

## China's retail sales slow

AFP, Beijing

Chinese retail sales and industrial production growth slowed in August, official data showed Saturday, as leaders in Beijing seek paths to achieve growth targets despite consumers' reluctance to spend.

More than a year and a half since abolishing strict Covid-19 measures that had dampened activity, the world's second-largest economy has yet to achieve a highly anticipated post-pandemic recovery.

A prolonged debt crisis in China's vast property sector, continued deflationary pressure and high unemployment are among the factors now weighing on investor confidence.

In August, retail sales increased 2.1 percent year-on-year, slowing from 2.7 percent in July, according to data released by the National Bureau of Statistics (NBS).

The figure also came up short of the 2.5 percent growth forecast by a Bloomberg survey of analysts.



Potter Laxmi Rani stacks clay pitchers in order to bake them in an open fire, an arrangement locally known as "puin". Each pitcher sells for Tk 15 to Tk 20 at wholesale. The photo was taken at Shimuleshwar village in Jhalakathi district recently.

PHOTO: TITU DAS

## Stockbrokers demand capital market taskforce

STAR BUSINESS REPORT

Stock brokerages have urged the government to form a taskforce for the capital market to support its growth and to carry out any necessary reforms.

The DSE Brokers Association of Bangladesh (DBA) made the demand in a letter to the finance adviser yesterday.

Despite the long-time presence of the Dhaka Stock Exchange (DSE) and Bangladesh Securities and Exchange Commission (BSEC), the stock market still lags from becoming a source of capital formation, according to stockbrokers.

So, establishing a taskforce like the one for the banking sector may work well to develop the market and complete essential reforms, the DBA said in the letter.

It said capital market growth remains stuck due to inappropriate policies, adverse management of asset management companies, improper pricing in initial public offerings, and absence of proper direction for diversified products.

That is why there should be medium and long-term targets for growth, and product diversification of the stock market is crucial to finance big infrastructure projects of the government, according to the association.

Besides, the government should take steps to turn the savings of local and non-resident people into investment and a diversified stock market can be a safe investment option, the letter said.

## Stocks fall after a three-day rise

STAR BUSINESS REPORT

Indices of the stock markets in Bangladesh fell yesterday after a three-day rise last week as investors were cautious in trading shares, seeking to wait out earnings disclosures by corporates before undertaking any major move.

Investors were optimistic about the return of good governance as the interim government is implementing a raft of measures to bring about reforms in the overall financial sector, especially the capital market.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), plunged 14.74 points, or 0.26 percent, from that on the day prior to close at 5,711.

However, the DSES, the index that represents the Shariah-based companies, ticked up 1 point or 0.08 percent to 1,246.

The DS30 index for the blue-chip firms slipped 15.22 points, or 0.72 percent, to 2,085.

At Chittagong Stock Exchange, the CASPI, the broad index of the city port bourse, edged down by 21.30 points, or 0.13 percent, to settle at 16,118.

Of the issues that changed hands at the DSE, prices of 169 went up, 182 closed lower and 46 did

not witness any price swings.

Turnover at the DSE, meaning the total value of the shares traded on the day, decreased by 8.79 percent to Tk 669 crore.

The pharmaceuticals sector dominated over the day's total, accounting for 14.25 percent.

Block trades, meaning large-volume securities transactions negotiated and executed privately, contributed another 5.6 percent.

Linde Bangladesh was the most traded share with a turnover of Tk 42.3 crore.

Most sectors which account for large amounts in market capitalisation, which is the total value of a company's outstanding shares, posted a negative performance, according to the daily market update by BRAC EPL Stock Brokerage.

Food and allied experienced the highest loss of 1.35 percent followed by pharmaceuticals (0.91 percent), non-bank financial institutions (NBFIs) (0.82 percent), banks (0.69 percent) and fuel and power (0.18 percent).

However, telecommunication logged a gain of 0.35 percent while engineering 0.92 percent.

Among the sectors, travel and leisure, paper and printing, and life insurance were the top three sectors that closed in the positive.

## Bida gets new chairman

STAR BUSINESS REPORT



Ashiq Chowdhury has been appointed as executive chairman of the Bangladesh Investment Development Authority (BIDA) for a two-year term starting from the date of joining.

The Ministry of Public Administration issued a notification in this regard last Thursday.

According to the circular, Chowdhury's new role as executive chairman of Bida is equal to the rank of a senior secretary in the government. However, he was given the job on the condition that he will have to abandon his working relationship with any other institutions and organisations.

