

Star BUSINESS

AkijBashir Group recently began production at a sprawling glass plant in Habiganj, placing emphasis on more transparent and pure products



Interview on B4

IMF reaffirms support in fighting economic challenges

REJAUL KARIM BYRON

The International Monetary Fund (IMF) has reaffirmed its support for Bangladesh's interim government in overcoming the various economic challenges the country has been facing in recent times.

In a statement issued yesterday upon completion of its fact-finding mission's visit to Dhaka, the IMF said the country's financial sector vulnerabilities have become more pronounced.

"We support the authorities' efforts to initiate policy adjustments, including continued monetary tightening and

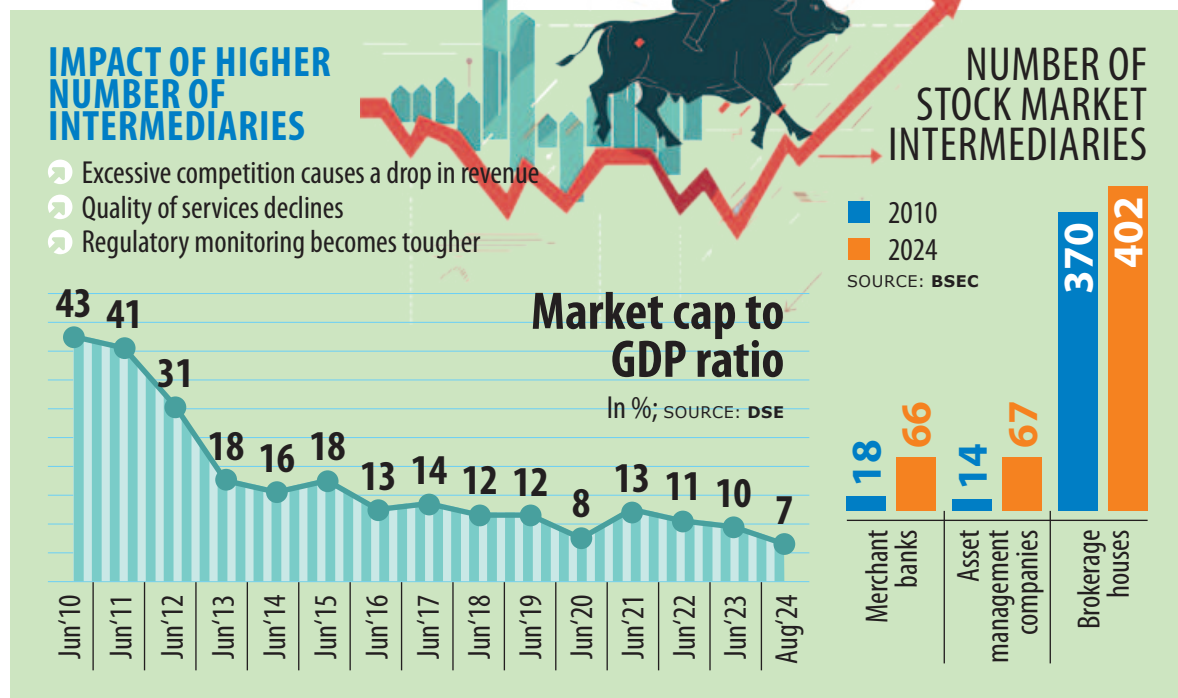
tax revenue collection has declined, while spending pressures have increased and domestic payment arrears have accumulated.

"Financial sector vulnerabilities have become more pronounced," the IMF said.

"In this context, the authorities and IMF staff have held open and productive discussions on the policies and reforms needed to address these emerging challenges," the statement continued.

"The IMF remains a steadfast partner, fully committed to supporting Bangladesh and its people," it added.

"Within the framework of the



Too many stockbrokers, asset managers approved during Hasina's regime

AHSAN HABIB

Over the past 15 years, investors have fled the market, initial public offerings (IPOs) have been scarce and capital market growth has fallen short of expectations. Despite this dry market, the number of stock intermediaries entering the market increased steadily.

