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DHAKA MONDAY AUGUST 12, 2024, SRABAN 28, 1431 BS • starbusiness@thedailystar.net

BUSINESS

Stocks cross 6,000 points after five months

STAR BUSINESS REPORT

Stocks kept the gaining momentum yesterday with the benchmark index of the Dhaka Stock Exchange rising to a five-month high, surpassing the 6,000-point mark.

The rise comes against the backdrop of Rubayat-Ul Islam, chairman of the Bangladesh Securities and Exchange Commission, resigning from his post on Saturday night, five days after the fall of prime minister Sheikh Hasina-led Awami League government.

Buoyed by the developments in the country's political landscape, investors made fresh bets on large-cap and blue-chip stocks with hopes that good governance would return to the capital market. This has been reflected in recent days as the market continued to tick upward for a fourth straight day.

Yesterday, shares of large-cap and blue-chip stocks such as Islami Bank

Buoved by the developments in the country's political landscape, investors made fresh bets on large-cap and blue-chip stocks

Bangladesh, Grameenphone, BRAC Bank, BAT Bangladesh, Robi Axiata, BSRM Ltd, United Commercial Bank, IFIC Bank, City Bank and National Bank performed strongly.

The share prices of Islami Bank Bangladesh, Grameenphone, BRAC Bank and BAT Bangladesh all recorded doubledigit growth, rising by 18.61 percent, 17.30 percent, 11.84 percent and 11.59 percent respectively.

The broad index of the country's premier bourse, the DSEX, grew by 91.09 points, or 1.54 percent, to close the day at 6,015, marking a massive rise after a roller-coaster month.

Similarly, the DSES, the index for Shariah-compliant companies, ticked up 10.36 points, or 0.81 percent, to 1,285.27.

The DS30 index, which tracks bluechip firms, went up by 51.62 points, or 2.42 percent, to 2,184.35.

Of the issues that changed hands on the trading floor of the DSE, 173 advanced, 207 closed lower and 20 did not see any price movement.



People crowd the Motijheel branch of Sonali Bank on Thursday after banks were ordered to limit daily cash withdrawals to Tk 1 lakh per account the prior night. Although the limit has since been raised to Tk 2 lakh, businesses are still struggling to meet their expenses due to the relatively modest ceiling. PHOTO: RASHED SHUMON

Businesses hit by drought of cash supply

SUKANTA HALDER, AM JAHID and JAGARAN CHAKMA

Businesses in Bangladesh, especially those that mostly deal with cash transactions, yesterday said they are contending with a liquidity crunch as the country's central bank has

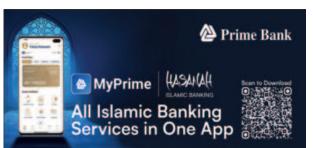
placed a limit on daily cash withdrawals from banks.

On Saturday, banks were told to disallow daily cash withdrawals of more than Tk 2 lakh per account. The banking regulator had limited daily cash withdrawals to Tk 1 lakh per account from last Thursday before deciding to raise the ceiling.

The central bank took the

decision due to security concerns as attacks on around 450 police stations following the uprising that led to the fall

emergency. But they denied my request. I do not know how I will manage the rest of the amount," lamented a frustrated school teacher in Dhaka's Dohar, who was given the scope to withdraw only Tk 10.000.



able to manage, at least for this week. But police are vet to return to work fully after if the cash crisis lingers and restrictions remain next week, they will be in a tough situation, especially as their operations have ground to a halt since the second half of July, when violence erupted centring the quota reform movement by students. Abu Bakar Siddique, an oil wholesaler in Karwan Bazar, one of the largest would not allow more than Tk 1 lakh to withdraw Tk 2 lakh in cash. be withdrawn.

"This is a big problem. As a result, the normal pace of business is being disrupted," he added.

Siddique informed that most business transactions are now mostly being conducted through bank-to-bank Some businesses said they might be transfers or real-time gross settlements. Taslim Shahriar, deputy

general manager at Meghna Group of Industries, a major commodity importer and processor, said not all businesspeople accept cheques.

"We have to pay in cash too but now, transactions are only taking place through bank-tobank transfers and cheques. The sooner this problem is resolved, the better for us," he added.

Abul Hashem, president of the Bangladesh Sugar Traders' Association, said: "I am not getting the amount of cash that I am supposed to be able to withdraw. This is a big problem." A senior official of another major commodity importer and processor, on condition of anonymity, said: "I could not send the money I was supposed to dispatch to my factory today [Sunday]. kitchen markets in Dhaka, said his bank I needed Tk 10 lakh, but I could only

Paint companies are investing in developing new products, particularly those with a low environmental impact, said Mohsin Habib Chowdhury, **COO of Berger Paints**



Interview on B4

Unrest in banking sector raises concerns

AHSAN HABIB

Unrest has gripped the banking sector at a time when several banks are burdened with huge default loans and are suffering from low asset quality

Protests erupted at Bangladesh Bank the day after Sheikh Hasina's government was ousted on August 5 in the face of a mass uprising. The deputy governors who were appointed contractually during the former prime minister's tenure were similarly forced to resign from their positions.

But the unrest is not limited to the central bank as demonstrations are ongoing at Sonali Bank, the biggest bank in terms of branch network, and Islami Bank, the biggest bank in terms of deposits.

Three private banks -- United Commercial Bank, Social Islami Bank and IFIC Bank -- have also seen protests following Hasina's escape from the country.



However, the protest at Islami Bank yesterday turned violent as several people suffered bullet wounds in a clash between agitators and bank officials.

Industry insiders said the situation is also heating up at other banks whose directors were connected to the Awami League government, creating more concerns for a sector that is already suffering due to rocketing default loans.

Bad loans in the banking sector hit an all time high of Tk 182,295 crore as of March this year, accounting for 11.10 percent of the total outstanding loans.

Bankers said one of the main reasons for the rise in loan defaults is interference in board activities by politically influential people.

'The protests are not a solution for the problems of the banking sector. Rather, this might deepen READ MORE ON B3





The day's turnover, which indicates the total value of shares traded, stood at Tk 2,010 crore, an increase of 25.12 percent compared to the previous day's trading session.

Grameenphone topped the turnover list, accounting for 8.75 percent, followed by BAT Bangladesh, BRAC Bank and Robi READ MORE ON B3 of former prime minister Sheikh Hasina.