The notification said other conditions of his appointment will be determined through the approved contract.

Chowdhury is a banker by profession. He is the associate director of the Real Asset Finance Division of Hongkong and Shanghai Banking Corporation in Singapore.

Before this, former senior secretary Lokman Hossain Miah was the executive chairman of Bida. He had joined Bida as its executive chairman in September 2022.

However, after the interim government took over, his appointment was cancelled on August 14.

## BSEC orders probe into unusual price surge of Khan Brothers

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has ordered the Dhaka Stock Exchange (DSE) to investigate the unusual price surge of Khan Brothers PP Woven Bag Industries.

The stock market regulator issued a letter in this regard to the DSE's chief regulatory officer yesterday.

The DSE has been asked to submit a report to the BSEC's surveillance department within 30 working days.

Moreover, the BSEC advised notifying the concerned authorised representative, compliance officer or CEO of the stock brokerage firm immediately regarding any suspicious trading activity.

The BSEC noted that the recent fluctuations in the price and trading volume of the company's shares appear unusual and suspicious.

As a result, the commission has instructed the identification of potential causes behind the irregular price and volume movements, including any market manipulation, insider trading, or other forms of market abuse.

According to DSE data, the stock price of the woven bag company surged around 126 percent to Tk 176 over the past 15 working days.

## India sharply raises import tax on edible oils

REUTERS, Mumbai

India has raised the basic import tax on crude and refined edible oils by 20 percentage points, the government said on Friday, as the world's biggest edible oil importer tries to help protect farmers reeling from lower oilseed prices.

The move could lift edible oil prices and dampen demand and subsequently reduce overseas purchases of palm oil, soybean and sunflower oil.

After the duty hike announcement, Chicago Board of Trade soybean extended losses and fell more than 2 percent.

New Delhi on Friday imposed a 20 percent basic customs duty on crude palm oil, crude soybean and crude sunflower oil from Sept. 14, the notification said.

It will effectively increase the total import duty on the three oils to 27.5 percent from 5.5 percent as they are also subject to India's Agriculture Infrastructure and Development Cess and Social Welfare Surcharge.

Imports of refined palm oil, refined soybean and refined sunflower oil will attract 35.75 percent import duty against the earlier duty of 13.75 percent.

Reuters reported in late August that India was considering an increase in import taxes on vegetable oils to help soybean growers ahead of regional elections due in Maharashtra later this year.

"After a long time, the government has been attempting to balance the interests of both consumers and farmers," said Sandeep Bajoria, CEO of Sunvin Group, a vegetable oil brokerage.

## Plastic rules amid lax compliance

FROM PAGE B1

criticised the lack of enforcement, saying, "While many are aware of the environmental harm caused by plastic, there has been little commitment from past governments to enforce this law."

Khan believes proper implementing the law could revive the jute industry, benefit millions of jute farmers and the environment.

He said the government should make jute bags mandatory in all rice mills, with license cancellation penalty for non-compliance.

In the meanwhile, a senior official of a major food importing and processing firm doubted the country's ability to meet the demand for jute sacks.

The official at the food import firm said plastic packaging remains a more practical option due to its lower cost and durability.

In 2012, a writ petition was filed with the High Court. The court issued a stay order, allowing the continued use of plastic bags.

Visiting several kitchen markets in Dhaka's Mirpur, Mohammadpur and Karwan Bazar recently, this correspondent found that plastic sacks were being widely used for rice packaging.

AKM Khorshed Alam, president of the Bangladesh Auto Rice Mill Owners Association, said a few traders currently use jute sacks.

He said the past government did not take stringent measures to implement the law.

The Daily Star approached local major conglomerates including Akij, ACI and Rashid Agro Food Products Ltd for comment on jute packaging for their rice brands. But they were not available for comment on this topic.

Abdur Rauf, secretary of the Ministry of Textiles and Jute,

acknowledged that the law has not been enforced over the past decade but expressed hope that the situation would change with greater political will.

He said that efforts are now on, starting with supershops, and a meeting with jute sector stakeholders was held last Tuesday where a decision to supply jute bags quickly to meet demand was taken.

Syeda Rizwana Hasan, adviser to the Ministry of Environment, Forests and Climate Change, at an event yesterday said that initiatives will be taken to make widespread use of jute packaging through the proper implementation of the law.

"Our ministry will provide all types of policy support to businesspeople to increase the use of jute products," said Rizwana, also an environmental activist and prominent environmental lawyer.

