

Star BUSINESS

Some 45 garment factories in Ashulia and Gazipur were forced to shut down in the middle of the day yesterday amidst workers' demonstrations.



Story on B4

Taskforce for banking sector to start work in 10 days

Governor says

STAR BUSINESS REPORT

Bangladesh Bank Governor Ahsan H Mansur yesterday said the taskforce being formed for identifying areas of concern in the country's banking sector will begin working within the next 10 days.

The work on forming this taskforce has progressed a lot, Mansur said while addressing a press conference at the central bank headquarters in Motijheel, Dhaka.

"The taskforce will work to assess the health of the banks. The Asian Development Bank will assist local banks in preparing their forensic reports. We can start work within the next 10 days," he added.

Mansur further said that at present, they are closely observing banking activities in the country.

"Bank transactions are being verified daily and their cash flow is also being monitored," he added.

Mansur informed that as a part of the central bank's efforts to restore depositors' trust, they have doubled the deposit insurance to Tk 2 lakh from Tk 1



Ahsan H Mansur

lakh previously.

This means insured depositors will get back Tk 2 lakh from their deposit insurance if the associated bank becomes bankrupt.

And with 95 percent of depositors having around Tk 2 lakh in their accounts, this deposit insurance will ensure that a majority will get back their funds.

"No other country provides such security," he said.

"Although there is no plan to declare any bank as bankrupt for now, this decision was taken to boost confidence among the depositors," Mansur added.

Regarding the liquidity support for Exim Bank, Mansur said it was given the facility under the central bank's previous plans.

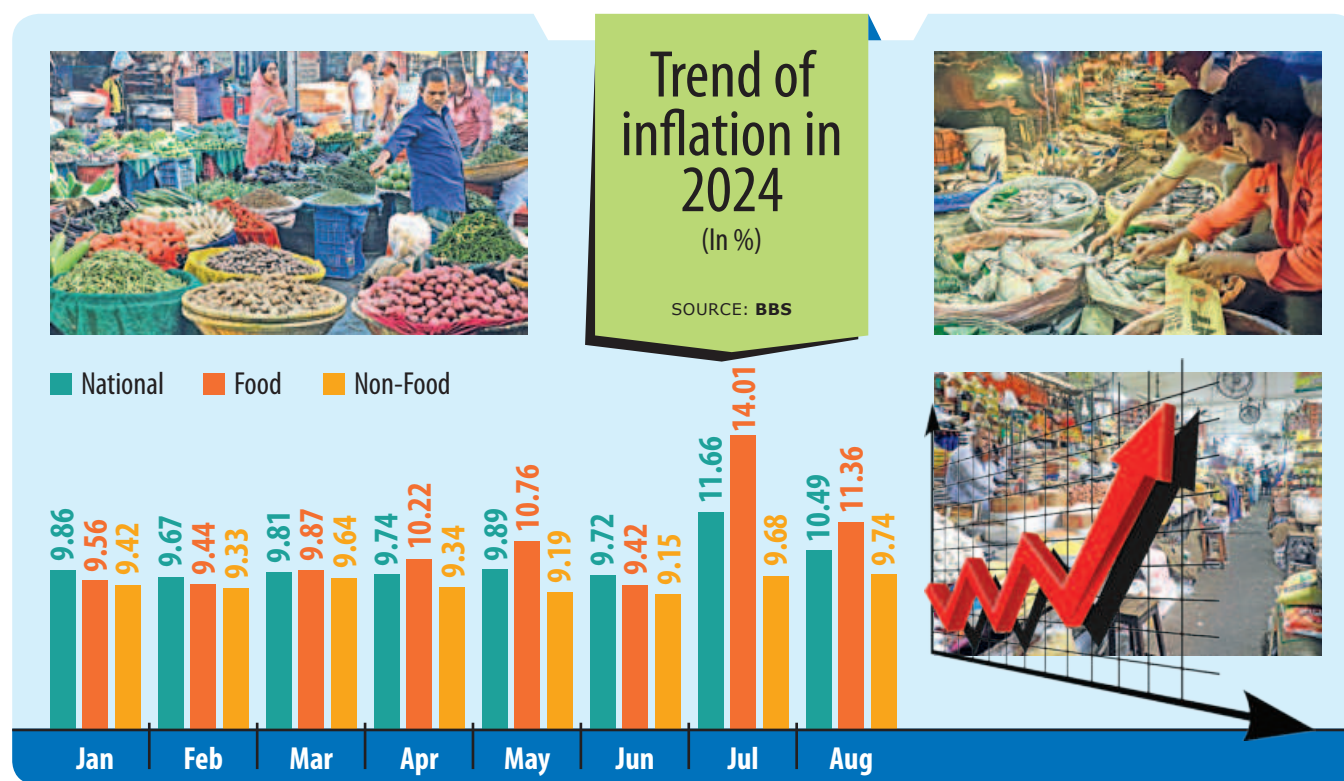
"Now, no one will be given [such liquidity support]," he said.

However, the central bank will allow banks to borrow from each other to get liquidity support.

"In this case, the central bank will be

READ MORE ON B3

Inflation eases in August but stays above 10%



MD ASADUZ ZAMAN

Inflation eased in August but remained at over 10 percent, as higher prices of goods and services continued to strain the purchasing power of consumers.

Last month, Consumer Price Index (CPI), which measures changes in the prices paid by consumers over time, stood at 10.49 percent, according to data released by the Bangladesh Bureau of Statistics (BBS) yesterday.

This is the second-biggest rise in the CPI of the last 13 years. It was 11.66 percent in July.

Besides, overall inflation in August stayed at more than 9 percent for the 18th straight month.

The dip could be ascribed to factors such as a normalising political landscape following the fierce nationwide anti-government campaign, blockade and curfew in July.

Besides, August saw a decline in extortions by ruling party men from food and vegetable-laden trucks coming to major cities, which, according to an economist, could be a reason for food inflation marking a significant drop.

In August, food inflation declined to 11.36 percent from 14.01 percent in July.

However, non-food inflation increased slightly to 9.74 percent from 9.68 percent in July, according to the state-run statistical agency BBS.

Average inflation over the past 12 months was 9.95 percent whereas 9.24 percent in the corresponding month last year.

Moderate inflation is a fact of life but high inflation rates badly hurt people with a fixed income, as purchasing power is lost faster. To tackle the brutal price

pressure, many people are forced to chip away at their precious savings.

