

## Dhaka Int'l Trade Fair from Jan 1

STAR BUSINESS REPORT

The 29th edition of the Dhaka International Trade Fair is expected to kick off at the Bangladesh-China Friendship Exhibition Centre in the capital's Purbachal on January 1 of 2025.

The DITF 2025 Steering Committee led by Md Selim Uddin, commerce secretary and chair of the trade fair steering committee, took the decision in its first meeting held at the Export Promotion Bureau (EPB) in Dhaka on September 24, the EPB said in a press release.

The meeting was held to fix the administration and financial policy of the fair, form different sub-committees and set fees for stalls, pavilions and restaurants along with entry fee and tickets for visitors.

It informed the entrepreneurs that they will be given priority on stall allocation.

**A temporary secretariat will be established to monitor the overall activities of the fair and an information centre to provide all types of information to visitors**

Some stalls will be reserved for government, non-government and autonomous organisations, according to the statement.

The committee decided to keep adequate parking facilities on the fair premises. A two-layer car parking building for 500 cars will be there along with another parking facility on 6 acres of land out of the exhibition hall.

A temporary secretariat will be established to monitor the overall activities of the fair and an information centre to provide all types of information to the visitors.

There will also be a good number of ATM booths inside the fair premises.



Halima Begum uses a traditional kitchenware called "kula" to separate mustard seeds from impurities such as stones and twigs. She uses a small engine-run vehicle to turn a press comprising a circular stone mortar, an angled wood pestle and weights. Every 5 kilogrammes of seeds produce 1.5 kilogrammes of oil, which sells for Tk 400 per kilogramme. The photo was taken at Nornia Katakhal village in Khulna's Dumuria upazila recently.

PHOTO: HABIBUR RAHMAN

# Stocks plunge after 27 firms lowered to Z category

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Stock markets in Bangladesh fell sharply yesterday as investors went on a spree selling shares of 27 firms which were downgraded to the Z or junk category by the Dhaka Stock Exchange (DSE).

The DSE downgraded the 27 businesses on Wednesday for violating securities laws by failing to properly pay dividends to shareholders in the past two years.

The DSEX, the benchmark index of the country's premier bourse, fell 97.37 points, or 1.70 percent, from that on the previous day to close at 5,639, marking a fall for a second consecutive day.

Similarly, the DSES index, which represents Shariah-compliant companies, dropped by 31.26 points, or 2.42 percent, to 1,261.

The DS30 index, which represents blue-chip stocks, went down by 30.11 points, or 1.44 percent, to 2,064.

At Chittagong Stock Exchange, the CASPI, the key index of the port city bourse, edged down by 208 points, or 1.30 percent, to settle at 15,793.

The day's turnover, which indicates the total value of shares changing hands on the trading floor, at the DSE decreased by 33.39 percent to Tk 530 crore.

The banking sector dominated the turnover chart, accounting for 35.73 percent of the total.

Block trades, meaning high-volume transactions in securities that are privately negotiated and executed outside of the open market, contributed another 2.9 percent.

Social Islami Bank emerged as the most-traded share, with a turnover of Tk 40.4 crore.

In its daily market update, BRAC EPL Stock Brokerage said all sectors which account for large amounts in market capitalisation, denoted by the total value of a company's outstanding shares, posted a negative performance.

Non-bank financial institutions (NBFIs) experienced the highest loss of 2.91 percent, followed engineering (2.73 percent), fuel and power (1.24 percent), food and allied (1.14 percent), telecommunication (0.98 percent), pharmaceuticals (0.74 percent) and banking (0.43 percent).

However, jute, paper and printing and information technology (IT) were the top three sectors to close in the positive, according to the daily market update by UCB Stock Brokerage.

Of the 299 issues that changed hands on the DSE, prices of 72 increased, 25 did not see any price movement and the rest saw a decrease.

Islami Bank Bangladesh, BRAC Bank, National Bank, Beacon Pharmaceuticals, Linde Bangladesh, Bangladesh Steel Rolling Mills, Renata, British American Tobacco Bangladesh, Olympic Industries and Navana Pharmaceuticals suffered losses.

Shares of United Commercial Bank, IFIC Bank, Orion Infusion, ADN Telecom, Southeast Bank, Mercantile bank, Premier Bank, Trust Bank, NRB Bank and Sonali Aansh Industries drew a significant number of investors, according to LankaBangla Financial Portal.

But none of the companies saw a double-digit growth in share prices.

Of them, United Commercial Bank made the largest gain of 3.08 percent.

## Taskforce on economic strategy to prepare short-term plans

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The taskforce on economic strategy redesign aims to prepare short-term plans, which are implementable within one or two years, and present those to the interim government, said KAS Murshid, chairman of the taskforce.

The panel will target some pragmatic projects, and priorities will be set with a specific, focused approach rather than a sporadic one, he said.

