and CEO of the bank, attended the signing ceremony.

Among others, Usman Rashed Muiyeen, deputy managing director and head of credit risk management of the bank, Abdul Mannan, head of branch banking division, Mohammad Mamun Faruk, head of wholesale banking division I, Sanjib Kumar Dey, head of SME and agri banking division, along with other officials of the bank and Pran-RFL group were also present.



Uzma Chowdhury, director for finance at Pran-RFL Group, and Md Khalid Mahmood Khan, additional managing director and chief business officer of Mutual Trust Bank, exchange signed documents of an agreement at the latter's corporate head office in Dhaka recently.

PHOTO: MUTUAL TRUST BANK

## Bank Asia Q2 profit up 9%

STAR BUSINESS REPORT

Bank Asia's profit rose 9.3 percent year-on-year in the April-June quarter of 2024.

The profit amounted to Tk 230.84 crore, while the amount was Tk 211.02 crore in the same quarter last year, according to its latest financial statements.

The commercial lender's consolidated earnings per share (EPS) similarly rose to Tk 1.98 from Tk 1.81.

However, for the first half of the year, consolidated EPS declined nearly 8 percent to Tk 2.65, compared to Tk 2.88 in the same period last year.

The fall in EPS for the January-June period can be primarily attributed to higher provisioning which had to be maintained compared to the previous year, said the bank.

Additionally, Bank Asia's net operating cash flow per share (NOCFPS) saw a significant increase, reaching Tk 28.95 in the first six months, up from Tk 14.43 last year.

The bank attributed this rise in the NOCFPS to a substantial cash inflow driven by an increase in deposits. Founded in 1999, Bank Asia made history by acquiring the business operations of the Bank of Nova Scotia in Dhaka, the first such acquisition in Bangladesh.

It also took over the Bangladesh operations of Muslim Commercial Bank Ltd.

The bank currently operates 135 branches and 5,000 agent banking outlets across the country, having pioneered agent banking services in Bangladesh.

Shares of Bank Asia closed up 1.66 percent at Tk 18.40 on Dhaka Stock Exchange yesterday.

## Oil prices rise

REUTERS, London

Oil prices extended gains on Thursday after the killing of a Hamas leader in Iran raised the threat of a wider Middle East conflict and concern over its impact on oil.

Global benchmark Brent crude futures rose 71 cents, or 0.9 percent, to \$81.55 a barrel by 11:24 GMT. US West Texas Intermediate crude gained 72 cents, also 0.9 percent, to \$78.63.

The most active contracts on both benchmarks jumped about 4 percent in the previous session.

Hamas leader Ismail Haniyeh was killed in the Iranian capital Tehran on Wednesday. With Israel's killing less than 24 hours earlier of Hezbollah's most senior military commander in Beirut, concerns rose that the 10-month war in Gaza between Israel and Hamas is turning into wider conflict that could disrupt oil supply from the region.



Md Abul Bashar, chairman of NCC Bank, presides over the bank's 39th annual general meeting, which was held virtually yesterday. The meeting declared 12 percent cash dividend for 2023.

PHOTO: NCC BANK

## NCC Bank declares 12% cash dividend

STAR BUSINESS DESK

NCC Bank yesterday announced a 12 percent cash dividend for 2023.

The announcement came at the bank's 39th annual general meeting (AGM), which was held virtually and presided over by Md Abul Bashar, chairman of the bank, said a press release.

Bashar highlighted the business progress and said the shareholders' equity, and total assets of the NCC Bank are increasing gradually, which has been reflected in credit ratings and CAMELS rating of the bank.

"Instead of achieving aggressive growth we are focusing on maintaining asset quality, increasing low cost-no cost deposit, reducing cost of funds and increasing other commission-based business," he said.

He said the bank was continuously

maintaining a positive growth by assuring transparency and accountability as well as using advanced technology and ensuring better customer services. The meeting also approved audited financial statements of the bank along with the reports of the auditors and directors.

Sohela Hossain, vice chairman, Md Nurun Newaz, chairman of a risk management committee, and directors Md Abdul Awal, Tanzina Ali, Khairul Alam Chaklader, Syed Asif Nizamuddin, Md Moinuddin and Mohammed Sazzad Un Newaz attended the meeting.

Md Obayed Ullah Al Masud, independent director and chairman of an audit committee, Meer Sajed-Ul-Basher, independent director, SM Abu Mohsin, former chairman, M Shamsul Arefin, managing director and CEO, and Md Monirul Alam, deputy managing director and company secretary, joined the meeting.



Golam Dastagir Gazi, member of parliament from the Narayanganj-1 constituency and the standing committee chairman for the textiles and jute ministry, cuts a ribbon to inaugurate a sub-branch of Jamuna Bank in Narayanganj recently.