"August's inflation is still quite high," said Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development, a non-profit institution.

Consumers' purchasing capacity has been eroding over the last two years, he said.

However, former lead economist of the World Bank's Dhaka office Zahid Hussain found the drop in price pressure inspiring.

"This is an encouraging news that food inflation declined in both urban and rural markets," he said.

has been sustained," he added.

Echoing the same, Hussain said the impact of monetary tightening on inflation was not visible yet because the tightening came after a lot of talks.

"We can hope to see better results on non-food inflation going forward," he said.

The new central bank governor is determined to hold on to the tighter stance until inflation starts to decline convincingly. The foreign exchange situation has also improved somewhat, he said.

"But it won't be enough to drastically reduce food inflation," he said.

Hussain thinks the impact of floods on food prices might transpire in September.

He said non-food inflation declined slightly in urban areas throughout August, perhaps reflecting demand compression due to disruptive demonstrations.

In August, non-food inflation in cities dropped to 9.20 percent from 9.43 percent in the previous month, as per the BBS data.

"We have to stop the resurgence of extortion and price gouging by big players in markets on essential food items," Hussain suggested.

The interim government, which came to power on August 8, has made combating inflation a priority.

On Thursday, Finance and Commerce Adviser Salehuddin Ahmed said the government has taken various steps and its outcome would be visible soon.

In this regard, the National Board of Revenue (NBR) has slashed duties on imports of onions and potatoes to boost supply and curb the rising prices of these essential items.

"This is due mainly to a decline in extortion from food-laden trucks. But it may not last long," he said.

Meanwhile, Mujeri, a former chief economist at Bangladesh Bank, said the contractionary monetary regime and poor health of some banks might have contributed to the reining in of inflation.

Money supply to the market has been significantly constrained, he said.

"It will be premature to comment on the sudden drop in inflation...when the country just witnessed a decline in a single month," he added.

"We have to wait for some months to ascertain whether the downward trend

Export target set at \$57.5b for FY25

REJAU KARIM BYRON and REFAYET ULLAH MIRDHA

Bangladesh aims to increase its merchandise and service exports by about 12.74 percent year-on-year to \$57.5 billion in the fiscal year 2024-25, according to Finance and Commerce Adviser Salehuddin Ahmed.

Ahmed announced the new target during a press briefing at the commerce ministry in Dhaka yesterday.

Merchandise and service exports are expected to see year-on-year growth of 12.35 percent and 15.38 percent respectively to reach \$50 billion and \$7.5 billion apiece, according to commerce ministry data.

An official of the commerce ministry, seeking anonymity, said that the interim government considered the ongoing unrest in the garments industry, flooding in parts of the country and international crises when fixing the export target.

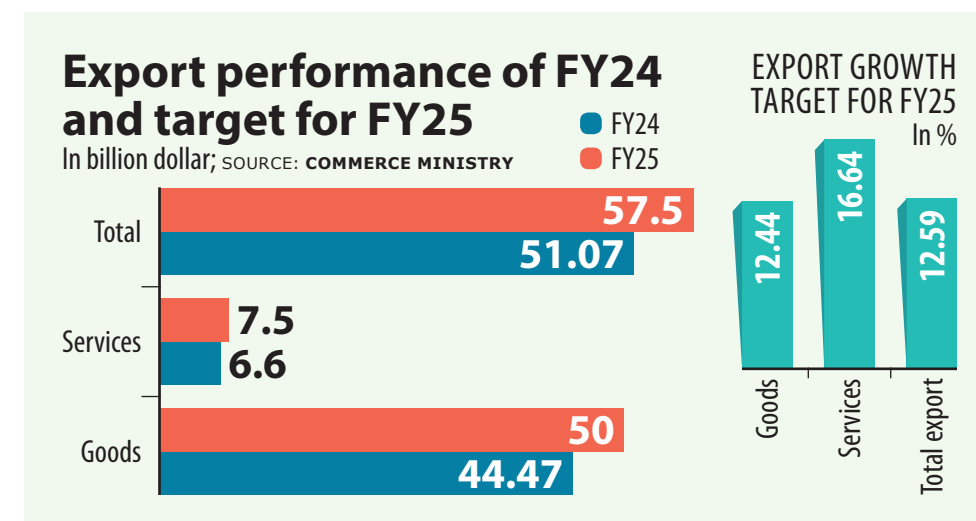
The government is also monitoring both the domestic and international economic landscape, and believes the target is achievable in these circumstances, the official said.

The official expects that business confidence will soon bounce back amid the current regime change that began when the Awami League government led by Sheikh Hasina was ousted by a mass uprising on August 5.

Khandoker Rafiqul Islam, president of the

Bangladesh Garment Manufacturers and Exporters Association, said this year's export target is not unrealistic.

"But the logistics, port and transportation services alongside energy supply must be very smooth to achieve this goal," he added.



Islam also said that above all, political stability as well as the law-and-order situation must be improved to restore the confidence of investors, entrepreneurs and all others concerned.

MA Razaque, chairman of the Research

"Export growth is usually higher following a year of low achievement. So, the new target is realistic and achievable even though the export trend is sluggish right now," Razaque added.

However, he further said there is a supply

side challenge for Bangladesh due to the labour unrest and other issues.

But if those issues are addressed, then the target should be quite achievable, Razaque added.

Md Anwar Hossain, vice-chairman of the Export Promotion Bureau (EPB), said they, alongside the National Board of Revenue (NBR) and the Bangladesh Bank, will provide real-time export data to avoid errors.

Also, the NBR, the central bank and EPB will revise the export data every three months starting from October this year to ensure accurate reporting.

The move comes on the back of a recent incident, where there was a massive data mismatch in the EPB due to the double entry of export data by the customs department of the NBR.

From now, export data will be released with the coordination of all agencies concerned, said Finance and Commerce Adviser Ahmed.

Regarding their aims to increase exports, he said the government will remove anti-export barriers and review tax related export challenges.

The interim government will also work to diversify the country's export basket, Ahmed added.

Asked about the revival of the Generalised System of Preferences to the US, he said discussions are underway to this end and the American government remains positive in this regard.

S Alam entities have Tk 26,000cr in six banks

STAR BUSINESS REPORT

Some entities of the much-talked-about S Alam Group and some family members of the group's founder Mohammed Saiful Alam have around Tk 26,000 crore in six banks, said insiders, citing data sent by the banks to the National Board of Revenue (NBR).