However, many customers were not even given the stipulated amount because of a cash crisis at banks. This is because cash cannot be regularly transported to ATMs and branches amid the lack of security.

"I repeatedly requested the official as I urgently needed Tk 40,000 for a family

	ASIAN MARKETS			FRIDAY Closings
	MUMBAI	ТОКҮО	SINGAPORE	SHANGHAI
	1.04% 19,705.91	0.56% 35,025.00	0.37% 3,261.83	• 0.27% 2,862.19

READ MORE ON B3



Abdur Rouf Talukder, the former governor of Bangladesh Bank, had resigned from the post on Friday while the interim government officially accepted it yesterday. PHOTO: STAR/FILE

Govt to hire BB governor soon

STAR BUSINESS REPORT

The government yesterday accepted the resignations of the Bangladesh Bank governor and the chairman of Bangladesh Securities and Exchange Commission (BSEC) and decided to fill the position of the governor soon.

Over 100 demonstrating BB officials had stormed the governor's office recently and forced Kazi Sayedur Rahman, one of four deputy governors, to resign while barring two others, Habibur Rahman and Md Khurshid Alam, from entering their workplace.

Abdur Rouf Talukder resigned from the post of governor on Friday and the interim government accepted it yesterday.

The finance ministry issued a notification yesterday stating that Deputy Governor Nurun Nahar

would stay in office until new and regulations, even if the post of appointments are made.

The unprecedented developments were preceded by the resignation of Sheikh Hasina from the post of prime minister on August 5.

She fled the country amid spiralling protests over the killing of over 300 people centring public job quota reform movement.

Meanwhile, during a briefing with the finance ministry officials yesterday, Finance and Planning Adviser Salehuddin Ahmed said resolving the issues at Bangladesh Bank was a big challenge.

He said the interim government would immediately look into the issue over the resignation of the BB governor and chairman of the Bangladesh Securities and Exchange Commission.

He, however, pointed out that would serve as the acting governor everyday banking operations could of the ones from the administration while her remaining two peers continue abiding by existing rules cadre as the chief of the NBR.

the governor was temporarily vacant.

"Does the governor oversee (even the smallest details of) the payment system? Will the person oversee debt settlement?" he said, adding that the deputy governors would look into such matters which were coming up.

On demands for the resignation of the National Board of Revenue (NBR) chairman, Ahmed said they would look into the issue later.

A number of NBR officials have been staging demonstrations at the office of the tax administrator since August 7, seeking the resignation of its chairman, Abu Hena Md Rahmatul Muneem.

Bringing various allegations over discrimination, the protesting officials urged the authorities concerned to hire people from customs or income tax cadres instead

বেঙ্গল কমার্শিয়াল ব্যাংকের পক্ষ থেকে নোবেল বিজয়ী অধ্যাপক ড. মুহাম্মদ ইউনূসকে অন্তর্বর্তীকালীন সরকারের প্রধান উপদেষ্টা হিসেবে দায়িত্ব গ্রহণ করায় আন্তরিক শুডেচ্ছা। আমরা অভিনন্দন জানাই অন্যান্য সম্মানিত উপদেষ্টাদেরও যাঁরা তাঁর নেতৃত্বে আমাদের জাতিকে নিয়ে যাবে সমৃদ্ধির শিখরে।





Gold holds ground

REUTERS

Gold prices held steady on Friday after a sharp rise in the previous session, bolstered by a dip in US Treasury yields, as investors grew confident that the Federal Reserve would lower interest rates in September.

Spot gold was little changed at \$2,427.73 per ounce as of 1826 GMT, after a 1.9 percent rise on Thursday. US gold futures settled 0.4 percent higher, at \$2,473.4.

However, the bullion posted a 0.6 percent fall this week. Prices fell as much as 3 percent on Monday after investors liquidated positions in tandem with a broader equities sell-off.

"In the medium term, the outlook for gold remains positive, with any dips likely to be short-lived due to underlying macroeconomic factors," said Zain Vawda, market analyst at

MarketPulse by OANDA. "Yesterday's US jobless claims data eased recession concerns, boosting gold prices. Additionally, comments from the Fed this week have supported the notion that rate cuts may be forthcoming."

The dollar was down 0.1 percent against its rivals, making gold more attractive for other currency holders, while the Benchmark 10-year note yields slipped.

US central bank policymakers are increasingly confident that inflation is cooling enough to allow interestrate cuts ahead. They will take their cues on the size and timing of those rate cuts not from stock market turmoil, but from economic data.

Investor focus now shifts to the US consumer price index, due next week, for insights into the Fed's likely policy path.

"We maintain a positive view on gold as a diversifier hedge against turmoil elsewhere," said Ole Hansen, head of commodity strategy at Saxo Bank in a note.

BRAC Bank, Gram Unnayan Karma sign deal to boost crop production



Md Sabbir Hossain, deputy managing director and chief operating officer of BRAC Bank, and Khondaker Alamgir Hossain, executive director of Gram Unnayan Karma, exchange the documents of an agreement at a signing ceremony at the bank's head office in Dhaka recently. PHOTO: BRAC BANK

STAR BUSINESS DESK

BRAC Bank recently signed an agreement with Gram Unnayan Karma, a nongovernment development organisation, to help farmers in remote char areas grow high-value crops using innovative agricultural technology and know-how.

This collaboration between the nongovernment organisation and the bank is a major step forward for equitable economic growth and advancement in Bangladesh's rural areas.

The partnership will provide farmers of Dhunat in Bogura with the access to machinery and technology, enabling them to enhance harvest of cash crops, including maize, jute, mustard and green chili, said a press release.

Md Sabbir Hossain, deputy managing director and chief operating officer of the

executive director of the non-government of the smallholder farmers but also holds organisation, penned the deal at the bank's head office in Dhaka.

"We are happy to extend our partnership with Gram Unnayan Karma, which will help marginalised farmers in remote areas of the country boost agricultural output," said Sabbir Hossain.

"By readying these farmers with cuttingedge farming equipment and techniques, we hope to create sustainable markets and improve their living standards."

"Building on the success of our past initiatives, the bank equipped 1,400 farmers in char areas of Bogura with advanced agricultural technology, training, modern agricultural machinery and quality agricultural materials, facilitating increased harvest and uplifting their economic wellbeing," he added.