The stock regulator's puzzling approval of these intermediaries has led to several adverse outcomes -- broadly a decline in the quality of market services offered to investors.

In the past 15 years of the Awami League regime, the number of asset management companies has risen to 67 from 14 while merchant banks have increased to 66 from 18. Similarly, stock brokerage firms have grown to 402 at present from 370 in 2010.

"These licences were issued on political grounds," said Saiful Islam, president of the DSE Brokers Association of Bangladesh. "But licences for stock intermediaries should have been granted based on the market size."

Subsequent excessive competition, according to Islam, has forced intermediaries to cut prices and compromise quality,

leaving many barely surviving now. Despite offering portfolio management services, only a few merchant banks have must-have research wings, he said, citing this is "almost rare in foreign countries".

"When the stock market was struggling, the regulator granted licences to as many as 60 new brokerage firms. I don't understand the basis for these approvals," Islam added.



Ultimately, more than a dozen of these new intermediaries have yet to start any operations, whether as stock brokerage firms, asset management companies or merchant banks.

Central Depository Bangladesh Ltd data shows that despite the increasing number of stock brokerage firms in the past 15 years, the number of beneficiary owner accounts has nearly halved -- from 3.4 million to 1.67 million.

Meanwhile, Asif Khan, president of the CFA Society Bangladesh, said

a surge in intermediaries always makes regulatory monitoring more challenging.

The Bangladesh Securities and Exchange Commission (BSEC), for this case, must now monitor around 600 intermediaries and listed companies in addition to the secondary market.

"With such limited manpower, how is it possible to properly monitor them?" Khan questioned.

He said the BSEC has allowed exemptions from maintaining provisions for negative equity on margin loans for the past 14 years to keep the market afloat. Some intermediaries have become insolvent but have been allowed to continue operations, making the entire system risky.

Regarding the higher number of merchant banks, Khan said it is difficult to attract good companies to the market if the environment remains unfavourable.

Although the number of merchant banks has tripled to 68, IPO approvals have declined steadily in recent years, with a total of 127 companies listed in the past 15 years, according to the BSEC.

For discouraging companies

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IMF ON CHALLENGES

- Deterioration in balance of payments has put additional pressure on forex reserves
- Spending pressures have increased
- Domestic payment arrears accumulated
- Inflation remains at double-digit levels
- Tax revenue collection declined

KEY POINTS

- IMF to work closely to advance reform agenda
- Details on fresh loan to be discussed during IMF-World Bank annual meetings
- IMF board to decide on providing fresh loans or extending current loan programme

rationalising non-priority capital spending, in response to these challenging circumstances," the lender said in the statement.

After assuming office, the interim government sought a fresh \$3 billion loan from the IMF in addition to the ongoing \$4.7 billion loan programme approved in January of last year.

Of the \$4.7 billion, \$2.3 billion has already been disbursed.

The multilateral lender said further discussions on renewed support would be held during the upcoming 2024 IMF-World Bank Annual Meetings in Washington DC from October 22.

From September 24 to 30, the IMF mission team, led by Chris Papageorgiou, visited Dhaka to discuss needs assessments and identify economic challenges.

After the visit, the IMF said that "economic activity has slowed markedly while inflation remains at double-digit levels owing to the recent turbulence and major floods."

"The deterioration in the balance of payments has put additional pressure on foreign exchange reserves. Concurrently,

ongoing IMF-supported programme, we will continue to work closely with the authorities to advance Bangladesh's reform agenda, which aims to ensure macroeconomic stability, promote job creation, strengthen institutions, and foster strong, sustainable and equitable growth."

"We welcome the authorities' renewed commitment to implementing the reforms under the IMF-supported programme. Discussions on how to proceed with programme reviews will continue during the upcoming 2024 IMF-World Bank Annual Meetings," the statement added.

IMF Managing Director Kristalina Georgieva met with Chief Adviser Prof Muhammad Yunus in New York on the sidelines of the United Nations General Assembly last week.