The six banks are Islami Bank Bangladesh, Al-Arafah Islami Bank, Exim Bank, Bangladesh Commerce Bank, National Bank and First Security Islami Bank.

As per the information sent by these banks, the firms -- namely S Alam Luxury Chair Coach Service and S Alam Cold Rolled Steel Ltd -- have transacted around Tk 109,000 crore mainly after the Covid-19 pandemic.

A good amount of funds came as loans from banks to S Alam Cold Rolled Steel Ltd, said officials at the NBR.

Chattogram-based businessman Mohammed Saiful Alam's mother, Chemon Ara Begum, wife Farzana Parveen, and his brother Mohammed Abdullah Hasan are directors of the two entities.

Contacted, Ahsan Habib, commissioner of taxes, Tax Zone-15, said, "It is our routine duty to detect tax evasion and collect the taxes for the state. It is part of our routine duty."

Last month, the field office of the NBR asked banks to provide account details of Alam's family members to check if they have been paying their taxes properly.

Subsequently, the NBR wrote to 91 banks and financial institutions seeking the bank details. This was roughly after two weeks following a mass uprising toppled Sheikh Hasina's government.

Alam was close to the previous government and other regulatory agencies. But after the regime changes, the agencies moved to take measures, including searching the bank details of Alam, his 12 family members, and their companies.

The Bangladesh Bank restructured the boards of six banks, which were dominated by the Chattogram-based businessman and his relatives.

In the letters, the NBR sought information about the bank accounts and credit cards of Alam's brother Hasan, his mother Chemon Ara Begum, and his wife Farzana.

Additionally, details about any personal or business accounts jointly held in the names of Alam's sister, daughter, or son were also sought.

STOCKS	
DSEX ▼	CASPI ▼
0.86%	0.86%
5,679.30	16,237.67

COMMODITIES	
Gold ▼	Oil ▼
\$2,497.39	\$68.16
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.24%	▼ 0.72%	▼ 0.12%	▼ 0.81%
81,183.93	36,391.47	3,454.47	2,765.81

NBR to open e-tax filing portal today

STAR BUSINESS REPORT

The National Board of Revenue (NBR) will open its online tax return submission portal today to facilitate digital income tax, wealth statement and other tax submissions by individual taxpayers for fiscal year 2024-25.

"We have upgraded our server so that it can accommodate higher numbers of users and we can offer them smooth services round the clock," said NBR Spokesperson Syed A Momen.

The tax administration said individual taxpayers will be able to prepare their tax returns, and submit or take out prints for manual submission. They can pay tax through online banking, cards or mobile financial services.

Taxpayers will get acknowledgement receipts for their filed tax returns and tax payment certificates. They will also be able to register for taxpayer identification numbers (TIN) and TIN certificates.

The electronic system will give scope to taxpayers to get copies of electronically filed tax returns of the previous years, the NBR said.

To sign up, taxpayers will require biometrically verified mobile phone numbers, it added.

The tax authority said taxpayers have

READ MORE ON B3

US to propose Basel rule revisions this month

REUTERS

The US Federal Reserve and other regulators are set to unveil sweeping changes to a raft of proposed banks capital rules as soon as Sept. 19, Bloomberg News reported on Friday, citing people familiar with the matter.

The revisions could run up to 450 pages and would include key changes to rules that center on operational risk provisions including a reduction in the capital that banks must allocate against business lines like wealth-management services and certain credit-card operations, the report added.

The new revised proposal would also reduce the market-risk requirement for the country's biggest lenders, which would not face as stringent requirements around mortgages or tax-equity exposures, the report said.

Next Tuesday, Fed vice chair Michael Barr will preview the regulators' revised proposal and explain the next steps at the Hutchins Center on Fiscal & Monetary Policy, Brookings said in a blog post.

Regulators began rolling out the Basel III rules after the 2007-2009 global financial crisis forced taxpayers to bail out several undercapitalized banks.

City Bank, Probashi Kallyan Bank sign remittance deal



Md Mazibur Rahman, managing director of Probashi Kallyan Bank, and Mashrur Arefin, managing director and CEO of City Bank PLC, shake hands and exchange signed documents of an agreement at the Ministry of Expatriates' Welfare and Overseas Employment in Dhaka yesterday. Asif Nazrul, adviser of the ministry, was present.

PHOTO: CITY BANK

STAR BUSINESS DESK

City Bank PLC yesterday signed an agreement with Probashi Kallyan Bank (PKB) in a bid to bring remittances from Bangladeshi nationals living and working in different countries across the world.

Mashrur Arefin, managing director and CEO of City Bank PLC, and Md Mazibur Rahman, managing director of Probashi Kallyan Bank, penned the deal

at the Ministry of Expatriates' Welfare and Overseas Employment in Dhaka, said a City Bank press release.

Asif Nazrul, adviser of the expatriates' welfare ministry, presided over the signing ceremony.

Under this agreement, workers who have gone abroad after borrowing from PKB will now be able to send their remittances to PKB by using City Bank as a vehicle. They will also be able to withdraw

cash from PKB branches.

This will make pay loan instalment payments to PKB easier, said the press release.

The initiative in its second phase will see the workers sending their remittances directly to PKB through City Bank's partner exchange companies abroad.

Among others, Md Ruhul Amin, chairman of PKB and secretary of the ministry, was present.

Zakaria Taher new chairman of National Bank risk management committee

STAR BUSINESS DESK



Zakaria Taher has been elected the chairman of the Risk Management Committee of National Bank Limited.

The election was held during the bank's 505th meeting of the board of directors recently, the bank said in a press release.

Taher is a director of the bank. He is a distinguished entrepreneur and businessman in Bangladesh.

He is the chairman of TS Holdings, Purbachal Drillers, and TS Packaging.

Taher is the managing director of several companies, including Armana Limited, Armana Apparels, Armana Fashion, Armach Logistics, Denimach Limited, Denimach Washing, Zyta Apparels, and Jeans Culture.

He obtained his bachelor's degree in business management from the University of West Virginia, USA.

Gold drops from near-record level

REUTERS

Gold prices eased on Friday, retreating from near-record levels reached earlier in the session, after mixed US jobs data cast doubts on the scale of interest-rate cut from the Federal Reserve later this month.

Spot gold fell 0.8 percent to \$2,495.86 per ounce by 1:59 p.m. ET (1759 GMT), having hit its highest since Aug. 20, when gold last scaled a record peak.