The partnership not only aims to bank, and Khondaker Alamgir Hossain, promote prosperity and self-sufficiency

the potential for significant growth and development, giving them access to advanced technologies and smart agricultural know-how.

The two organisations will work together as part of a specially designed corporate social responsibility initiative focused on agriculture.

Last year, the bank initiated a partnership with Gram Unnavan Karma to assist farmers with high-yielding crops in Sariakandi of Bogura.

Syed Abdul Momen, deputy managing director and head of SME at the bank, Ekram Kabir, head of communications, Tapos Kumar Roy, head of MFI and agriculture finance, Md Arman Hossain, deputy director, Md Mahbub Alam, senior director, and Md Zia Uddin Sardar, coordinator of the non-government organisation, among others, were also present.



Nuruddin Md Sadegue Hossain, managing director of Southeast Bank, poses for photographs with participating s of a foundation training programme of the bank at its training institute in the capital's Motijheel

Southeast Bank organises training for trainee officers

STAR BUSINESS DESK

Southeast Bank recently organised a foundation training programme for its newly appointed trainee assistant officers (grade-II).

A total of 31 officers took part in the five-day programme, the bank said in a press release.

Nuruddin Md Sadeque Hossain, managing director of the bank, attended the closing ceremony of the training programme as the chief guest at the bank's raining institute in the capital's Motijheel. Other officials of the bank were also present.

Dollar dips

BUSINESS

REUTERS, New York

The dollar was off a one-week high against other major currencies on Friday, capping off a turbulent few days as traders digested a drop in US jobless claims and the prospect of a looming economic downturn.

The US currency was down against the Japanese ven following a three-day rebound, as Thursday's firmer-than-expected employment data spurred a paring back in bets for Federal Reserve interest rate cuts later this year.

The yen and the Swiss franc - another safe haven currency - hung near one-week lows as major stock markets rose and Treasury yields dipped.

Markets have endured a chaotic week, triggered in large part by surprisingly soft US payrolls figures a week ago that sent global stocks tumbling, while demand for the safety of assets such as the yen and the franc sent those currencies surging to their highest since the start of the year on Monday.

The dollar was last down 0.39 percent at 146.675 yen, but still on course for its first weekly rise in six weeks.

'There's been a major desire by market to finally use the ven as a complete source of a safe haven to the chaos and the conflict that's going on around the world," said Juan Perez, director of trading at Monex USA in Washington.

The dollar index, which measures the currency against six others, was down 0.136 percent at 103.14 following three days of gains.

Against the Swiss franc, it eased 0.18 percent to 0.865 franc but still on track for a weekly advance.

"The prospect of having a pure risk-on environment, pro carry for FX, for the second half of this year, is much less interesting given our forecasts are more conservative on the dollar/yen and the euro/Swiss franc," said UBS FX strategist Yvan Berthoux.

"We don't expect more significant unwind to come. The washout has been quite clear in this environment." Data on Thursday showed the number of Americans filing new applications for unemployment benefits fell more than expected last week, calming fears the labour market was unravelling and reinforcing that a gradual softening remains intact.

The odds of the Fed cutting interest rates by 50 basis points at its next policy meeting on Sept. 17-18 fell to 52 percent, from 69 percent a day earlier, with a 25 basis point cut now seen as having a 49 percent probability, according to the CME Group's FedWatch Tool.

DDICES OF VEV ESSENTIALS

IN DHAKA CITY					
	PRICE (AUG 11, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO		
Fine rice (kg)	Tk 60-Tk 78	0	2.22 🕇		
Coarse rice (kg)	Tk 50-Tk 54	4.00 🕇	4.00 🕇		
Loose flour (kg)	Tk 40-Tk 45	0	-16.67 🔶		
Lentil (kg)	Tk 105-Tk 110	0	13.16 🕇		
Soybean (litre)	Tk 145-Tk 155	0	-7.69 🔶		
Potato (kg)	Tk 55-Tk 60	-4.96 🔶	51.32 🕇		
Onion (kg)	Tk 110-Tk 125	4.44 🔶	56.67 🕇		
Egg (4 pcs)	Tk 48-Tk 52	5.26 🔶	-4.76 🕹		

recently. PHOTO: SOUTHEAST BANK



EU says its Chinese EV measures comply with WTO

REUTERS, Brussels

The European Commission is confident its investigation into, and measures against, state subsidies for Chinese electric vehicles are compatible with World Trade Organization rules and its probe will continue, the EU executive arm said on Friday.

The European Union imposed provisional tariffs of up to 37.6 percent on imports of electric vehicles (EV) made in China in July, keen to protect its domestic EV production, after an EU investigation found the cars were subsidised by China.

China on Friday requested a WTO consultation, arguing the EU investigation results and the provisional tariffs lacked factual and legal basis and seriously violated the global body's rules.

which The Commission, handles all trade issues for the 27-nation EU, said it was carefully studying all the details of Beijing's request to the WTO and would react to the Chinese authorities in due course according to the WTO procedures.

"The Commission is confident of the WTO-compatibility of its investigation and provisional Commission measures." а spokesperson said. "This request for WTO consultations does not affect the timeline of the antisubsidy investigation, which in the meantime continues," the spokesperson said.

WTO cases typically take a very long time to resolve. The effectiveness of the WTO's dispute settlement is now further undermined by the lack of a functioning Appellate Body. which has been blocked by the lack of new appointments since 2019.

Paint industry investing

FROM PAGE B4

Moreover, import costs have increased by around 30 percent over the past two years for the rising US dollar rate.

"The persisting higher inflationary pressure also impacted import costs and for that, we had to raise our product prices," he said.

Chowdhury informed that there are about 40 paint companies, including both local and multinational corporations, operating in the domestic paint industry.

According to him, the market dominated by multinational corporations but Berger is the clear leader.

Meanwhile, global players like Jotun, Nippon and Kansai Nerolac are also present in the market.

Berger exemplifies a strong commitment to social responsibility through its use of eco-friendly materials, reduction of its carbon footprint, and support for local communities, Chowdhury said.

Besides, Berger strives to innovate products specifically tailored to the local climate.

"At Berger, we recognise industry challenges and actively invest in climate-specific solutions. The focus on environmental sustainability is a growing trend worldwide, leading to rising demand for eco-friendly paints," he added.