The 12-member Taskforce on Economic Strategy Redesign formed by the planning ministry held its first meeting at the Planning Commission in Dhaka's Sher-e-Bangla Nagar yesterday.

The committee was formed on September 10 this year to develop strategies to boost the economy and mobilise resources for equitable and sustainable development led by Murshid, former director general of the Bangladesh Institute of Development Studies.

Murshid said the taskforce will focus on a short-term plan to attain expected results visible within one to two years.

He said the taskforce will design a sustainable and effective plan by identifying the current economic gaps and proposing solutions to address the existing leakages.

The committee members mentioned who will work on what sides. It will explore how to go on and bring the economy back on track from where it currently stands, Murshid said.

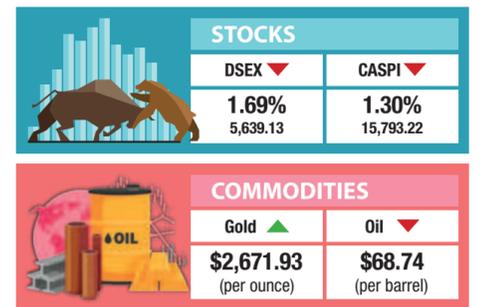
Special focus will be placed on agriculture, industrial production, trade, and development projects to move the economy forward, he said.

"It will not be a replacement for the five-year plan. It will, however, complement long-term planning efforts."

"We have identified the issues, such as gaps in governance, and will propose plans to close these leakages," he added.

In the event, Planning and Education Adviser Wahiduddin Mahmud and Taskforce Secretary and Member of the General Economics Division Kawser Ahmed were also present.

The planning and education adviser guided the committee by providing them with a framework on the scope, strategies and areas of importance for the short-term plan.



## China wants to make solar panels

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encourage greater cooperation and partnership between businesses of the two nations to deepen trade and economic ties with Dhaka.

He said Bangladesh would benefit from a Chinese decision to provide zero tariff access to all goods from the least developed countries.

He said the Red Cross Society of China has sent a team of doctors to treat students and people who were grievously injured during the July-August mass uprising. Wang Yi also said China would welcome more students from Bangladesh.

Wang Yi described Prof Yunus as "an old friend of the Chinese people" and congratulated him for assuming leadership of the interim government.

"We have full confidence in you, that you will live up to the expectations of the people," he said, adding that Yunus would also unite the country.

Prof Yunus thanked China and lauded Chinese efforts to lift hundreds of millions of people out of poverty.

The chief adviser stressed on closer relations with China and opening "a new chapter" in the ties between the

two nations.

Healsourced other Chinese product manufacturers to relocate their factories to Bangladesh and engage in technological collaborations. "We will love to collaborate with Chinese companies. We have a lot of scope to work together," he said.

China Committed to Bilateral Relations

Meanwhile, Chinese Ambassador to Bangladesh Yao Wen said irrespective of the changes that have taken place inside Bangladesh, China's commitment to developing bilateral relations remains unchanged, reports news agency UNB.

China sincerely hopes that under the interim government, Bangladesh will carry out state reform, maintain political stability, advance economic development and improve people's livelihoods, he said.

To support Bangladesh's development, China decided to grant zero-tariff treatment on 100 percent of taxable items from Bangladesh, he told an event at a hotel in Dhaka on Wednesday marking the 75th anniversary of the founding of China.

This means China will substantially increase import of

cereals, sugar, edible oil, rubber and rubber products, wood products, jute and jute products, paper and paper products, wool and cotton from Bangladesh from December 1, 2024, said Yao Wen.

China will also import Bangladeshi mangoes, he added.

To combat floods, China is about to provide rescue facilities and equipment to Bangladesh, he said.

Yao Wen said since the interim government came to office, Chinese enterprises have invested more than \$85 million in Bangladesh.

He said China would organise programmes focusing political exchange, economic and trade cooperation, culture, education, tourism, sports, public health, youth, women, media and academic interactions for improving people-to-people ties.

"I expect the young people to devote themselves to China-Bangladesh cooperation, passing the torch of friendship from generation to generation," he said.

Commerce and Finance Adviser Dr Salehuddin Ahmed joined the event as chief guest while Foreign Secretary Md Jashim Uddin was also present.

## Apparel exporters go into overdrive

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A major European retailer in Dhaka said his company did not cancel or seek discounts from any local suppliers due to the student movement, curfew, internet blackouts, political changeover or labour unrest, as they understood the turbulent political atmosphere.

"We are happy that normalcy is being restored to the sector," he said. "The shipment of our goods is now back on track."

Shams Mahmud, managing director of Shasha Denims, whose buyers include multinational giants like H&M and Marks & Spencer, said the labour situation has now stabilised and almost all factories are back in production.

"We are part of a global supply chain. Most of the orders we take are time-sensitive. Hopefully, with the improving law and order situation,

we will be able to deliver goods on time," Mahmud added.