Midland Bank, Kokomo Sunset Resort sign MoU on service benefits



Md Rashed Akter, head of retail distribution division of Midland Bank, and Md Bayazid Bin Mahfuz, head of sales and marketing of Kokomo Sunset Resort, pose for photographs after signing a memorandum of understanding at the bank's head office in the capital's Gulshan recently.

PHOTO: MIDLAND BANK

STAR BUSINESS DESK

Midland Bank PLC recently signed a memorandum of understanding (MoU) with Kokomo Sunset Resort located in Gazipur.

Md Rashed Akter, head of the retail distribution division of the bank, and Md Bayazid Bin Mahfuz, head of sales and marketing of the resort, penned the MoU at the bank's head office in Dhaka's Gulshan, said a press release.

Under this agreement, all the cardholders of the bank will enjoy a 50 percent discount on regular room tariff, a 10 percent discount on lunch, dinner and breakfast (full board package of any season) and a 10 percent discount on the al-a-carte menu from the resort.

Located on Pabur road at Kapasia, the resort is an enchanting blend of nature's embrace and contemporary luxury in the Bhawal Rajabari district of Gazipur. It is just a 40-minute drive from Dhaka.

Among others, Md Abed-Ur-Rahman, head of cards of the bank, Md Rashadul Anwar, head of the public relations division, and Sazal Ahmed, merchant relationship officer, and Md Tarikul Islam, senior sales and marketing executive of the resort, were also present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 8, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	4.35 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 38-Tk 45	-2.35 ↓	-12.63 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 148-Tk 158	2.00 ↑	-2.86 ↓
Potato (kg)	Tk 52-Tk 60	-2.61 ↓	28.74 ↑
Onion (kg)	Tk 110-Tk 120	0	35.29 ↑
Egg (4 pcs)	Tk 52-Tk 55	2.88 ↑	3.88 ↑

SOURCE: TCB

China's global battery ram will be hard to stop



REUTERS, Hong Kong

China's electric cars have zoomed into a new era of battery-powered driving. Now models such as BYD's Seal and Great Wall Motor's Funky Cat face an international backlash. The US is quadrupling duties on imports of electric vehicles from the People's Republic to more than 100 percent, while the European Union is lifting total tariffs close to 50 percent for some marques. The Chinese-made batteries that power the vehicles are an obvious next target for trade restrictions. But that battle will be even harder for the West to win.

China is a battery powerhouse. The \$115 billion Contemporary Amperex Technology, and its smaller compatriots accounted for two-thirds of the global market for power cells used in electric cars in the first half of 2024, Bernstein analysts reckon. Companies from the People's Republic are also growing faster: installations by SVOLT Energy Technology more than doubled in the period from January to June, while those from rivals CALB, Guoxuan, CATL and BYD all grew by more than a fifth compared to 2023. They're profitable too, with CATL raking in more than 40 billion yuan (\$5.6 billion) in earnings last year.

Much of that output is exported: the total volume of lithium battery units leaving China roughly doubled between 2015 and 2023, according to the International Trade Centre. The US and Europe have become major buyers of Chinese cells, squeezing local operators like Sweden's Northvolt.

Now Western policymakers are pushing back. President Joe Biden in May laid out plans to hike tariffs on imports of batteries and their parts to 25 percent, from the previous 7.5 percent. His flagship Inflation Reduction Act, which subsidises electric cars by up to \$7,500, from 2025 explicitly excludes vehicles for which battery materials were extracted, processed or recycled by a "Foreign Entity Of Concern". That term covers companies



An employee is seen working at a factory that produces lithium battery for export, in Huaibei, eastern China's Anhui province. The total volume of lithium battery units leaving China roughly doubled between 2015 and 2023.

PHOTO: AFP/FILE

headquartered or incorporated in China, and firms where the government holds 25 percent or more of its equity, voting rights or board seats. Chinese manufacturers are also excluded from the Bipartisan Infrastructure Law's \$6 billion of credits for batteries and the critical minerals required to make them.

EU policymakers in Brussels are erecting similar barriers for Chinese-made batteries. They have not introduced additional tariffs, but a slew of guidelines on local and responsible sourcing makes trade increasingly costly and complex. So will the EU's proposed carbon border tax, which will impose levies on emissions-intensive imports, including cars and related parts from 2030.

These efforts are likely to intensify as political relationships become testier. US efforts to minimise the country's dependence on its main strategic rival have broad bipartisan support. Officials are also anxious about the presence of Chinese tech in so-called dual-use products that

have military applications. Batteries are crucial for submarines and drones.

And although the IRA is one of Biden's signature policies, Donald Trump would probably hesitate to reverse it wholesale if he returns to the White House. Battery-related investments spurred by the tax credit scheme are concentrated in Republican-leaning states, UBS analyst Tim Bush points out.

To successfully unplug from Chinese suppliers, however, Western countries will need to develop alternatives. Korean battery giants such as LG Energy Solution, SK On and Samsung SDI, which account for a combined global market share of 23.5 percent, are expanding in the US and the European Union. However, relying on this trio has downsides, because they lag larger Chinese rivals' technical prowess. None have so far managed to ramp up mass production of increasingly popular lithium-iron phosphate cells, for instance.

Women ride Pakistan's economic crisis

FROM PAGE B4

buses decorated with chinking bells, with a handful of women stepping out amid the crowd of men.

Nineteen-year-old Anum Shahzadi, who works in the same factory inputting data, was encouraged by her parents to enter the workforce after completing high school, unlike generations before her.

"What is the point of education if a girl can't be independent," said Shahzadi, who now contributes to the household alongside her brother.

Bushra Khaliq, executive director for Women In Struggle for Empowerment (WISE) which advocates for political and economic rights for women, said that Pakistan was "witnessing a shift" among urban middle class women.

"Up until this point, they had been told by society that taking care of their homes and marriage were the ultimate objective," she told AFP.

"But an economic crunch and any social and economic crises bring with them a lot of opportunities."

Farzana Augustine, from Pakistan's minority Christian community, earned her first salary last year at the age of 43, after her husband lost his job during the Covid-19 pandemic.

"My wife had to take over," Augustine Saddique explained to AFP.

"But it is nothing to be sad about, we are companions and are running our house together."

The sprawling port metropolis of Karachi, officially home to 20 million people but likely many millions more, is the business centre of Pakistan.