Berger's DampGuard product is a good example in this regard as it is a water-based coating designed to combat the growth of algae, fungus, hairline cracks and recurring dampness, which are commonly encountered issues due to the local climate.

He also said their WeatherCoat Smooth and WeatherCoat Supreme paints are formulated to withstand harsh weather conditions.

These paints offer enhanced protection and longevity compared to the standard paints used in more stable climates.

Highlighting the value of such innovations, Chowdhury said Berger was the first to introduce a "colour bank" machine that offers more than 5,000 shades to choose from.

Also, it was the first local paint company to partner with worldrenowned brands like PPG (vehicle refinishing), Clariant (tinting Fosroc (construction systems), chemicals), Chugoku (marine paints) and Beckers Group (coil coatings).

Berger offers a diverse product portfolio of decorative paints, wood coatings (lacquers and varnishes), refinishing solutions, vehicle coil coatings, marine coatings, construction and textile chemicals, powder coatings, adhesives and inks. "This comprehensive product suite

caters to a wide range of customers and applications," he said

Chowdhury informed that Berger's strategic partnerships provide the company with access to cutting-edge technologies and expertise.

Furthermore, Berger prioritises exceptional customer support, with its "experience zones" offering free technical advice on surface preparation, colour selection and custom colour schemes.

Chowdhury claimed that Berger is surely a market pioneer considering its data-driven approach to product development and commitment to comprehensive solutions.

Chowdhury, also a director at Berger, said the company leverages robust consumer insights to identify unmet needs and develop targeted solutions.

Recognising the challenge of maintaining clean walls, Berger introduced its "Easy Clean" product. It is a highly washable, scrub-resistant and long-lasting type of paint ideal for high-traffic areas.

"This demonstrates Berger's focus on customer-centric innovation," he said.

While informing that Berger sources high-quality monomers and titanium dioxide from abroad to ensure the best possible product performance, he said their expenses have become uncertain for the currency volatility.

"This is directly affecting our profitability," he added.

Global oil demand needs to rise faster

FROM PAGE B4

Opec's estimate of first-half demand growth is little changed from what it was at the start of the year. The IEA has cut its estimate of first-half demand growth from 1.19 million bpd forecast in January.

The IEA estimated China's consumption contracted in the second quarter, while Opec estimates it rose by over 800,000 bpd. China is one of the main reasons for the difference in outlooks for the full year, as well as for the first half.

Global growth would need to accelerate a little in the second half if Opec estimates on first-half demand were correct. But if the IEA is right, demand would need to accelerate rapidly.

The second half is typically the period of highest consumption as the simple fact of global economic growth increases oil demand and because it includes the peak driving season, Northern Hemisphere harvest and purchases to prepare for winter.

For demand growth to hit Opec's full-year prediction, it would need to accelerate to an average of 2.30 million bpd in the second half, according to Reuters calculations. Demand needs to grow by 1.22 million bpd in the second half to reach the IEA's full-year prediction.

Opec and the IEA are scheduled to update their demand forecasts next week.

Opec+ last week confirmed its plan to start raising production from October with the caveat that it could be paused or reversed if needed.

The increase is predicated on demand hitting Opec's forecast, which would increase the need for oil from the producer group and its allies. Opec+ pumps more than 40 percent of the world's crude.

Should Opec's demand prediction be realised, the demand for crude from Opec+ countries is forecast to

quarter, up from production of vear. 40.8 million bpd in June, in theory allowing room for extra output.

Opec+ still has a month to decide whether to start releasing the oil from October, and the group will study oil market data in the coming weeks, a source close to the group said.

Saudi Aramco CEO Amin Nasser said on Tuesday he expected growth of between 1.6 million and 2 million bpd in the second half of the year.

Two OPEC sources said it was unclear if demand was rising as rapidly as needed to meet Opec's third-quarter forecast. Opec did not respond to a request for comment.

The IEA says that slower economic growth and a shift towards electric vehicles in China has changed the paradigm for the world's secondlargest economy, which for years has driven global rises in oil consumption. Opec sees strong growth persisting. Early indications of China's August crude imports, such as from data intelligence firm Kpler, point to a small rebound from July. Two traders dealing in China's purchases of West African crude said demand for August-loading oil had been soft. Global jet demand is expected this year to surpass 2019 levels, according to the International Air Transport Association, although IATA said in June that international travel in Asia remained subdued especially in

"The big levers everyone pointed to for demand growth were jet demand and China," said a source with an oil trading company. "Chinese demand hasn't been great and jet demand is decent in Europe but has not fully recovered (from the pandemic)."

China.

In top oil consumer the United States, gasoline demand has proven hard to gauge: revisions to official data last week showed May demand at the highest level since August 2019. Earlier estimates and independent reach 43.9 million bpd in the fourth trackers pegged demand below last targeted.

Dour economic data from the United States could also spell trouble for oil markets, especially for diesel. US diesel demand was about 4 percent lower in the first five months of this year than in 2023, according to EIA data.

India asked to boost bank scrutiny

FROM PAGE B4

government told parliament it did not intend to put domestic political figures under stricter banking scrutiny, adding that it would wait for the FATF's report before making any changes.

The FATF in June said India had reached a high level of compliance in enforcing anti-money laundering laws. The government has five years to implement the recommended banking rules before the next review, one of the sources said.

The FATF rated India as "compliant" and "largely compliant" on 37 out of the 40 parameters for enforcing antimoney laundering laws, the sources said.

The three areas in which there is partial compliance include bank scrutiny of domestic political figures and oversight of the finances of nonprofit organisations and non-financial businesses and professionals.

In June, the Indian government described the FATF's evaluation as yielding an "outstanding outcome" but did not disclose any specifics.

An interim report, discussed at the FATF June meeting in Singapore, recommended that India expedite the prosecution of money laundering and terrorist financing cases while ensuring that nonprofit organisations are not unfairly

BUSINESS

DHAKA MONDAY AUGUST 12, 2024 SRABAN 28, 1431 BS The Daily Star

BTRC suspends 2 officials over graft allegations

STAR BUSINESS REPORT

Bangladesh Telecommunication Commission Regulatory (BTRC) yesterday suspended two of its officials over "allegations of corruption and the repression of other officials".

The two are Md Amjad Hossain, deputy director and personal secretary to the chairman, and Mahdi Ahmad, deputy director at the engineering and operations division.

In the suspension letters, the BTRC said newspapers online portals and published allegations of these officials involving in corruption through a syndicate.