At the meeting, the IMF assured the interim government of providing more loans on a "fast-track" basis.

Georgieva said the IMF "would fast-track financial support for the government" and that she had sent a team to Bangladesh "quickly".

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Debapriya Bhattacharya

Workers being deprived of fair wage

Labour leaders tell Debapriya

STAR BUSINESS REPORT

Workers have been deprived of a fair share of the country's development as they are still not being paid proper wages, labour leaders yesterday told Debapriya Bhattacharya, head of a committee preparing a white paper on the state of the economy.

"Labour leaders claimed that the measures put in place to protect workers' interests, such as housing and maternity benefits, are inadequate," he said after meeting labour leaders at the Planning Commission in Dhaka.

The meeting was a part of a series of dialogues that the 12-member committee was holding with stakeholders.

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Debt servicing costs outweigh incoming loans

MD ASADUZ ZAMAN

Bangladesh's cost to service loans from multilateral and bilateral lenders surpassed the amount received from them during the first two months of fiscal year (FY) 2024-25, indicating that the country's already fragile foreign exchange reserves may be stressed further.

External debt servicing costs soared 47 percent year-on-year to \$589 million in the July-August period amid rising global interest rates and a heavier foreign loan portfolio.

In the same period, the country received \$458 million from global financiers, down 38 percent year-on-year.

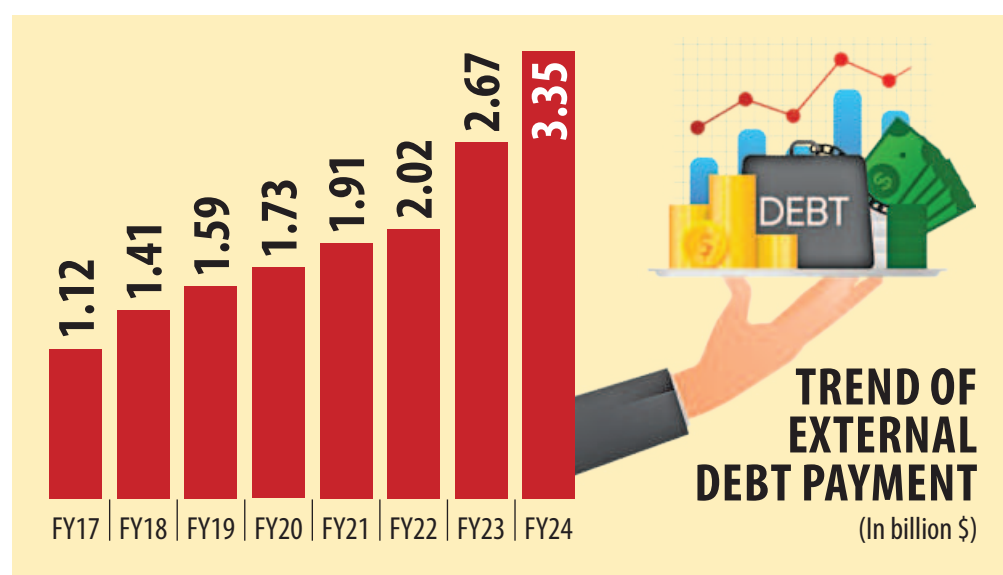
Overall, loans disbursed by foreign lenders were around \$131 million lower than the money spent by the government on debt servicing.

"The July-August period was one of the most eventful periods in Bangladesh's history, marked by significant changes and uncertainty," said Md Deen Islam, an associate professor of economics at the University of Dhaka.

"As a result, it was expected that loan and grant commitments and disbursements would be low during this period."

The Economic Relations Division (ERD) said overall commitments from financiers dipped drastically to only \$20 million in the first two months of FY25 compared to \$1.14 billion a year ago.

This situation has arisen at a time when Bangladesh is struggling to increase its foreign exchange reserves and contain exchange rate



volatility.

"The finance ministry must expedite access to foreign loans and grants that multilateral partners have committed to providing," said Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh.

The ministry should do that so the pressure of these international payments on our foreign reserves is minimised, he said.