It pulls in migrants and entrepreneurs from across the country with the promise of employment and often acts as a bellwether for social change.

Nineteen-year-old Zahra Afzal moved to Karachi to live with her uncle four years ago, after the death of her parents, leaving her small village in central-eastern Pakistan to work as a childminder.

"If Zahra was taken by other relatives, she would have been married off by now," her uncle Kamran Aziz told AFP, from their typical one room home where bedding is folded away in the morning and cooking is done on the balcony.

"My wife and I decided we would go against the grain and raise our girls to survive in the world before settling them down."

Afzal beams that she is now an example for her sister and cousin: "My mind has become fresh."

Canada jobless rate rises

FROM PAGE 4

The Bank of Canada, on the heels of two recent cuts, this week trimmed its key lending rate to 4.25 percent. Inflation, meanwhile, has fallen to 2.5 percent -- at the higher end of the central bank's 1-3 percent target.

According to Statistics Canada, employment rose in August in educational services, health care and social assistance, and finance, insurance, real estate, rental and leasing.

It declined in "other services" such as personal and repair services, as well as professional, scientific and technical services, utilities, and natural resources.

Gains in part-time work (+66,000) were largely offset by a decline in full-time jobs (-44,000). An increase in the number of jobs in the private sector also offset losses in the previous month.

Most of the small number of net new jobs went to women.

Labour unrest caused at least Tk 5,000cr loss: MCCI

STAR BUSINESS REPORT

Labour unrest in several industrial belts after the August regime change might have caused at least Tk 5,000 crore in losses as production and distribution suffered and many factories came under attack, according to the Metropolitan Chamber of Commerce and Industry (MCCI).

"We have come to know that over a hundred factories came under attacks amid unrest and over 200 factories had to shutter," said Secretary General and CEO of MCCI Farooq Ahmed citing the estimate.

He shared the amount at a discussion on the Purchasing Managers' Index (PMI) for Bangladesh yesterday.

MCCI and Policy Exchange Bangladesh supported by Foreign, Commonwealth and Development Office (FCDO), UK organised the event at its office in Gulshan, Dhaka.

Ahmed said no specific survey has been carried out so far to ascertain the amount of losses. The guesstimate is made based on the discussion with the top businessmen.

BB gets two new deputy governors



Zakir Hossain

Kabir Ahmed

STAR BUSINESS REPORT

Md Zakir Hossain Chowdhury and Md Kabir Ahmed, executive directors of the Bangladesh Bank, have now been appointed as deputy governors of the country's central bank for a three-year term.

The finance ministry yesterday issued a statutory regulatory order declaring the appointments of the deputy governors on a contractual basis.

With this, the central bank now has a total of four deputy governors.

The posts had remained vacant since Kazi Sayedur Rahman and Khurshid Alam, the preceding deputy governors, stepped down after the Awami League government led by Sheikh Hasina was ousted by a mass uprising on August 5.

Earlier, the interim government formed a three-body search committee led by Mohammad Muslim Chowdhury, former finance secretary and the comptroller and auditor general, to find appropriate candidates for deputy governors of the Bangladesh Bank.



PHOTO: TITU DAS

Ashraf Ali Howlader will get Tk 600 a day working as a farmhand in transplanting saplings of Aman season paddy initially grown in small seedbeds in this larger cropland. Aman cultivation begins in the August-September period and harvests are made in the November-December period. The photo was taken in Mddhya Kurapur village in Barishal sadar upazila recently.

Skilled cosmetics workers to get Tk 14,890 as wage

Recommends minimum monthly wage board

STAR BUSINESS REPORT

The Ministry of Labour and Employment has recommended that the basic monthly wage of a "highly skilled" worker of the soap and cosmetics industry inside divisional cities and city corporations be Tk 8,260.

It has also recommended 50 percent of it as house rent allowance, Tk 1,500 as medical allowance and Tk 1,000 as transport allowance.

This will take the minimum salary to Tk 14,890, said a notification of a Minimum Wages Board of the ministry dated September 2.

In case of those in district towns and remaining areas, the basic wage and medical and transport allowances are the same.

However, Tk 3,304 was recommended as the house rent allowance, for which the minimum wage would stand at Tk 14,064.

In a similar manner, a "skilled worker" in divisional cities and city corporation areas will get a minimum wage of Tk 12,085 whereas in district towns and other areas Tk 11,446.

For "semi-skilled" workers, it is Tk 10,795 and Tk 10,242 and "unskilled" workers Tk 10,000 and Tk 9,500 respectively.

Apprentices will get Tk 7,500 per month for a probationary period of three months and for a possible extended period of another three months if the level of skill cannot be determined.

The board also recommended 50 percent of the amount as house rent allowance, Tk 1,500 as medical allowance and Tk 1,000 as transport allowance

Objections and recommendations have been sought in writing to the chairman of the Minimum Wages Board within 14 days of the gazette's publication.

The board held many meetings with the company owners and workers and did not want to set such a low wage, an official of the board, on condition of anonymity, told The Daily Star yesterday.

LC margin withdrawal to stimulate trade, investment: DCCI

STAR BUSINESS DESK

The Dhaka Chamber of Commerce and Industry (DCCI) has lauded the recent central bank move that lifted margins for letters of credit (LCs) for typical imports, saying this will boost overall industrial output and eventually increase the country's exports.

Besides, the chamber has appreciated the Bangladesh Bank's initiative to form a revolving refinancing scheme for the country's small ventures, which, the chamber said would make funding access easier for small entrepreneurs.

The Bangladesh Bank recently lifted the LC margin on all types of imports except for some luxury items. Importers now can bring in all types of capital equipment, consumer goods and capital raw materials without any margin based on a bank-customer relationship.

"If imports increase, new investment, re-investment, availability of capital equipment and overall industrial production will subsequently increase that would bring a positive result in export growth," said DCCI President Ashraf Ahmed.

Besides, an increased supply of raw materials would result in factories being able to ensure production at their maximum capacity, according to a DCCI press release issued yesterday.

Dhaka chamber believes the supply of products in the market will increase accordingly, positively impacting the overall inflation situation in the country.

The DCCI said that the cottage, micro, small and medium enterprises (CMSME) sector is the main driving force of the country's economy.

About the refinancing fund formation initiative for CMSME, the Dhaka chamber president said it "would play a pivotal role in getting refinancing benefits for the small entrepreneurs".