They were also accused repressing many of other officials within the commission, the letter reads.

BTRC said newspapers and online portals published allegations of these officials involving in corruption

The suspensions came about following a demonstration staged by BTRC employees yesterday the commission's at office in Agargaon, Dhaka protesting against corruption discrimination and and demanding the suspensions.

The protesting officials claimed that they have been denied promotions for years by corrupt officials.

They also called for BTRC to ensure the uninterrupted internet telecommunication and services.

The demonstrators also protested in front of the offices of Chairman Md Mohiuddin Ahmed and Vice Chairman Aminul Haque.

However, neither the chairman nor the vice chairman was present during the demonstration.



The garment sector will benefit in the long run as international clothing retailers and brands are upbeat about the interim government led by Dr Muhammad Yunus, according to various exporters. PHOTO: STAR/FILE

RMG exporters want Yunus to advocate trade benefits

REFAYET ULLAH MIRDHA

Bangladesh should start utilising the reputation of the interim government's chief adviser, Prof Muhammad Yunus, as a Nobel laureate and pioneer of microcredit to enhance relations with the Western world and grow business, opine young garment and textile entrepreneurs.

Assurances from the "Banker to the Poor" to work towards labour and human rights, environmental and climate protection, and good governance will bear the credibility required for the developed economies to relax preconditions for trade benefits, they said.

The European Union (EU) removes import duties on products from vulnerable developing countries through three arrangements under a Generalised Scheme of Preferences (GSP).

One of the arrangements, GSP+, requires implementing 27 international conventions concerning the rights, environment and governance.

The US used to run a similar Generalised System of Preferences programme, which is also abbreviated as GSP.

It was suspended for Bangladesh in July 2013 over poor labour rights and poor disasters.

Tazreen Fashions fire in

workers and the other was the Rana Plaza building collapse in April 2013 which killed 1,138 workers.

Currently, the US does not provide trade benefits to any country under the GSP. The tenure of the last GSP programme came to an end in 2020 and the US Congress has not revived it since.

Both the EU and the US may relax their preconditions for Bangladesh if Prof Yunus takes up the issue, said Fazlee Shamim Ehsan, managing director of Eraf Composite.

Continuity of good governance and policies is necessary to enhance the country's image alongside business, he said

A good example is Japan, which has made exceptional progress in a myriad of fields irrespective of the people coming in to govern the country since World War II ended in 1945, he said

He said his foreign buyers were very happy to hear that Yunus was sworn in.

The international communities always raise questions over the state of human rights in Bangladesh, said Shams Mahmud, managing director of Shasha Denims.

The first thing Yunus did since coming into office is to urge citizens to prevent workplace safety following two industrial violence and this should give an indication that Bangladesh was on way to better protect numan rights and turn conducive for

Although the garment sector suffered for a short term, it will benefit in the long run as international clothing retailers and brands are upbeat about the Yunus administration, said Al Shahriar Ahmed, managing director of Adzi Trims

The export of garments may come back strongly soon with the changes in the government, so the dollar crisis also may be solved, he added.

Country image is a big factor in business, said AK Azad, managing director of Ha-Meem Group, a leading US-focused apparel exporter.

It is earned through efforts towards curtailing corruption and ensuring a hasslefree business environment, efficiency in port management and good governance, he said.

If such efforts are truly put in, the international retailers and brands will automatically place a good volume of work orders, Azad said.

Yunus is renowned the world over, especially in Europe and the US, said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

Bangladesh should definitely utilise his reputation to grow business with trade

Govt revokes BSEC order on lifting floor price of 6 companies

STAR BUSINESS REPORT

The finance ministry yesterday revoked an order. which the Bangladesh Securities and Exchange Commission (BSEC) chairman had issued just a day before he resigned, for lifting floor prices of six companies.

The Financial Institutions Division revoked the order, signed by Prof Shibli Rubayat-Ul-Islam and issued last Thursday. No prior meeting was held at the BSEC regarding the order.

Prof Shibli posted his resignation letter on social media on Saturday.

The ministry accepted the resignation letter yesterday and appointed Md Mohsin Chowdhury, a BSEC commissioner, as acting chairman of the regulatory body.

The order had stated that the floor price for Beximco, Shahjibazar Power Company and Khulna Power Generation Company would be lifted on August 11 for Islami Bank, BSRM and Meghna Petroleum on August 14.

The floor price is the lowest price at which a stock can be traded.

Analysts had criticised the order, pointing out that it would help Salman F Rahman, owner of Beximco, sell the company's shares at a lower price.

The high price of the shares had left buyers uninterested over the past two years.

Salman F Rahman was the private industry and investment advisor to Sheikh Hasina, who resigned and fled the country on August 5 following a student movement.

"It is requested that the BSEC refrain from issuing any such market regulatory circular/order without holding any commission meeting," the ministry said in a letter to the BSEC.

BTMA president resigns, Russell to take over

STAR BUSINESS REPORT

Mohammad Ali Khokon yesterday resigned from the post of president of Bangladesh Textile Mills Association (BTMA), which represents the primary textile sector spinning, involving



weaving, dyeing, washing, printing, finishing and sizing, citing personal reasons.

Showkat Aziz Russell, chairman of Amber Group and a former vice-president of the BTMA, replaced Khokon.

The BTMA's board of directors accepted Khokon's resignation letter during a meeting at its Gulshan office yesterday, according to a director who attended the meeting.

Khokon has been president of the BTMA since 2018.

One was the November 2012 that killed more than 110 business, he said.

partners, remove trade barriers and relax preconditions for exports, he said.

Oil posts 3% weekly gains

REUTERS, Houston

Oil prices settled higher on Friday and notched over 3.5 percent in weekly gains as positive economic data and signals from Fed policymakers that they could cut interest rates as early as September eased demand concerns, while fears of a widening Middle East conflict continue to raise supply risks.

Brent crude futures settled 50 cents up, or 0.6 percent, at \$79.66 a barrel, while US West Texas Intermediate crude futures rose 65 cents, or 0.9 percent, to \$76.84. both benchmarks.

Brent gained more than 3.5 percent in the week, while WTI rose more than 4 percent.

"Crude is in a recovery mode ... as geopolitical tensions still seem to be a positive factor, and on-again offagain recession fears have calmed a bit, at least for now," said Dennis Kissler, senior vice president of trading at BOK Financial.