PHOTO: JAMUNA BANK

## Jamuna Bank opens sub-branch in Narayanganj

STAR BUSINESS DESK

Jamuna Bank recently launched its 111th sub-branch in Masabo of Narayanganj, saying it was a sign of its commitment to delivering efficient and modern banking services to the community.

Golam Dastagir Gazi, member of parliament from the Narayanganj-1 constituency and the standing committee chairman for the Ministry of

Textiles and Jute, inaugurated the sub-branch as the chief guest, the bank said in a press release.

Mirza Elias Uddin Ahmed, managing director and CEO of the bank, presided over the programme.

Senior officials from the bank's head office, branch managers from nearby branches, local representatives and a large number of customers were also present.

**Government of the People's Republic of Bangladesh**  
Office of the Executive Engineer  
Department of Public Health Engineering  
District: Satkhira

Memo No. 46.03.8700.061.14.341.22-98 Dated: 01/08/2024

**Invitation for e-Tender Notice No. 02/2024-2025**

01	Ministry/Division	Local Government Division
02	Implementing Agency	Department of Public Health Engineering (DPHE)
03	e-Tender ID	1004446, 1004454
04	Description of works	Installation of DTW
05	Name, designation & address of official inviting tender	Md. Shahidul Islam, Executive Engineer, DPHE, Satkhira District, Tel. No. 0471-63445
06	This is online tender, where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. Interested persons/firms can see details in the website: <a href="http://www.eprocure.gov.bd">www.eprocure.gov.bd</a>	

**Md. Shahidul Islam**  
Executive Engineer, DPHE, Satkhira  
Tel No. 0471-63445

GD-107

## Bank of England cuts rate for first time since pandemic

AFP, London

The Bank of England on Thursday cut its main interest rate for the first time since the Covid pandemic broke out in 2020, as British inflation has retreated in recent months.

In a tight 5-4 vote, BoE policymakers agreed to reduce borrowing costs by a quarter point to 5 percent, the central bank announced following a regular meeting.

Governor Andrew Bailey joined four other policymakers in bringing the rate down from a 16-year high, which will ease pressure on borrowers while denting interest earned by savers.

Retail banks tend to mirror the direction of BoE policy when setting their own interest rates.

"Inflationary pressures have eased enough that we've been able to cut interest rates," Bailey said in a short statement. "But we need to make sure inflation stays low, and be careful not to cut interest rates too quickly or by too much."

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Memo No. 35.01.0651.171.99.37.22-4890 Date: 30.07.24

**Amendment/Corrigendum Notice-02**

e-Tender is invited in the National e-GP System Portal in Bangladesh (<http://www.eprocure.gov.bd>) for the following works mentioned in the table below:-

Invitation Reference No.	03/e-GP/PMP-Roads/BJRD/2023-2024
Tender ID	1001927
Name of Works	DBS Wearing Course work at Chainage-0+000 (Naikathi) to Chainage-9+140(Halder Bari Bazar) km of Naikathi-Bhandaria (Z-8717) (Jhalokathi Part) Road under Jhalokathi Road Division during the year 2023-2024.

Date and Time	Old Value	New Value
Tender Last Selling Date and Time	31-Jul-2024 16:00	07-Aug-2024 15:00
Tender Closing Date and Time	01-Aug-2024 12:00	08-Aug-2024 12:00
Tender Opening Date and Time	01-Aug-2024 12:00	08-Aug-2024 12:00
Last Date & Time	01-Aug-2024 11:30	08-Aug-2024 11:30

- This is an online tender. Where only e-Tender will be accepted in e-GP Portal and no offline/hard copy will be accepted.
- To Submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.
- The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered Banks Branch.
- Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

**(Md. Masud Khan)**  
ID No. 601926  
Superintending Engineer (C.C.), RHD  
Barishal Road Circle, Barishal.

GD-100

**Office of the Benapole Pourashava**  
District: Jashore.

Memo No. 41.08.02.001.070.00.2024- 318 Date: 01.08.2024

**e-Tender Notice (LTM) No-01/2024-25**

e-Tender is invited from the Enlisted Tenderers under Benapole Pourashava in the National e-GP system portal (<http://www.eprocure.gov.bd>) for the procurement of works as mentioned in the following table:

Tender ID No.	Package No.	Description of Works	On-line(e-GP System) tender publication date & time	On-line(e-GP System) tender closing date & time
1002281	BENA/ADP/2023-24/P-7	Construction of RCC Box Culvert on Deghirpar-Bhabbar Eidgah road at Deghirpar under Benapole Pourashava.	04-Aug-2024 09:00:00	19-Aug-2024 13:00:00
1002303	BENA/ADP/2023-24/P-08	a) Construction of RCC slab at kagospukur, 1-no Coluniand Drain Manhole cover at different places, under Benapole Pourashava. b) Construction of BFS Road & Plasaidding at emam Jahingir House to Bablu's House at ch.0.00-31.00m at Deghirpar under Benapole Pourashava. c) Construction of BFS Road from Jashore-Kalkata Road (Torikul) House, s to Master Abdul Mannan's House at ch.0.00-54.00m under Benapole Pourashava. d) Construction of BFS Road from Benapole Mat para Road Alauddin Master's House to Montu House at ch.0.00-54.00m under Benapole Pourashava.	04-Aug-2024 09:00:00	19-Aug-2024 13:00:00
1002306	BENA/ADP/2023-24/P-09	RCC pipe Drain Works and Earth Filling Works at the West side of Benapole Pura Truck Terminal Boundary under Benapole Pourashava.	04-Aug-2024 09:00:00	19-Aug-2024 13:00:00
1002307	BENA/ADP/2023-24/P-010	Construction of Retaining wall at Benapole Koborstan Road at the side of pond Near Mosque at ch.0.00-30.00m under Benapole Pourashava.	04-Aug-2024 09:00:00	19-Aug-2024 13:00:00

There are an online tender, where only e-tender will be accepted in the National e-GP Portal and no off line/hard copies will be accepted. To submit e-tender, registration in the National e-GP system portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-tendering documents from the national e-GP Portal have to be deposited on line through any registered banks branches up to 19-08-2024 at 12:00 AM.

Further information and guideline in the National e-GP system portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

**(Md. Mosharaf Hossain)**  
Executive Engineer  
BenapolePourashava  
District: Jashore.

GD-105

## Apprehensions rife over exports

FROM PAGE B4

Exports of fiscal year 2024-25 are off to a rocky start as the first month saw the loss of operations for a number of days, said Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry.

If exports are taken to be of \$50 billion over 365 days, loss in export earnings over 10 days stands at nearly 2.7 percent or \$1.3 billion or Tk 16,200 crore.

On top of that, there is a loss of confidence of buyers overseas, which remains unquantifiable, he said, adding, "Risk discounts can climb higher, while borrowing costs will increase, creating pressure on prices."

"Hopefully, the figure will be lower as we will be able to complete some exports with some delays and recover some of the lost production days by working harder later in the year," he said.

**Government of the People's Republic of Bangladesh**  
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Memo No. 35.01.0651.015.07.009.24- 2412 Dated: 21-07-2024

**Tender Notice**

e-Tender Notice (One Stage Two Envelope Tendering Method (OSTETM))

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the following works mentioned in the table below:-

Tender ID	Package No.	Name of work	Last Selling Date & Time for Tender/ Proposal	Tender Closing Date & Time	Tender / Proposal Opening Date and Time
1005764	03/e-GP/PMP-Roads/BZ/PIRD/2024-2025	Periodic Maintenance Program (PMP) Providing Dense Bituminous Surfacing Wearing Course Work with Strengthening by Aggregate Base Type-I From Ch.14+750 (Nazirpur Bridge) to 28+300 (Matibanga) on Pirojpur-Nazirpur-matibanga-Patgati-Gopalgonj (Z-7704) Road (Pirojpur portion) Under Pirojpur Road Division during the year 2024-25.	28-Aug-2024 15:00	29-Aug-2024 12:30	29-Aug-2024 12:30

- This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.
- To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.
- The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered Bank branch.
- Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

**(A.K.M. Azad Ramman)**  
ID No. 001501  
Additional Chief Engineer (C.C.), RHD  
Barishal Zone, Barishal.

GD-103

# E-commerce lost Tk 1,700cr for internet shutdown, violence: e-CAB

STAR BUSINESS REPORT

The e-Commerce Association of Bangladesh (e-CAB) has sought urgent government assistance, as the sector had suffered a loss of approximately Tk 1,700 crore in 13 days of July due to internet shutdown amid violence centring the quota reform protest.

The e-commerce business got closed completely amid the internet shutdown, said Shomi Kaiser, president of the e-CAB.

Internet services have partially restored, but the sector is still struggling due to the very slow internet speeds, she said.

Kaiser made the comments at a press conference at the association's office in Dhaka on July 31.

She said about 95 percent of the e-commerce transactions remained suspended in those 13 days due to various factors, including countrywide curfew and security concerns.

The e-CAB has taken an initiative to conduct a survey to assess the full extent of the damage.

The association presented a set of demands and suggestions aimed at mitigating the crisis.

Key demands included extension of bank loan repayment periods by at least six months for affected entrepreneurs, provision of loans on easier terms, temporary waivers on VAT for logistics and digital marketing, waivers and extensions for trade licence renewal fees, government intervention to negotiate refunds or re-advertisement options for active ads on Facebook during internet shutdown.



Delivery personnel were heavily impacted by the recent internet blackout as 95 percent of all e-commerce transactions remained suspended for 13 days in July amid the quota reform movement across Bangladesh.