He said the chamber believes that this fund will be useful for the production growth of both goods and services and for income and employment generation of the CMSME sector.

Under this fund, the interest rate will never exceed 8 percent and in this case, no supervision charge or even early settlement fee can be imposed, which would be a relief for CMSMEs.

"If the CMSME sector is given the special advantage in the development of backward linkage industry and employment generation, its positive impacts will no doubt be reflected in the overall economy," the chamber added.

Oil settles down 2%

REUTERS, New York

Oil prices settled 2 percent lower on Friday, with a big weekly loss after data US jobs data was weaker than expected in August, which outweighed price support from a delay to supply increases by Opec+ producers.

Brent crude futures were down \$1.63, or 2.24 percent, to \$71.06 a barrel, their lowest level since Dec. 2021. US West Texas Intermediate crude futures fell \$1.48, or 2.14 percent, to \$67.67, their lowest since June 2023.

For the week, Brent declined 10 percent, while WTI dropped around 8 percent.

Shoemaker to invest \$7.45m in Bepza EZ

FROM PAGE B4

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, thanked YiXin Bangladesh for investing in Bangladesh, especially in the Bepza Economic Zone.

Rahman urged the investors to start the construction of the factory as soon as possible.

A total of 32 companies, including YiXin Bangladesh, have so far signed agreements to invest in the Bepza Economic Zone, totalling the proposed investment at \$718.46 million.

Among others, Mohammad Faruque Alam, member (engineering), ANM Foyzul Haque, member (finance), ASM Zamshed Khondaker, executive director (admin), Md Tanvir Hossain, executive director (investment promotion), and Mohammad Anamul Haque, project director of Bepza Economic Zone, were also present.

NBR to open e-tax filing portal today

FROM PAGE B1

been showing increasing interest in filing their income tax returns online since the launch of the e-filing system in 2021.

Some 5.26 lakh taxpayers filed returns online in the year 2023-24, which was more than double the 2.44 lakh e-returns filed the year prior, according to NBR data.

During the year 2021-22, the NBR received 61,491 tax returns online.

Bangladesh has more than 1 crore registered taxpayers, but 59 percent did not submit their income tax returns in the year 2023-24.

The NBR said individual taxpayers will be able to register online and furnish returns for tax year 2024-25 from today.

Taskforce for banking sector to start work

FROM PAGE B1

the guarantor of those banks," he added.

Regarding loans for small and medium enterprises (SMEs), Mansur said there has been stagnation in loan distribution in this segment.

The Bangladesh Bank has Tk 25,000 crores meant for disbursement among SMEs.

"But this money has not been disbursed due to some systematic problems. A flexible policy is needed to disburse the loans. We will try to ensure that small entrepreneurs get

the funds," he added.

Regarding allegations of account freezing, the governor said the central bank did not ask anyone, even the Bangladesh Financial Intelligence Unit, to freeze the bank accounts of any individual or organisation.

"Even if someone commits irregularities, his institutional account will be kept open so that their business can run normally. Some people are carrying out a negative campaign in this regard," he said.

US warns of growing risks of business in Hong Kong

AFP, Washington

The United States on Friday warned of growing risks for businesses operating in Hong Kong, saying that routine activities could run afoul of the financial hub's new national security regulations.

China had agreed to a "One Country, Two Systems" approach for Hong Kong before the territory was handed over from Britain in 1997.

But Beijing has clamped down since mass protests in 2019, with Hong Kong's opposition-free legislature in March passing an ordinance that carries life imprisonment for crimes including treason and insurrection.

Updating a business advisory first issued in 2021, the State Department and other US agencies warned of "new and heightened risks" for firms operating in Hong Kong.

"The vaguely defined nature of the law and previous government statements and actions raise questions about risks associated with routine activities," it said of the new Article 23 law.

Such routine activities could include research on government

policies and maintaining connections with local officials, journalists and non-governmental organizations, it said.

The advisory also said differences were narrowing between Hong Kong and mainland China.

"Under similar laws to those recently enacted in Hong Kong, PRC authorities in mainland China appear to have broad discretion to deem a wide range of documents, data, statistics or materials to be state secrets and to detain and prosecute foreign nationals for alleged espionage," it said, using the acronym for China's official name.

More than 300 people have been arrested under an initial 2020 security law. According to the State Department, they include one US citizen.

Hong Kong's number two official Eric Chan said Saturday the US advisory was an attempt to suppress China's rise and that national security cases are treated fairly in court.

"The National Security Law has been enacted for a long time and we can all see that we have never groundlessly arrested any business people," Chan told reporters.



Construction workers are building residential houses and homes at a Homes by Strata building site in Leeds, northern England. The British economy needs an extra 30 billion pounds in housing annually.

PHOTO: AFP/FILE

Britain needs extra \$1.3tr investment for economic growth: report

REUTERS, London

Britain needs an additional one trillion pounds (\$1.3 trillion) in investment in the next decade to grow the economy, a report said on Friday.

New British Prime Minister Keir Starmer said he wanted the economy to achieve annual growth of 2.5 percent when campaigning in the run-up to July 4's election - a rate that Britain has not regularly reached since before the 2008 financial crisis.

An annual growth rate of 3 percent would require extra investment of 100 billion pounds a year in the next 10 years, particularly in energy, housing and venture capital, according to the report from UK financial services lobby group Capital Markets Industry

Taskforce.

The investment could come out of the six trillion pounds in long-term capital in Britain's pensions and insurance sector, the report's lead author Nigel Wilson, former boss of Legal & General, told Reuters.

"We've underinvested in the UK for such a long time, there's a massive gap between the other G7 countries and ourselves," he said.

"We have the long-term capital in the UK, it needs to be reallocated."

The British economy needs an extra 50 billion pounds annually in energy investment, as it seeks to meet net zero targets, 30 billion pounds in housing and 20-30 billion in venture capital, the report said.

The government should look at incentives to investment, such as reductions in taxes on shares for

retail investors, the report added.

UK pensions have a "significantly lower" allocation to domestic and unlisted equities than most developed market pension systems globally, according to a separate report published on Friday by think tank New Financial.

UK pensions could as much as double their allocations and still be in line with the pensions industry in other advanced markets, the report said.

The UK government has called for a review of Britain's pension system, as it seeks to increase UK pensions investment in domestic startups.

"UK pension schemes could play a greater role in UK capital markets than they currently do," UK pensions minister Emma Reynolds told a CMIT conference.