A trio of Federal Reserve policymakers indicated on Thursday that they were more confident that inflation is cooling enough to cut rates. A bigger-than-expected fall in US jobless claims data also helped to underpin the recovery.

Businesses hit

FROM PAGE B1

"As such, I am unable to pay the full salaries to those who are daily wage earners. I told the workers to wait this week as there is no way I can manage cash now," the official added.

The official also said daily wage earners such as day laborers are now facing a very difficult situation.

"It's inhumane for them. If this situation persists for long, it will be very difficult to conduct business," the official added.

Riad Mahmud, managing director of National Polymer Group, said they were facing trouble in making payments to local raw material suppliers as they do not have bank accounts.

"Small vendors and local dealers do not maintain bank accounts. So, we have to pay them in cash. But we are facing cash shortages due to the withdrawal limit," he said.

"Besides, we pay our casual staff in cash every week, so we need cash in hand regularly," he added.

Mahmud said he believes the situation will hamper business if the situation persists. However, it will not substantially hinder activities if it lasts a short time, he added.

president Knitwear Manufacturers and Association (BKMEA), have either," Ali added. Exporters

said some investors alleged they are facing difficulties due to the sudden decision.

However, he said that while it should not affect salary payments, any sudden expense, such as for purchasing spare parts, or other immediate needs would cause trouble.

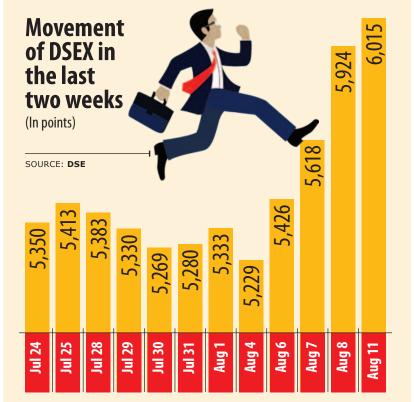
Mohammed Amirul Haque, managing director of Premier Cement Mills Limited, said this decision would create a short-term liquidity crisis.

On the issue, Finance and Planning Adviser Salehuddin Ahmed yesterday told reporters that the limit on cash withdrawals was required given the current situation.

Mohammad Ali, managing director and chief executive officer of Pubali Bank Ltd, said it is better to make electronic transactions in light of the current situation.

"The culture of electronic transfers needs to be created. Everyone needs to understand that it is safe," he said while adding that it is a good initiative that the central bank imposed the limit for the sake of security.

"It is not credible for a person receiving payments of Tk 50,000 Mohammad Hatem, executive to Tk 100,000 to not have a bank esident of the Bangladesh or bKash account. So, it is absurd or bKash account. So, it is absurd if someone like that says they don't



Stocks cross 6,000 points

FROM PAGE B1

Axiata with 4.30 percent, 5.76 percent and 9.51 percent, respectively.

Grameenphone was the most traded share with a turnover of Tk 138.7 crore.

Block trades, meaning highvolume transactions in securities that are privately negotiated and executed outside of the open market, contributed 1.6 percent to overall turnover.

Sector-wise, telecommunication, non-banking financial institutions (NBFIs), bank, food & allied, and engineering and fuel and power were in the positive while pharmaceuticals were in negative territory.

Of them, telecommunication booked the highest gain of 8.79 percent followed by NBFIs (4.72 percent), bank (4.11 percent), food & allied (3.31 percent), engineering (1.82 percent), fuel & power (0.72 percent).

AB Bank topped the gainers' list with a rise of 10 percent. GBB Power, Bangladesh Steel Re-Rolling Mills (BSRM), ACI Ltd and Grameen One: Scheme Two also fared well.

Islamic Finance & Investment, Islami Bank Bangladesh and The Dacca Dyeing & Manufacturing Company were also on the gainers' list. On the other hand, Crystal Insurance Company shed the most, losing 2.99 percent.

Libra Infusions, Hami Industries, Galvanizing, Navana Anwar & Que Pharmaceuticals, Kay Bangladesh, Asiatic Laboratories, GQ Ball Pen Industries and Hakkani Pulp & Paper Mills also recorded losses.

The Chittagong Stock Exchange (CSE) also witnessed an upwards trend as its premier bourse, the All-Share Price Index, edged up by 482.70 points, or 2.87 percent, to settle at 17,282.46.

Unrest in banking sector raises concerns

FROM PAGE B1

the problem," said Toufic Ahmad Choudhury, director general of the Bangladesh Academy for Securities Markets.

"The problem varies from bank to bank. So, the same medicine and equal dose should not be applied to all," he added.

Citing that the central bank has already identified several weak banks, he said a commission should now be formed to analyse their problems and suggest remedies.

Choudhury, also a former director general of the Bangladesh Institute of Bank Management, said common problems in the banking sector include a lack of good governance. "But this can be improved by ensuring strict monitoring by the central bank," he added.

A top official of a bank said a major target of the demonstrators is to create a situation that compels the bank authorities to dissolve their boards so that other major shareholders, who were deprived of directorship during the previous government's tenure, can replace them.

Choudhury suggested that the Bangladesh Bank dissolve the boards or remove directors and appoint independent directors at ailing banks for the benefit of banks and the sector as a whole.

"This will get lenders out of the grip of politically influential people," he added.

"The central bank's monitoring and oversight becomes weak whenever politically influential people or public figures enter a bank's board," said Mamun Rashid, an economic analyst and veteran banker.

"If the board members are management cannot work independently," he added.

"So, banks should be run by real sponsors, promoters and those who

have expertise," he said, adding that there is a process to follow when changing bank ownership.

Bangladesh Bank could also form a committee with members of the Bangladesh Securities and Exchange Commission. The committee could then analyse who are the best fit among the sponsors of the banks, added Rashid, also a former managing partner of PwC Bangladesh.

Rashid said banks should not be controlled by politically powerful people. Instead, people with proper knowledge on the financial sector, and adequate expertise and integrity should be hired as directors.

Furthermore, the commission could set criteria that keep banks away from political influence. Also, it could suggest how long members of a single family will be allowed to work as directors.

Additionally, the commission could outline how many members of a single family can be allowed to join as directors of a bank, he added.

Asif Khan, president of the CFA Society, said Bangladesh Bank needs to take swift action to ensure that no official can run away with funds at the last moment.