Textiles and Jute Adviser Brigadier General (Retd) M Sakawat Hossain at the same event said initiatives will be taken first to ensure the use of jute sacks of paddy, rice and wheat.

Khondaker Golam Moazzem, research director of local think tank Centre for Policy Dialogue (CPD), said the past government could not fully implement the law due to various operational weaknesses.

However, the current adviser to the Ministry of Environment, Forests and Climate Change has been working on this issue for a long time. "I hope she will take appropriate initiatives to fully implement this law."

Golam Moazzem said local jute mills probably do not have the capacity to meet the demand. "That is why, we need to be prepared first before the implementation."

Another thing is, he said, it will be easier to implement the law if it goes to priority basis, instead of full implementation for all products.

## Almost all

FROM PAGE B1

yesterday as law-and-order improved and workers rejoined their workplaces.

His factories were shut for 12 days in September and eight days in August because of the labour unrest and anti-discrimination student movement.

He is also assessing his losses and planning for recovery of the losses. His buyers have already expressed concern over the frequent unrests and production losses.

He said he has received a lesser amount of work orders from international retailers and brands targeting the upcoming winter season.

Normalcy has been restored at the garment factories and production is ongoing, said Md Towhidur Rahman, president of the Bangladesh Apparel Workers' Federation.

The factory owners should fulfil commitments made to workers during the labour unrest, he added.

Amirul Haque Amin, president of the National Garment Workers Federation, echoed the same.

"It is business as usual at the industrial zone," he said.

Bangladesh's garment sector has overcome much more critical times and it is expected that the production losses can be recovered, Amin added.

Nazma Akter, president of the Sammilito Garment Sramik Federation, said factory owners should meet the legitimate demands of the workers.

She said production fell by a substantial amount in the garment sector in July, August and September.

These three months comprise the peak season for the shipment of goods for the upcoming Christmas period as well as the peak season for booking work orders for next year's summer, autumn and winter seasons.

However, many senior officials of international retailers and brands cancelled business trips and work orders, delayed factory visits, sought big discounts or expensive air shipments.

## We were forced

FROM PAGE B1

He said the bank is maintaining the statutory liquidity ratio (SLR) and cash reserve ratio (CRR) with the central bank, and the management has been instructed not to fail to meet these requirements.

The private commercial lender is also meeting the 100 percent demand of depositors. "If necessary, we will raise the bank's capital base," the new chairman said.

Regarding the banking sector, Zahir said the rules and regulations are excellent but implementation has been lacking in recent years.

Authorities must address this issue to establish good governance, he said. "The government should grant full independence to the central bank, which would help improve governance in the sector."

He said the primary responsibility of the new UCB board is to develop the

bank's strategy. Loan disbursement is the responsibility of the management and risk management committee while the compliance committee makes recommendations to the management.

Regarding UCB, Zahir said they have begun meeting with borrowers to build confidence.

"We want to include the younger generation on our board of directors to expand the bank."

He also said individuals with political aspirations should not enter the banking sector.

"Banking and politics are distinct fields," Zahir added.

Conflict of interest arises when a member of parliament serves on a board of directors. "Those who want to enter business or banking should have the courage and mentality to speak out against discrimination or irregularities."

## ADB may give \$900m

FROM PAGE B1

After the meeting with the ADB team, Finance Adviser Ahmed said they also discussed the possibility of supporting climate funds and environment related projects, and also trade and commerce.

"In total, we are zeroing on some of the important short-term measures, such as reforms deliverable to the people. We also discussed mid and long-term plans. Maybe we can start the process," he added.

Ahmed also said they discussed providing budgetary support to

Bangladesh by the ADB.

Earlier, the interim government sought \$1 billion in budgetary support for the energy and power sector and \$1.5 billion for financial sector reforms in an effort to boost the dwindling foreign exchange reserves and take the economy out of turbulent waters.

The interim government has sought a total of \$5 billion as additional support from development partners and multilateral lenders, including \$3 billion from the International Monetary Fund.

## USAID to provide

FROM PAGE B1

governance, food security, health, education, and climate change, primarily through USAID and other US agencies, the ERD said in a press release.

After a meeting with senior officials of the US Treasury Department and USAID, Finance and Commerce Adviser Salehuddin Ahmed said they have discussed financial sector

reforms and cooperation between Bangladesh and the US in the sector.

"We have also discussed increasing cooperation for export diversification," he added.

While replying to a media query, Ahmed said they also discussed issues for cooperation in areas such as the recovery of money laundered abroad.