45 garment factories shut midday amid labour unrest

STAR BUSINESS REPORT

Some 45 garment factories in Ashulia and Gazipur, one of the country's major industrial belts, were forced to shut down in the middle of the day yesterday amidst workers' demonstrations, which have been sporadically erupting since last week.

The demonstrations were over demands for different benefits and allowances, such as increasing maternity leaves from three months to six months, congenial work environments and recruitment of men and women in equal proportions.

"There was no untoward incident," said BGMEA President Khandoker Rafiqul Islam, adding that the factory owners were not obligated to meet some of the demands, such as for attendance bonus and lunch allowance, as those did not fall under the labour law.

Of the factories, 44 were in Ashulia and one in Gazipur, confirmed the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Six people were detained for questioning from Pukurpar area on suspicion of being "outsiders" and "creating anarchy", said Mohammad Sarwar Alam, superintendent of Ashulia Industrial Police 1.

As per the BGMEA's previous decision, most factories reopened yesterday but workers of the 45 factories started staging demonstrations both inside and outside, saying their negotiations with the authorities had not been "fruitful".

Tensions flared after 11:00am and the authorities decided to shut down, said industrial police.

Laily Akhter, a worker of a garment factory in Ashulia, said they were



As per the BGMEA's previous decision, most garment factories reopened yesterday.

PHOTO: AKLAKUR RAHMAN AKASH

demanding an increase of monthly attendance bonus from Tk 500 to Tk 1,000 and its payment every month instead of every two or three years or when jobs were terminated.

They were also seeking Tk 50 as food allowance and an attendance allowance of Tk 100 for night shifts, she said.

"But the factory authority declared a holiday in the afternoon," she said, apprehending that the factory might

be kept closed for 10 days and that they might not be paid for that period.

"We do not want the factory to be closed. We urge the authorities to accept our demands and keep the factory running," said Laily.

Around 11:30am, a group of workers blocked the Jirabo-Bishmail road in front of several factories in Pukurpar area of Ashulia.

Later, members of Bangladesh Police,

Bangladesh Army and Border Guard Bangladesh arrived to disperse them and normalise traffic flow.

During a visit, this correspondent found the six detainees "being interrogated" outside a factory.

However, operations at other factories were normal. Police quoted the workers as saying that they had joined their workplaces after factory owners accepted most of their demands.

White-collar crimes: Bangladesh perspective

DH CHOUDHURY

Readers may agree with my supposition that the current financial misfortune of Bangladesh is largely caused by white-collar crimes. Edwin Sutherland, a US sociologist who coined this terminology, defined white-collar crime as "a crime committed by a person of respectability and high social status in the course of his occupation".

In Bangladesh, we fail to isolate white-collar crimes from ordinary deceptions, because it is not clearly defined in our legal system. A fair guideline can be obtained from the US Department of Justice definition, which articulates: "White-collar offences shall constitute those classes of non-violent illegal activities which principally involve traditional notions of deceit, deception, concealment, manipulation, breach of trust, subterfuge or illegal circumvention".

When this crime has caused so much misery in our society, it is pertinent to ask: a) why do socially established people in Bangladesh commit white-collar crimes and b) whether these crimes can be prevented in the coming days.

Regarding the first question, it is commonly understood that white-collar crimes thrive in a modern complex economic system where there is money, trust, greed and opportunity. Bangladeshi politicians created opportunities for a few in the name of progress and development. Contractual trust, which is a basis for all monetary transactions, was widely flouted. Thereby, paving the way for deception and financial scams to surpass all bounds.

The second issue is the prevention of white-collar crime. We need a robust legal framework and institution comparable to the Serious Fraud Office

of the UK. Simultaneously, we need to inculcate basic moral precepts. Consider how honesty is being routinely touted in religious sermons, political meetings and civil society in Bangladesh. Yet we do not find their reflection in private morality and public policies. This gives rise to the question of whether our families and society inculcate the moral foundation in the right



earnest.

Truly speaking, white-collar crimes cannot be eliminated but can be prevented. With the happening of each financial crime, Western societies make appropriate legal reforms to prevent recurrence. Conversely, in our part of the world, white-collar crimes thrive through political patronage and social indifference.

Trivial phrases like "all men are created equal" or George Washington's inaugural speech where he said "there is an enduring union between virtue and happiness" are some of the precepts of American moral beliefs and behaviour.

Secular Western societies derive their public policy from private morality. The stigma of being labelled as a fraudster is a disgrace in the Western world. There is a common saying in the Western world that one could get away with murder, but not with a white-collar crime. In support of this notion, let me cite examples:

During the 1990s, Robert Maxwell, the UK-based media mogul embezzled employees' pension fund. Upon detection, he faced public outrage. Then he died a mysterious death, widely believed to be a suicide out of shame. Likewise, Bernie Madoff, the stockbroker and once Chairman of NASDAQ, who fleeced many people and devastated many lives, when brought to justice, received a 150-year prison sentence and later died in remorse and shame.

Please do not get me wrong. I am citing the Western precepts and examples in order to bring home the truism that any society in the pursuit of ethically run institutions must build a moral premise first. For example, if we need justice in a community, we have to put in place a just society. Only then societies can produce benevolent people.

History demonstrates that public sentiments towards any common cause can create invincible people's power. Perhaps the July 2024 Bangladesh Revolution brings home some hope of transforming the society.

The author is a former banker

Shoemaker to invest \$7.45m in Bepza EZ

STAR BUSINESS DESK

YiXin Bangladesh, a Chinese company in Bangladesh, will set up a footwear accessories manufacturing factory in the Bepza Economic Zone with an investment of \$7.45 million.

The company has set a target to annually produce 10 million pairs of footwear materials. The investment will create employment opportunities for 1,509 Bangladeshi nationals in the factory.

To this effect, the Chinese company signed an agreement with the Bangladesh Export Processing Zones Authority (Bepza) at the BEPZA Complex in Dhaka yesterday, according to a press release.

Md Ashrafur Kabir, member (investment promotion) of Bepza, and Jian Zaiyi, managing director of YiXin Bangladesh, penned the deal.

READ MORE ON B3

Stocks keep bleeding as investors go for safe bets

STAR BUSINESS REPORT

Stocks in Bangladesh maintained their downward spiral for a fifth consecutive day yesterday as skittish investors made fresh bets on lucrative blue-chip and large-cap scrips to pocket short-term gains in the face of price fluctuations.