So, it can appoint an administrator for the banks that are facing such threats. Otherwise, this type of chaos will erode people's confidence in the banking sector, added Khan, also chairman of Edge Asset Management.

Anis A Khan, a former chairman of the Association of Bankers, Bangladesh, said demonstrations are being held as several banks were taken over by force in the past.

"Now, the original owners are asserting their authority," he added.

Khan also said the issue is mainly between bank owners and politically influential, the bank's management officials who were deprived of directorship positions in the past.

"So, this should not concern depositors and investors," he added.

Freight train suspension leads to port congestion

SIFAYET ULLAH, Ctg

The freight train service suspension, which began on August 3, has created a container congestion at Chattogram port.

The port's dedicated space to store containers to be transported through freight trains now has TEUs (Twenty-2.470 foot equivalent units) containers, which is nearly three times higher than its capacity of 876 TEUs.

The Chittagong Goods Port Yard which is another designated spot for such containers normally releases around 200 TEUs from Chattogram port to the Kamalapur Inland Container Depots every day. Bangladesh Railway suspended freight train services amid students' countrywide government job quota movement on August 3 for security concerns and since then no container was transported through trains.

As of yesterday, six trains with around 150 TEUs containers each got

> Bangladesh Railway suspended freight train services on August 3 amid students' quota reform movement

stuck at the yard. agency The state primarily transports raw materials, marble and stone, food grain, fertiliser

through freight trains. "The situation is out of control and not a single container can be stored at the port yard now," said Abdul Malek, master of the Chittagong Goods Port Yard.

Meanwhile, the Chattogram Port Authority (CPA) has sent a letter to Bangladesh Railway seeking quick resumption of the freight train services.

Businesses prefer freight trains to transport raw materials, which cost much less than the other ways of transportation, importers



Paint industry investing in eco-friendly products

But sales growth slows for various crises, says Berger's chief operating officer

JAGARAN CHAKMA

Paint companies are increasingly investing in developing new products, particularly those with a low environmental impact, according to Mohsin Habib Chowdhury, the chief operating officer of Berger Paints Bangladesh Limited.

For example, they are developing paints that are lead-free and low in volatile organic compounds as such products contribute to reducing air pollution, he told The Daily Star in a recent interview.

But like other sectors, the paint industry is being impacted by various adversities stemming from the ongoing economic slowdown.

Pointing to rising US dollar prices, Chowdhury said it has become a significant challenge for paint companies that rely on imported raw materials.

The seasoned professional with more



Mohsin Habib Chowdhury

Chowdhury added.

Against this backdrop, he said regulatory intervention is needed to alleviate their sufferings, which are major hurdles for maintaining growth in the current economic climate.

The government has been charging

is expanding due to several factors, including economic development amid rapid urbanisation and technological advancements in the country.

Also, consumption is increasing in line with rising disposable incomes.

By aligning with these industry drivers and educating consumers about the benefits of different coatings, paint companies like Berger are well-positioned to help the market exceed its expectations.

The industry faced a setback last year as sales growth slowed by 7 percent amid the vulnerable macroeconomic situation.

Chowdhury said paint consumption per capita stands at just 1.4 kilogrammes (kgs) in Bangladesh while it is 3 kgs in both India and Sri Lanka.

The per capita consumption in ASEAN countries ranges from 7 to 10 kgs while it is 12 kgs in China.

"So, our per capita consumption is still far below that of neighbouring countries, he added, attributing this to a lack of awareness of the values of paint.

BUSINESS

How do we increase inward remittance?

MAMUN RASHID

Bangladesh witnessed a threefold rise in human outflow over the past decade. Yet, remittance inflow has experienced relatively poor growth, rising from \$15 billion to a maximum of \$24 billion.

The gap between possible remittance and actual US dollars received widened, raising a loud question: where are the missing billions going?

The answer can be found in a recent World Bank study that said a 1 percent deviation between the formal and informal exchange rates is estimated to shift 3.6 percent of remittances from the formal to informal channel.

Considering the 2023 formal remittance inflow of \$22 billion, such a 1 percent deviation between the exchange rates would create a shift of about \$792 million outside the formal channel. Again, if that deviation was increased to 5 percent, the amount would be nearly \$4 billion.

Despite rate hikes through the crawling-peg system, a remittance receiver can get a maximum of Tk 117 per US dollar and the incentive from banks, whereas the domestic kerb market offers an exchange rate ranging from Tk 120 to Tk 125.

In 2022, former finance minister AHM Mustafa Kamal stated that just 51 percent of remittances to Bangladesh use formal channels.

There are reportedly more than 1 crore Bangladeshis working abroad.

Bangladeshis abroad continue to send money through informal channels, popularly known as hundi, allured by higher exchange rates and convenience. Even the government's 2.5 percent cash incentives prove lacking in adequate pull power.

In fact, cash incentives seemed to have widened the gap between the official and informal rates. The conventional view of the hundi business portrays migrant workers abroad as

the primary drivers of demand. They seek hundi services to transfer their

earnings back home. Hundi agents abroad and within the country are believed to control the supply side. At times, they also lend money in advance.

Remitters exchange their foreign currency with the hundi agent abroad, who subsequently instructs their agent in Bangladesh to pay the equivalent amount in Bangladeshi taka to local beneficiaries. The US dollars remain abroad.

The central bank has issued repeated instructions to banks, mandating remittance disbursement to beneficiaries within two days without imposing additional fees and fair pricing prioritising quick and cost-effective delivery.

A recent central bank monetary policy statement report outlines collaborative efforts between the Bangladesh Financial Intelligence Unit (BFIU) and other law enforcement agencies to identify individuals engaged in hundi activities and curb unofficial remittance channels.

The Probash pension scheme, designed to provide financial security for expatriates through long-term contributions, is reportedly on the wane. Low interest rates, the absence of a one-time payment facility, and the weakening value of the taka against the US dollar contributed to the scheme's attractiveness.

On the other hand, a praiseworthy policy is the tax remission on IT freelancers, who do not have to pay tax at source from IT freelancing jobs, encouraging growth in the digital economy.

While the government's initiatives exhibit positive steps towards enhancing the remittance landscape, addressing challenges such as hundi businesses and refining pension schemes would be crucial for sustaining long-term economic benefits.