Rahman said the interim government should also try to renegotiate bilateral loans taken under government-to-government frameworks to reduce medium-term pressure

on the balance of payments.

Asked whether this situation is a matter of concern right now, Rahman said: "Nothing major, but we must be watchful."

He suggested that the ERD formulate a five-year projection to help policymakers understand how much is expected in debt repayments annually over the next five years.

"It can help improve economic planning," he said.

In the July-August period, Japan disbursed the highest amount, releasing \$130 million.

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Salehuddin Ahmed

Automated financial services can curb graft

Salehuddin says

STAR BUSINESS REPORT

Automation of government financial services is critical for reducing corruption and resource misuse, said Salehuddin Ahmed, finance adviser to the interim government.

He made the remarks while inaugurating several new online platforms at the finance ministry yesterday.

Ahmed emphasised that integrating financial services into a unified digital system would improve transparency and accountability.

The newly launched platforms aim to streamline services provided by the Finance Division.

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BANK ON

ZERO-MB

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SKYLOUNGE

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Moklesur Rahman elected as SBAC Bank chairman

STAR BUSINESS DESK

Md Moklesur Rahman has been elected chairman of South Bangla Agriculture and Commerce (SBAC) Bank. The election was held at the 186th board meeting of the bank at its head office in Dhaka yesterday.

Rahman, one of the sponsor directors of the bank, was serving as the vice-chairman prior to his new role, said a press release.

He replaced Abu Zafar Mohammad Shofiuddin upon the completion of his tenure.

Rahman is the founder of B&T Group, a conglomerate with allied concerns such as Contech Construction Ltd, B&T Knitwear Ltd, B&T Cables Ltd, B&T Cold Storage Ltd, and B&T Development Ltd.

The other concerns are B&T Meter Ltd, B&T Transformers Ltd, Smart Meter, Pre-Stressed Poles Ltd, Nexus Securities Ltd, Tushar Ceramics Ltd, PMJ Asset Management Ltd, and BD Game Studio Ltd.

He is engaged in social, cultural, religious activities and patron of education as a distinguished philanthropist besides playing an exemplary role in the country's industry and commerce, economic development and job creation.

Al-Arafah Islami Bank turns 30



Khwaja Shahriar, chairman of Al-Arafah Islami Bank PLC, poses for photographs during celebrations to mark the bank's founding anniversary at its head office in Dhaka recently.

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has recently stepped into 30 years of operations in the banking sector of Bangladesh.

The bank chalked out numerous programmes, including discussion meetings and prayer ceremony, at its head office, all branches and sub-branches across the country marking the 30th founding anniversary.

Khwaja Shahriar, chairman of the bank, attended the programme as the chief guest, according to a press release.

In his welcome speech, Shahriar said Al-Arafah Islami Bank has been playing an important role in the country's agriculture, economy, trade, industry and infrastructure.

"We are proud to be a partner in the overall development and prosperity of the

country." Besides, he extended his sincere congratulations and best wishes to the customers, well-wishers, patrons and regulatory bodies on this auspicious occasion.

"Al Arafah Islami Bank has been providing services to customers sincerely since its inception. Due to the trust and faith of the customers towards the bank, the Shariah-based lender has become one of the best Islamic banks in the country," Farman R Chowdhury, managing director and CEO of the bank, said while presiding over the event.

Chowdhury urged everyone to work sincerely so that the success of the bank can be sustained.

Al-Arafah Islami Bank started banking operations on September 27, 1995.

The bank has been providing advanced

banking services to customers through 225 branches, 72 sub-branches, 745 agent outlets, and 225 ATM booths across the country.

The total amount of the bank's deposit is Tk 51,530 crore till June this year, while the investment amounted to Tk 46, 561 crore. The bank has 36 lakh customers, while more than 2.5 lakh of them are investment clients.

At the celebrations, Md Shahin Ul Islam, Md Abdul Wadud, Mohammed Abu Eusuf and Mohammad Asraful Hassan, and Syed Masudul Bari, Muhammed Nadim, Md Fazlur Rahman Chowdhury, Md Asaduzzaman Bhuiyan, Mohammed Hossain, deputy managing directors, were present.