Blue-chip stocks are of companies widely recognised, well-established, and financially sound. Large-cap stocks are of companies that account for large amounts in market capitalisation, calculated based on the total value of their outstanding stocks.

Shares of many financially sound companies reached lucrative lows after recent price corrections, according to an investor based in Dhaka.

As such, the DSEX edged down by 0.86 percent from the previous day to close at about 5,679 points, marking the fifth day of decline for the benchmark index of the Dhaka Stock Exchange (DSE).

The DSES index comprising Shariah-compliant companies also shed 0.60 percent to about 1,221 points while the DS30 index representing blue-chip stocks slipped by 0.67 percent to 2,100 points.

The day's turnover, which indicates the total value of shares traded on the DSE, stood at Tk 678.8 crore, an increase of 0.58 percent compared to the previous day's trading

session.

The pharmaceuticals sector dominated the turnover chart, contributing 19.15 percent of the day's total.

Block trades, meaning high-volume securities transactions that are privately negotiated and executed outside the open market, accounted for 3.4 percent of the daily turnover.

Linde Bangladesh Limited was the most traded share, registering a turnover of Tk 32.1 crore.

Shares of many financially sound companies reached lucrative lows after recent price corrections, according to an investor

In its daily market update, BRAC EPL Stock Brokerage said all large-cap sectors posted negative performances while engineering experienced the highest loss of 2.30 percent.

Fuel and power recorded a loss of 2.19 percent followed by the food and allied, non-bank financial institution (NBF) and banking sectors with losses of 1.26 percent, 0.99 percent and 0.62 percent respectively.

The pharmaceuticals sector logged a loss of 0.50 percent while it was 0.24 percent for

telecom.

Paper and printing, travel and leisure, and life insurance were the top three sectors that closed in negative territory, according to the daily market update by UCB Stock Brokerage.

Of the issues traded at the country's premier bourse, 64 scrips saw their prices advance while those of 289 ended lower and 44 did not see any fluctuation.

Shares of BRAC Bank, Beximco Pharmaceuticals, ACME Laboratories, Renata, Olympic Industries, MJL Bangladesh, Gramenphone, LafargeHolcim Bangladesh, Confidence Cement and Libra Infusions drew the most investors, according to LankaBangla Financial Portal.

But none of the companies saw a double-digit growth in share prices. BRAC Bank logged a gain of 2.18 percent, which was the highest among these companies.

Meanwhile, shares of BAT Bangladesh, Square Pharmaceuticals, United Commercial Bank, IFIC Bank, Delta Life Insurance, Orion Pharmaceuticals, Sea Pearl Beach Resort and Spa, Orion Infusion, Robi Axiata and Unique Hotel and Resorts showcased tame performances.

The Chittagong Stock Exchange saw a similar trend as the Caspi, the all-share price index of the port city bourse, decreased by 0.86 percent from the previous day to settle at about 16,238 points.

Canada jobless rate rises to 7-year high

AFP, Ottawa

Canada's unemployment rate rose to 6.6 percent in August, its highest level since May 2017 -- excluding peak Covid-19 pandemic years -- the national statistical agency said Friday.

The result, an increase from 6.4 percent in July, was despite little change in the total number of jobs for a fourth month in a row.

Statistics Canada noted that the jobless rate has been generally trending up since April 2023.

Analysts said this is likely to add pressure on the Bank of Canada to continue lowering interest rates, after three successive cuts, in order to prevent the economy from stalling as it seeks to throttle inflation.

"With population growth strong once again and labour force participation rebounding, hiring in August wasn't enough to keep the unemployment rate from rising two ticks," Desjardins' Royce Mendes commented in a research note.

Overall, he said, the data points to the economy "continuing to stagnate in the third quarter."

Desjardins pegged economic growth at just one percent from July to September versus the central bank forecast of 2.8 percent.

"This was a slightly softer than expected (jobs) report consistent with continued steady interest rate cuts from the Bank of Canada," concluded CIBC analyst Andrew Grantham.

READ MORE ON B2

Women ride Pakistan's economic crisis into the workplace

AFP, Karachi

Amina Sohail veers through heavy traffic to pick up her next passenger -- the sight of a woman riding a motorcycle drawing stares in Pakistan's megacity of Karachi.

The 28-year-old is the first woman in her family to enter the workforce, a pattern emerging in urban households coming under increasing financial pressure in Pakistan.

"I don't focus on people, I don't speak to anyone or respond to the hooting, I do my work," said Sohail, who joined a local ride-hailing service at the start of the year, transporting women through the dusty back streets of the city.

"Before, we would be hungry, now we get to eat at least two to three meals a day," she added.

The South Asian nation is locked in a cycle of political and economic crises, dependent on IMF bailouts and loans from friendly countries to service its debt.

Prolonged inflation has forced up the price of basic groceries such as tomatoes by 100 per cent. Electricity and gas bills have risen by 300 per cent compared to July last year, according to official data.

Sohail used to help her mother with cooking, cleaning and looking after her

younger siblings, until her father, the family's sole earner, fell sick.

"The atmosphere in the house was stressful," she said, with the family dependent on other relatives for money.

"That's when I thought I must work."

"My vision has changed. I will work openly like any man, no matter what anyone thinks."

Pakistan was the first Muslim nation to



PHOTO: AFP/FILE

Amina Sohail, a motorbike rider with a local ride-hailing service provider Bykea, drives down a street in Karachi, Pakistan. She joined a local ride-hailing service at the start of the year, transporting women through the dusty back streets of the city.

be led by a woman prime minister in the 1980s, women CEOs grace power lists in Forbes magazine, and they now make up the ranks of the police and military.

However, much of Pakistani society operates under a traditional code which requires women to have permission from their family to work outside of the home.

According to the United Nations, just 21 percent of women participate in Pakistan's work force, most of them in the informal sector and almost half in rural areas working in the fields.

"I am the first girl in the family to work, from both my paternal and maternal side," said Hina Saleem, a 24-year-old telephone operator at a leather factory in Korangi, Karachi's largest industrial area.

The move, supported by her mother after her father died, was met with resistance from her extended family.

Her younger brother was warned that working could lead to socially unacceptable behaviour, such as finding a husband of her choice.

"My uncles said 'get her married'," she told AFP. "There was lots of pressure on my mother."

At the changeover of shifts outside the leather factory, workers arrive in painted

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