PHOTO: STAR/FILE

# Waive port charges incurred amid recent unrest

## Shipping agents urge govt

STAFF CORRESPONDENT, Chattogram

The Bangladesh Shipping Agents' Association (BSAA) has urged the government to waive all port charges incurred for delays in container handling amid the weeklong unrest, internet outage and stringent curfew that began on July 18.

The BSAA, the country's sole trade body for shipping agents, said they faced acute problems in handling vessels and completing other formalities, such as releasing import containers, during the week.

"The shipping industry is completely internet based both locally and internationally," BSAA Chairman Syed Mohammad Arif said in a letter to the Chittagong Port Authority.

"Things have been returning to normal day-by-day ever since internet connectivity was restored," he added.

The BSAA also said the stay time, including turnaround time, of vessels both at berth and the outer anchorage has increased due to the recent unrest.

For example, vessels seeking discharge were held up for two to three days, with some 10 feeder vessels and six breakbulk vessels failing to set sail as per schedule for delays in loading and unloading goods. As such, each vessel incurred costs of approximately Tk 1.5 lakh per day.

Also, the BSAA said feeder vessels sailed with fewer export containers than originally booked while most of them failed to connect with second carriers at transshipment ports.



Syed Habib Hasnat, managing director of Global Islami Bank, cuts a ribbon to inaugurate the operation of two sub-branches of the bank from its head office in Dhaka yesterday.

# Global Islami Bank opens two sub-branches

STAR BUSINESS DESK

Global Islami Bank yesterday launched two sub-branches – one at Mirpur Shah Ali of Dhaka and the other at Gazipur Bazar of Gazipur.

Syed Habib Hasnat, managing director of the bank, inaugurated the operations of the sub-branches as the chief guest from the bank's head office in Dhaka, the bank said in a press release.

Kazi Mashiur Rahman Jayhad, additional managing director of the bank, and Ataus Samad and Sami Karim, deputy managing directors, were present.

It was expected that through the latest technological support, the bank will provide quality service to the customers and will expand its network at home and abroad to provide "banking with faith" to its stakeholders, the press release added.

Divisional heads from the bank's head office, branch managers, sub-branch in-charges and clients were also present.

STOCKS	
DSEX ▲	CASPI ▲
1.01%	0.17%
5,333.93	15,119.23

COMMODITIES	
Gold ▼	Oil ▲
\$2,434.75	\$78.64
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.01%	▼ 2.49%	▼ 0.97%	▼ 0.22%
81,755.49	38,126.33	3,422.31	2,932.39

# EU halts Dhaka talks

FROM PAGE B1  
In fact, Bangladesh is the largest garment supplier to the EU in terms of volume, overtaking China.

The country is also the largest denim supplier to the EU. It is estimated that one in every three persons in the EU wear denim trousers made in Bangladesh.

The EU has already informed that its rules would allow Bangladesh to be eligible for the existing trade benefits for three years past the country status graduation, meaning till 2029.

But after that, Bangladesh will face a 12.5 percent duty if it fails to come under the GSP Plus scheme fulfilling the EU's conditions over 32 international conventions, including four core ones on labour, human rights, good governance and environmental protection.

Mohammad Abdur

Razzaque, chairman of the Research and Policy Integration for Development, echoed Rahman's views.

Investors and buyers in the EU, dealing with billions of dollars of investment and trade, are in the dark over their next course of action for the tension surrounding the postponement of negotiations, he said.

It is expected that the government will handle the situation with the EU diplomatically and politically as the bloc matters a lot for Bangladesh, said Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association.

Businesspeople will also talk with the government to give advice so that the relationship with the EU does not deteriorate further, he said.

# 31 listed banks see a surge

FROM PAGE B1  
11.64 percent to 11.95 percent. Similarly, the rate for treasury bonds with different maturity periods ranges from 12.30 percent to 12.75 percent, as per central bank data.

The official said banks do not need to assess the risk when investing in government bills and bonds while the process is easy and carries almost no cost.

However, lending to any sector carries risks and processing costs while a credit team is needed to work on issuing disbursements subject to various conditions and also need to communicate with borrowers.

"So, smart banks preferred investing in treasury bills and bonds and have reaped the

benefits," he said.  
For instance, BRAC Bank's investment income doubled to Tk 1,191 crore in the first half of 2024. This was the highest investment income among all the 31 listed banks.

Powered by high investment income, BRAC Bank's profit surged 77 percent year-on-year to Tk 591 crore, the company said in its financial statement.

Pubali Bank, another private bank, was the second highest profit-making company during the six-month period ending in June. Its earnings rose to Tk 431 crore during the period.

National Bank incurred the highest loss of Tk 1,066 crore in the January-June period while ICB Islamic Bank saw losses of Tk 28 crore.

# Fed keeps key rate unchanged

AFP, Washington

The US Federal Reserve left its key lending rate unchanged again on Wednesday and said it had made "some further progress" in its inflation fight.