Departmental head and senior executives of the bank, along with zonal head, branch managers, sub-branch in-charges, and clients were also present.

Sheikh Mohammad Maroof becomes MD of Dhaka Bank

STAR BUSINESS DESK

Sheikh Mohammad Maroof, a veteran banker with almost three decades of experience in the industry, joined Dhaka Bank PLC as managing director (MD) with effect from October 1, 2024.

Maroof was serving City Bank as additional managing director and chief business officer prior to his new role, according to a press release.

His multi-skilled experience encompasses working as deputy managing director, head of wholesale banking, executive vice-president and head of treasury.

Maroof started his professional banking career with American Express Bank as a management trainee officer in 1995.

Afterwards, he gained experience in corporate, treasury, retail, cards, market risk, transactional, and wholesale banking as well as trade and micro financing.

He also previously worked at Eastern Bank PLC as head of treasury.

He played significant roles in bringing forth derivative products, developing foreign exchange market, money market, merger and acquisition, advisory services, structured finance transactions and offshore banking business in Bangladesh.

Dhaka Bank PLC is looking forward to benefitting from his experience, approachable personality, leadership capabilities and charismatic persona in the coming days, the press release added.

Maroof is a "Certified Corporate Banker" and a fellow of the American Express Bank.

He obtained his master's degree in finance from the University of Dhaka.



National Finance elects Ridwan, Rozina as directors

STAR BUSINESS DESK

Ridwan Mannan and Rozina Yasmin Kabir have been elected directors of National Finance Limited.

The election was held during its 22nd annual general meeting (AGM) at a hotel in the capital yesterday.

Asif Zahir, chairman of the non-bank financial institution (NBFI), presided over the meeting, where Abu Zakir Ahmed was introduced as company secretary.

Maruf Akhtar Mannan, Md Abdul Mannan Bhaiyan, Fahima Mannan and Arifa Kabir, directors of the NBFI, were present.

Foreign shareholders of the NBFI virtually joined the AGM.

Among others, Yaweer Saeed, independent director, Irteza Ahmed Khan, managing director, and Kamal Uddin, chief financial officer (acting) of the company, were also present.



Asif Zahir, chairman of National Finance Limited, presides over its 22nd annual general meeting at a hotel in the capital yesterday.

PHOTO: NATIONAL FINANCE

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 30, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	0	9.09 ↑
Coarse rice (kg)	Tk 50-Tk 55	-1.87 ↓	7.14 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-2.30 ↓
Lentil (kg)	Tk 105-Tk 110	-6.52 ↓	26.47 ↑
Soybean (litre)	Tk 151-Tk 155	3.03 ↑	-2.86 ↓
Potato (kg)	Tk 50-Tk 60	-1.79 ↓	26.44 ↑
Onion (kg)	Tk 105-Tk 110	0	0
Egg (4 pcs)	Tk 55-Tk 56	7.77 ↑	13.27 ↑

SOURCE: TCB



General Waker-Uz-Zaman, Chief of Army Staff of Bangladesh Army and chairman of Trust Bank PLC, attends the bank's "Managers' Meet 2024" at the Radisson Blu Dhaka Water Garden in the capital recently.

PHOTO: TRUST BANK

Trust Bank organises managers' meet

STAR BUSINESS DESK

Trust Bank PLC recently organised its "Managers' Meet 2024" at the Radisson Blu Dhaka Water Garden hotel in the capital.

General Waker-Uz-Zaman, Chief of Army Staff of Bangladesh Army and chairman of the bank, attended the programme as chief guest, the bank said in a press release.

Directors of the bank, along with high officials from head office and managers of all the branches of the bank across the country, were also present.

EU states plan vote on Chinese EV tariffs

AFP, Brussels

EU member states are expected to vote on whether to slap hefty tariffs on imported electric cars from China on Friday, European diplomats said on Monday.