However, the efficacy of these policies may go in vain if we fail to



said.

maximum of Tk 16,100 is needed to ship 20 TEUs of containers on the Dhaka-Chattogram route by freight trains, compared to up to Tk 26,000 when using roadways.

Jahid. Imran businessman from Dhaka's Keraniganj area, said he is vet to get four TEUs of containers of imported steel raw materials, which reached Chattogram port on July 15.

"I had to stop production in my steel factory due to the shortage of raw materials," he said.

than 29 years of experience in the paint industry has maintained a good track record in various senior leadership roles.

Throughout his career, Chowdhury proved to be highly capable in negotiations, developing new businesses, and crafting effective business strategies.

Regarding the industry's current ailments, he said the Red Sea conflict has disrupted the global logistics systems, causing longer lead times.

Like Bangladesh, the global economy is suffering from an economic downturn, leading to a surge in China's exports to Western nations.

So, there is now a shortage of shipping vessels in South Asia.

Considering all these factors, companies like Berger that rely on imported raw materials are facing a complex situation,

supplementary duty equal to 5 percent of the value of each paint product since 2010.

Besides, a provision to impose the same tax on primers was included in the national budget for the ongoing fiscal year even though it is not a luxury product.

Citing that paint goes beyond mere aesthetics by protecting infrastructure from corrosion and erosion, Chowdhury said policymakers should revisit such policies to boost the industry.

Asked for an estimate on the current market size of paint products, he said overall sales are expected to exceed Tk 6,000 crore this year.

"We are optimistic about the industry's future as projections indicate it will enjoy steady annual growth of up to 4 percent from 2024 to 2028," he added.

He said the domestic paint market

However, Chowdhury said this also means the local market still has huge scope for growth.

According to him, the industry is facing both internal and external challenges due to the persisting global and local economic crises, particularly the Russia-Ukraine war.

Other than disrupting global supply chains, the crises have created a US dollar shortage in the country and devalued the local currency.

In such a situation, many paint companies cannot import their raw materials because of difficulties in opening letters of credit due to the forex shortage.

Global oil demand needs to rise

faster to absorb Opec+ hike

READ MORE ON B2

promptly stabilize the currency exchange rate through closing the gap between formal and informal markets.

Along with a rational exchange rate policy, whether floating or otherwise, and the encouraging behaviour of migrant workers, a strict mechanism to track money transfers from abroad is needed to check remittance leakage through hundi.

Expatriates should also be able to open bank accounts online. Also, the Expatriate Welfare Ministry's desk in our overseas missions should help Bangladeshis open bank accounts. If banks are kept off-limits, it cannot be expected that remittance earners will be encouraged and move from one city to another to find a bank branch.

Many professionals, who invested in a US dollar bond, find their foreign currency account in a bank dormant every six months. It requires repeated reactivation.

If banking services remain complex and exchange rates not encouraging, when we are aggressively looking for US dollar earning non-resident Bangladeshis, then they will look for easier and faster ways to send money home.

The author is chairman of Financial Excellence Ltd.

India asked to boost bank scrutiny for politicians

REUTERS, New Delhi

The Financial Action Task Force (FATF), the global antimoney laundering watchdog, has asked India to improve due diligence on the bank accounts of local politicians. government officials and their families, two government sources said.

The recommendation for tougher checks on the finances of politically exposed persons (PEPs) is part of a FATF review of India's anti-money laundering systems that began in 2023. The group is due to publish its final report soon.

Under global rules, politicians, their families, and close associates are subject to checks on their bank accounts due to their potential susceptibility to bribery and corruption.

A FATF report shared with the government recommended more rigorous monitoring of the source of funds in the accounts of domestic PEPs as well as requiring senior bank managers to approve any new accounts for them or their families.

India already implements strict banking checks on foreign political figures.

The sources, who have been briefed of the FATF's recommendations, could not be named because they were not authorised to speak to the media. The FATF did not respond to requests for comment.

"There are areas where we need to improve which we will," a senior finance ministry source said.

Last December, before general elections that brought Prime Minister Narendra Modi back to power, the READ MORE ON B2

REUTERS, London

Global oil demand growth needs to accelerate in coming months or the market will struggle to absorb an increase in oil supply that Opec+ is planning to make from October, according to data, analysts and industry sources.

Oil demand growth in the first seven months of the year from top consumers the United States and China had failed to meet some expectations even before renewed fears of a US recession triggered a global stock and bond sell-off this week.

If the economy slows further, oil demand growth will likely slow with it. That will mean Opec+ would either have to delay plans to pump more oil or accept lower prices for higher supply, analysts said.

"In current circumstances significant risk of recession, it is unlikely Opec+ would move forward with the planned October increases," said Gary Ross, CEO of Black Gold Investors and a veteran Opec-watcher.

The price of oil has fallen below \$80 per barrel in August - less than most members of Opec+, or the Organization of the Petroleum Exporting Countries and allies such as Russia, need to balance their budgets.

"Oil demand definitely has a downside

International Energy Agency, citing increase. concern about Chinese and US economies.

can rise significantly if demand is slower

risk," said Neil Atkinson, an independent than we thought" he said, adding that he on the year, official data showed on analyst who previously worked at the expected Opec+ to hit pause on its output

For the first seven months of 2024, "It's very difficult to see how prices China's crude imports totalled 10.89 million barrels per day, down 2.4 percent



An offshore oil platform is seen in Huntington Beach, California. Oil demand growth in the first seven months of the year from top consumers like the US and China had failed to meet expectations. PHOTO: REUTERS/FILE Wednesday.

China's slumping consumption of diesel, as use of LNG-powered trucks grows, is weighing on domestic fuel demand, as is a sluggish economy hobbled by a prolonged crisis in the property sector.

In the United States, oil consumption through July has risen by 220,000 bpd on the year to average 20.25 million bpd, according to Reuters calculations based on government estimates. Demand will need to accelerate to reach the government's 2024 forecast of 20.5 million bpd.

Whether or not global demand hits the heights needed to absorb additional supplies this year is difficult to gauge because of a record variation in where the world's most respected oil demand analysts at Opec and the IEA measure demand to date.

There is a time lag on oil consumption data, and preliminary figures are often revised. That leaves forecasters including best estimates in some of their demand figures.

Opec pegs global demand growth at 2.15 million bpd in the first half of 2024, while the IEA estimates it was 735,000 bpd. The IEA advises industrialised countries on energy policy.