Policymakers voted unanimously to maintain the US central bank's benchmark interest rate between 5.25 percent and 5.50 percent, the Fed announced in a statement following two

days of deliberations.

After a small uptick in inflation earlier this year, recent data suggest that the Fed's mission of bringing inflation back down to its long-term target of two percent is now firmly back on track.

Its favored measure of inflation eased to an annual rate of 2.5 percent last month, while economic growth has remained resilient, and the labor market has come into better balance.

**AGRANI BANK PLC.**  
Information Technology & MIS Division  
Head Office (1<sup>st</sup> Floor)  
9/D, Dilkusha C/A, Motijheel, Dhaka - 1000.  
Phone: 88(0)-2-223390320  
Email: dgmit@agrani.bank.org

Reference No: ABPLC/IT/MIS/Scanner/OTM/2024-2025/01 Date: 31/07/2024

**e-Tender Notice**

This is to notify all concerned that e-Tender has been invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for procurement of the following products. Interested firms can view details by visiting the web site [www.eprocure.gov.bd](http://www.eprocure.gov.bd).

SL No	Name of the Goods	Tender ID	Tender Publishing Date & Time	Tender document closing/opening date and time
1.	Procurement of MICR Cheque Scanner for Agrani Bank PLC.	1004673	Date: 01/08/2024 Time: 11:25 hours	Date: 18/08/2024 Time: 15:30 hours

1. This is an online tender, where only e-Tender will be accepted in the e-GP Portal and no offline/hard copies will be accepted.
2. To submit e-Tender, registration in the National e-GP System portal (<http://www.eprocure.gov.bd>) is required.
3. The fees for downloading the e-Tender Document from the National e-GP System Portal to be deposited through any registered bank's branch.
4. Further Information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

sd/-  
(Kazi Aminul Haq)  
Deputy General Manager  
Information Technology & MIS Division  
Agrani Bank PLC.

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**COMMONWEALTH SCHOLARSHIPS**

Government of the People's Republic of Bangladesh  
**University Grants Commission of Bangladesh**  
UGC Bhaban, Plot # E-18/A, Agargaon Administrative Area  
Sher-e-Bangla Nagar, Dhaka-1207  
[www.ugc.gov.bd](http://www.ugc.gov.bd)

**Commonwealth Scholarships tenable in the UK (PhD) – 2025**  
**(Academic Scholarship for Public University Faculties)**

Applications (with the nomination of the respective public university) are invited from the interested full-time public university faculties of Bangladesh for Doctoral (PhD) Degree up to three year's duration under the Commonwealth Scholarships in the United Kingdom-2025. All the information (including Eligibility Criteria, Terms and Conditions, Direction/s, Application Form, Short list/s, Interview Date/s, Result/s and other relevant information etc) regarding the Commonwealth Scholarship-2025 (Academic Scholarship for Faculties) will be uploaded at the University Grants Commission (UGC) of Bangladesh website ([www.ugc.gov.bd](http://www.ugc.gov.bd)) under the heading of "Notice Board/International Collaboration, Scholarship and Fellowship" box timely. The applicants must check and collect all the information from the UGC website by his/her own responsibility. No communication will be done with the applicant/s from UGC side. **The last date for sending the nomination/s from the Registrar's Office is 15 September, 2024. No Application Form will be received (by Email or Hard Copy) after the last date.**

N.B: UGC, Bangladesh preserves the rights to take decision/s regarding Commonwealth Scholarships tenable in the UK (PhD) – 2025 (Academic Scholarship for Faculties) and that will be considered as the final decision.

**Dr. Ferdous Zaman**  
Secretary, UGC

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**দি সিকিউরিটি প্রিন্টিং কর্পোরেশন (বাংলাদেশ) লি:**  
**গাজীপুর-১৭০৩।**

**আইনজীবী প্যানেলভুক্তিকরণ বিজ্ঞপ্তি**

গাজীপুর জেলার নিম্ন আদালত এবং ঢাকা স্থল সূত্র কোর্টের হাইকোর্ট ও আপিল বিভাগে মামলা পরিচালনাসহ কোম্পানির নানা বিষয়ে আইন সংক্রান্ত পরামর্শসহায়তা প্রদানের জন্য আদালত ভিত্তিক অভিজ্ঞ আইনজীবী প্যানেলভুক্তির নিমিত্তে নিম্নলিখিত শর্ত পূরণকারী বাংলাদেশের নাগরিকদের নিকট হতে লিখিত দরখাস্ত আহ্বান করা যাচ্ছে:

- ১। **অভিজ্ঞতা :** ক) গাজীপুর জেলার আদালতসমূহের জন্য- গাজীপুর জেলার নিম্ন আদালতে দেওয়ানী ও ফৌজদারী মামলা পরিচালনায় কমপক্ষে ১৫(পনের) বছরের অভিজ্ঞতা থাকতে হবে।  
খ) ঢাকা স্থল হাইকোর্ট/সূত্র কোর্টের জন্য- সূত্র কোর্টের হাইকোর্ট বিভাগ ও আপিল বিভাগে বিভিন্ন মামলা পরিচালনায় প্রার্থীকে কমপক্ষে ১০(দশ) বছরের অভিজ্ঞতা থাকতে হবে।  
গ) কোম্পানি আইন বিষয়ক পরামর্শ ও মামলা পরিচালনার জন্য কোম্পানি আইনেও অভিজ্ঞ হতে হবে।  
ঘ) আইন পেশায় উচ্চতর ডিগ্রীধারী প্রার্থীগণকে অগ্রাধিকার দেয়া যেতে পারে।
- ২। **হুক্তির মেয়াদ :** ০৩ (তিন) বছর।
- ৩। **কার্যপরিধি :** বিভিন্ন আদালতে মামলা পরিচালনা, জমি/বাড়ি/ফ্ল্যাটের মালিকানা স্বত্বের সঠিকতা যাচাইকরণ, বিভিন্ন আইনগত পরামর্শ ও অফিসিয়াল নথিতে মতামত প্রদান।
- ৪। **অন্যান্য শর্তাবলী :** ক) অবসরপ্রাপ্ত বিচার বিভাগীয় কর্মকর্তা যারা আইন পেশায় নিয়োজিত আছেন এবং উপরোক্ত অভিজ্ঞতা আছে তারাও আবেদন করতে পারবেন।  
খ) আবেদনকারীকে অবশ্যই বাংলাদেশী নাগরিক হতে হবে।  
গ) আবেদনকারীকে অবশ্যই সুস্থস্থের অধিকারী এবং মানসিকভাবে সুস্থ হতে হবে।

আগ্রহী প্রার্থীদের ২(দুই) কপি ছবিসহ অভিজ্ঞতা ও পূর্ণ জীবন বৃত্তান্ত উল্লেখপূর্বক সকল সনদপত্রের সত্যায়িত কপিসহ দরখাস্ত অফিস চলাকালীন (বেবিবার হতে বুধসপ্তাহের সকাল ৮.০০ টা হতে বিকাল ৪.৩০ টা পর্যন্ত) আগামী ০১/০৯/২০২৪ তারিখের মধ্যে ব্যবস্থাপনা পরিচালক, দি সিকিউরিটি প্রিন্টিং কর্পোরেশন (বাংলাদেশ) লি: গাজীপুর-১৭০৩ এ টিকানায় পৌঁছাতে হবে।

বিজ্ঞপ্তি এসপিসিবিএল এর Website: [www.spcbl.org.bd](http://www.spcbl.org.bd)- এ পাওয়া যাবে।

(মোহাম্মদ জহির হোসেন)  
মহাব্যবস্থাপক (প্রশাসন)

GD-106

## Stocks end week with a jump

### STAR BUSINESS REPORT

Bangladesh's stock market ended higher yesterday due to a rise in confidence among investors as normalcy was returning following the students' quota reform movement and the subsequent unrest.

The DSEX, the key index of the Dhaka Stock Exchange (DSE), soared 1.01 percent compared to the previous day to hit 5,333.94, marking its gaining momentum for the second consecutive day.

Similarly, the DSES index of Shariah-compliant companies grew 0.99 percent to 1,165.38, while the DS30 index of blue-chip firms climbed 0.78 percent to 1,900.85.

A Dhaka-based investor said investors are getting their confidence back as the market is gradually improving.

The market's average turnover increased 45.85 percent to Tk 47.9 crore compared to the previous day's trading session.

Techno Drug topped the turnover list with a rise of

**The DSEX, the key index of the Dhaka Stock Exchange, soared 1.01 percent compared to the previous day to hit 5,333**

9.86 percent followed by Agni Systems (3.31 percent), Sea Pearl Beach Resort and Spa (5.51 percent) and Heidelberg Materials Bangladesh (3.01 percent).

The pharmaceuticals sector dominated the turnover chart and accounted for 23.98 percent of the day's total market turnover.

The market's turnover of block trades, meaning high-volume security transactions that are privately negotiated and executed outside the open market for that security, stood at Tk 26.9 crore, representing 4.9 percent of the overall market.

Techno Drugs was the most traded share with a turnover worth Tk 52.4 crore.

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

All the large-cap sectors posted a positive performance yesterday, according to the BRAC EPL Stock Brokerage.

Non-bank financial institutions sector (NBFI) posted the highest gain of 2.60 percent followed by engineering (1.32 percent), and pharmaceuticals (0.88 percent).