However, he said the backlog would likely lead to air shipments and discounts.

He noted that the financial implications of the situation require attention from the government and the central bank.

"Almost all RMG factories are currently burdened by forced loans due to mismatches in imports, exports, salaries, bank loan repayments and overdue payments," Mahmud said.

"Unless these issues are addressed promptly, especially for small and medium-sized garments, there could be long-term negative effects on macroeconomic stability."

He added that brands remain committed to Bangladesh.

"In all these discussions, the importance of Bangladesh's position,

along with necessary investments in renewable energy and carbon reduction as well as the deployment of a circular ecosystem, is getting lost," he added.

Khandoker Rafiqul Islam, president of the Bangladesh Garment Manufacturers and Exporters Association, said on Wednesday that since normalcy is being restored to the garment sector, they would meet with major retailers and brands on Sunday or Monday to discuss the overall situation.

Buyers are expecting quick delivery, but they have not cancelled work orders yet, he said.

Islam also said that the garment sector lost over \$100 million due to the recent labour unrest, as many factories were unable to produce goods and ship them on time. Buyers' visits to factories were also cancelled.

## Six in ten low-income households

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The WFP report mentioned that female-headed households and those with disabilities suffered the most amid severe flooding in north-eastern Bangladesh.

The losses incurred during Cyclone Remal have put poor households in a struggle for food and their well-being, it added.

Cyclone Remal had a devastating impact on 20 districts, affecting almost four lakh people and causing damage worth over Tk 7,000 crore, according to the Ministry of Disaster Management and Relief.

The cyclone claimed 18 lives and injured 2,503 people while also impacting fisheries, roads, and housing.

The damage to the fisheries across

affected areas amounts to about Tk 2,242 crore while damage to roads and housing was worth around Tk 1,012 crore and Tk 2,052 crore respectively.

Meanwhile, traders across major markets reported improved sales hours due to the lifting of curfews and the restoration of food supply chains as well as a decrease in transportation costs.

However, despite the extended trading hours, trading volumes have not yet returned to pre-curfew levels, likely due to reduced purchasing power among much of the population, it added.

MM Akash, a former professor of economics at the University of Dhaka, said food insecurity has risen in recent times due to various factors.

"Double-digit inflation has been prevailing in the country for a long time. As a result, real incomes have decreased.

The earning power of those from lower-income households has decreased so much as their food budget is being stretched, he said.

To solve this problem, the government allocation for subsidised food programmes such as the Open Market Sales and initiatives of the Trading Corporation of Bangladesh should be increased, he said.

He added that the list of beneficiaries should be scrutinised because the list made by the previous government was flawed as it was politically biased.

Otherwise, the number of new poor in the country will increase, he said.

## Interest payments surpass

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facing a new challenge due to significantly increased subsidy expenditures in recent years.

As such, the IMF has been pushing the government to reduce these expenditures by raising power and fertiliser prices.

In FY24, the government spent less on subsidies than allocated in the revised budget. In the revised budget, the total subsidy allocation was Tk 85,906 crore, but actual spending amounted to Tk 72,497 crore.

**IMF TARGET MISSED AGAIN**

After the IMF approved a \$4.7 billion loan programme in January last year, the government struggled to meet the targets set for revenue and foreign currency reserves. In most cases, it has failed to achieve the targets.

As a result, the government had to seek a waiver for disbursement of three tranches of the loan so far.

For the fourth tranche, the IMF has set the target for tax revenue

collection at around Tk 394,000 crore by June this year.

At the end of the last fiscal year, the government's tax revenue collection was Tk 369,000 crore, meaning it missed the target by Tk 25,240 crore.

**BUDGET IMPLEMENTATION FALLS FLAT**

Despite announcing large annual budgets, the government consistently fell short in implementation.

In the last fiscal year, the budget size was initially set at around Tk 761,000 crore before being revised to Tk 714,000 crore. However, total budget spending reached only Tk 602,000 crore.

The spending in the previous fiscal year was around Tk 574,000 crore.

Last year, the government allocated Tk 245,000 crore for the Annual Development Programme (ADP) in the revised budget but spent only Tk 188,000 crore.

In FY23, the ADP spending was Tk 192,000 crore.

## German consumer morale improves

AFP, Frankfurt

German shoppers are heading into October feeling slightly more optimistic, a key survey showed Thursday, even as the outlook for Europe's biggest economy remains gloomy.

The forward-looking indicator climbed to minus 21.2 points for October, up 0.7 points on a month earlier, according to pollsters GfK and the Nuremberg Institute for Market Decisions (NIM).

The survey of around 2,000 people showed a "slight increase" in consumer confidence, NIM consumer expert Rolf Buerkl said, adding however that it did not signal "the start of a noticeable recovery".

"The current mood among consumers is too unstable for that," he said in a statement.

Geopolitical crises, inflation and growing concerns about job security were all adding to the uncertainty for consumers, Buerkl said.