## EXPORT OF MAJOR ITEMS

(As per new calculation)

In million \$; In July-April period

■ FY23 ■ FY24

SOURCE: BB



# Apprehensions rife over future exports

Fears grow following fall in shipments last year, ongoing unrest

JAGARAN CHAKMA

The ongoing unrest and curfew have raised apprehensions over Bangladesh's future exports on the back of data corrections by Bangladesh Bank showing that almost all major sectors suffered a drop in shipments last fiscal year.

The situation has been exacerbated by the fact that Bangladesh is in dire need of foreign currencies to prop up dwindling foreign exchange reserves, which have dropped to just \$20.48 billion as of July 31 of this year.

Protests since July 15 over reforming public job quotas led to the deaths of at least 204 people and massive destruction of government property.

The authorities imposed a curfew on July 20 to contain the situation. Public and private offices are running under relaxed curfew times and economic activities are yet to return to normal.

The central bank found the export data mismatch in reports prepared by the Export Promotion Bureau (EPB) and the National Board of Revenue (NBR) for the July-April period of fiscal 2023-24.

The actual exports amounted to \$33.67 billion, nearly \$14 billion below the value earlier published, representing a 6.8 percent year-on-year fall in exports.

Among the products, knitwear exports, which account for over a third of the country's total export earnings, declined 6.93 percent.

Similarly, export of woven garments, which account for a similar portion of the total shipments, declined 6.34 percent.

The scenario was the same for all the sectors, except for agricultural products, plastic and chemicals.

"The buyers are in uncertainty and anxious

over the unrest and on whether the exporters will be able to deliver the products," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

The apparel sector faced direct losses of \$800 million as exporters had to offer discounts and bear port demurrages for missing lead times and shipment deadlines, he told The Daily Star.

Besides, Bangladesh missed out on receiving exports orders amounting to at least \$3 billion during the last 12 days as those were not placed for the unrest, he said.

**Among the products, knitwear exports, which account for over a third of the country's total export earnings, declined 6.93 percent**

Hatem feared that those orders were placed in countries comparatively similar to Bangladesh.

Fortunately, previous work orders were not cancelled and the buyers are now observing the situation to decide on their next steps, he said.

Till date the mood of the buyers is not clear, said Anwar Ul-Alam Chowdhury, president of the Bangladesh Chamber of Industries, adding, "So, it's tough to forecast what is ahead."

It is tough to understand the buyers and what they are thinking regarding the ongoing situation of the country, he said.

As S&P Global downgraded Bangladesh's long-term sovereign rating from BB- to B+, its impact will fall on the economy as well as exports, he said.

Considering the overall situation, there

is a possibility that there will be a negative impact at the end of the day as buyers do not like unrest and an unstable situation, said Chowdhury.

Referring to a latest US study, he said American fashion companies were actively diversifying their apparel sourcing base and exploring opportunities, especially in India, amid growing risks and market uncertainties in Bangladesh. This is not a good message for the Bangladeshi exporters, he said.

The recent unrest pushed the country's economy and exports towards uncertainty, said Ahsan Khan Chowdhury, chairman and chief executive officer of PRAN-RFL Group.

Some of their buyers have cancelled scheduled factory visits, he said.

Businesses should be provided the space to function for the sake of the economy and, overall, national interest, he said.

Businesses have an equilibrium and if it collapses for any reason, it takes time to return to normalcy, said Khan, adding, "Now it will take time for normalcy to return to Bangladesh."

"Exports of our sector, particularly agricultural products, were in the positive last fiscal year and it will continue this fiscal year also as we have plans to grow the exports," he said.

He claimed that their agriculture products were doing well in the international markets and gaining popularity.

"If we get sufficient investment from the financiers, our business will definitely grow," he said, adding, "We do not need to stay stuck in flashbacks of the past, rather we should think about the future."

"Besides, we entered the plastic sector which is also creating a scope to win over the global market and it has good prospects to grow the exports," he said.

READ MORE ON B2

## Truth vs cry wolf

MAHTAB UDDIN AHMED

We have all been taught the virtues of honesty from our early childhood. Every child is instilled with the belief that truthfulness is the foundation of success and "honesty is the best policy". As children, we were introduced to the fable of "the shepherd and the wolf," where a shepherd repeatedly lied about a wolf attacking his sheep. But when a real wolf appeared, nobody took his cries seriously, and he lost all his sheep to the wolf. It teaches us that lying undermines trust, making truth lose its credibility when it is most needed.

As we live through the digital era, predominantly led by Generation Z, morals of old fables seem to strike odd at times. A new theory, the "illusory truth effect," suggests that repeated lies can be accepted as truth. This occurs because familiar statements are easier to process, leading to perceived accuracy. In the age of social media, false information spreads quickly through constant repetition, distorting public perception. These new theories driven by technology are widely being used at state and corporate levels to manipulate people's perceptions for commercial and political purposes.

This disturbing trend is not limited to any particular region; it is a global phenomenon. Leaders from developed to developing countries, including the US, Russia, China, India and Europe, routinely lie to their citizens, casting aside moral values for political or economic gain.

Corporate leaders are no exception. In pursuit of their professional success, they can steal credit, backstab colleagues and spread rumours, sometimes even at the cost of their companies' interests. Fundamentally, corporate and political leaders are similar in character, outdoing each other in their display of shrewdness.

Falsehood's impact on the economy and the populace, especially the young generation, is profound and multifaceted. Economically, widespread misinformation can lead to poor policy decisions, market instability and a lack of investor confidence. For companies, lies erode trust with consumers and stakeholders, culminating in damaging reputation and financial losses. Growing up in a culture of rampant misinformation, an entire generation may struggle to differentiate truth from falsehood, lacking the capability to make informed decisions.

Moreover, it can stifle innovation, hinder social progress, and create a cynicism and disengagement, ultimately weakening societal foundations.

The recent student movement on the quota system in Bangladesh echoes the moral of the shepherd's story. Initially, the government ignored the students' demands, undermining the scale of the potential threat. However, under persistent deception and neglect, the protests escalated and became widespread, with trust in the government dwindling rapidly.

Economically, the unrest led to disrupted business activities, loss of public properties and deterred foreign investment. It illustrates how short-term benefits from lies and deceptions can have profound long-term consequences, damaging public confidence and strength. It also highlights the crucial need for transparency and truth in governance.

Student movements have always had an inherent appeal of novelty, hope, and a spirited voice against wrongdoings. Students across the world are raising their voices against the injustice in Gaza, embodying a new wave of global activism. In Bangladesh, the recent quota movement by students is a testament to this growing spirit of resistance. Historical precedents, such as the Language Movement of 1952, the Tiananmen Square protests in 1989, among others, endorse the transformative power of student movements. They testify how young people driven by a deep sense of justice can shape the history of nations and institutions. Today, while the Bangladeshi youths are out on the streets, passionately advocating for change, many seniors often seem reluctant to challenge the status quo.

The timeless lesson of the importance of honesty can never cease to remain crucial. In today's digital age, where lies can become perceived truths, the need for integrity and transparency is more pressing than ever. A stable society with a prosperous economy is only possible with an unwavering commitment to truth.

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



## In world first, EU's sweeping AI law enters into force

AFP, Brussels

The European Union's landmark law on artificial intelligence came into force on Thursday, which Brussels vows will drive innovation while protecting citizens' rights.

The EU earlier this year adopted the world's first sweeping rules to govern AI, especially powerful systems like OpenAI's ChatGPT after difficult and tense negotiations.

Although the rules were first proposed in 2021, they took on greater urgency when ChatGPT burst onto the scene in 2022, showing generative AI's human-like ability to churn out eloquent text within seconds.

Other examples of generative AI include Dall-E and Midjourney, which can generate images in nearly any style with a simple input in everyday language.

"With our artificial intelligence act, we create new guardrails not only to protect people and their interests, but also to give business and innovators clear rules and certainty," European Commission President Ursula von der Leyen said.

Companies will have to comply by 2026 but rules covering AI models like ChatGPT will apply 12 months after the law enters into force.

Strict bans on using AI for predictive policing based on profiling and systems that use biometric information to infer an individual's race, religion or sexual orientation will apply six months after the law enters into force.

The law known as the "AI Act" takes a risk-based approach: if a system is high-risk, a company has a stricter set of obligations to fulfil to protect citizens' rights.

## Global factories struggle as demand wanes

REUTERS, London/Tokyo

Manufacturers across Europe and Asia turned in a weak performance last month as factories grappled with tepid demand, surveys showed on Thursday, raising the risk of an underpowered global economic recovery.

It was a broadbased downturn in the euro zone while a slump in China's manufacturing activity suppressed its Asian neighbours. British factories bucked the trend and recorded their best month for two years, with output and hiring rising.

HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, held at June's 45.8 in July. It has been below the 50 mark separating growth from contraction for over two years.

An index measuring output, which feeds into a composite PMI due on Monday that is seen as a good gauge of economic health, dropped to a seven-month low of 45.6.

"The turn in the manufacturing inventory cycle has yet to materialise in a context of weak global demand, leaving the euro zone short of a clear growth driver as services are slowing," said Leo

Barincou at Oxford Economics.

"Persistently weak industrial surveys pose a major downside risk to our forecast of an industrial pick-up in the second half of the year."

The downturn in Germany's

manufacturing sector, which accounts for about a fifth of Europe's biggest economy, accelerated while in France the industry contracted at its fastest rate in six months.

In Britain, however, the index rose to



Employees work on an electric meter production line at a factory in Yinchuan, in northwestern China's Ningxia region. China's Caixin/S&P Global manufacturing PMI sank to 49.8 in July from 51.8 in the previous month.

PHOTO: AFP/FILE