The European Commission, in charge of EU trade policy, plans to levy additional duties of up to 36 percent on electric vehicles imported from China but the issue has divided the bloc.

Brussels announced its plans in July for the tariffs -- on top of current duties of 10 percent -- after an anti-subsidy probe found Chinese state subsidies were unfairly undermining European competitors.

The tariffs would become definitive for five years after a vote by the EU's 27 member states that must take place before the end of October.

That vote is now planned for October 4, EU diplomats told AFP. One diplomat said the hope now was that talks "can continue after the adoption of the rates".

Eleventh-hour talks took place in

Brussels when China's commerce minister Wang Wentao visited earlier this month but no solution was found to avoid duties.

The EU wants to level the playing field to protect its automotive industry, which provides jobs to around 14 million people in the bloc.

Germany, and most recently Spain, have criticised the tariffs, which they fear could lead to a trade war with China, but EU states including France and Italy support them.

Beijing has already bared its teeth in anger at the duties, launching probes into European brandy, some dairy, and pork products imported into China.

It also filed an appeal with the World Trade Organization over the tariffs last month.

It is unlikely that enough EU states will vote against the tariffs to force the commission to reverse course.

At least 15 countries -- representing 65 percent of the EU population -- would need to oppose the tariffs to stop them becoming definitive.

Pubali Bank organises orientation programme for junior officers

STAR BUSINESS DESK

Pubali Bank PLC organised an "Orientation Program" for its newly recruited probationary junior officers.

A total of 148 junior officers took part in the five-day-long programme, according to a press release.

Mohammad Ali, managing director and chief executive officer of the bank, attended the event as the chief guest. In his inaugural speech, Ali urged everyone to work sincerely and honestly.

He advised all officers to abide by the rules and regulations of the Bangladesh Bank and other regulatory bodies and equip themselves with diversified banking knowledge to cope with the current competitive global market.

The bank's MD told them to serve the customer with determination, integrity, and professionalism.

Mohammad Esha, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Md Shahnewaz Khan and Mohammad Anisuzzaman, deputy managing directors, and Ismat Ara Huq, general manager and head of human resources division, were present.

Among others, general managers of the head office and the bank's senior executives were also present.



Mohammad Ali, managing director and chief executive officer of Pubali Bank PLC, attends an "Orientation Programme" for newly recruited officers at its head office in Dhaka recently.

PHOTO: PUBALI BANK

China's factory

FROM PAGE B4

China also aims to raise another 1 trillion yuan via a separate special debt issuance to help local governments tackle their debt problems, Reuters reported.

Officials said last week the programme has already boosted auto sales, home appliances and home decoration products.

As a property downturn weighs on the broader economic recovery, top leaders at a Politburo meeting last week called for efforts to stop the falls in the housing market. Megacities Shanghai and

Shenzhen planned to lift key home purchase restrictions in coming weeks, joining a long list of smaller cities that have done so, Reuters reported on Friday. On Sunday, Guangzhou lifted all home purchase restrictions.

"Attention now shifts to the equity market, particularly property sales and consumption during Golden Week," said Zhou Hao, chief economist at Guotai Junan International.

Chinese households are preparing to kick off the seven-day Golden Week holidays from Tuesday.



The interior of AkijBashir Group's glass-manufacturing factory, located in Habiganj's Madhabpur, features impressive technologies to enhance product quality, including an online scanner that checks panes for impurities like bubbles or stones. PHOTO: COLLECTED

Expanding into glass production was a logical step

AkijBashir Group Managing Director Sk Bashir Uddin says

MAHMUDUL HASAN

To meet the rising demand for basic and high-quality glass in Bangladesh's construction sector, AkijBashir Group recently began production at a sprawling plant in Habiganj's Madhabpur upazila, placing emphasis on more transparent and pure products to position itself as a key player in the rapidly growing market.

"The building materials market has experienced tremendous growth over the past two decades, driven by increased purchasing power and a significant portion of remittances from migrant workers being spent on home improvements," Sk Bashir Uddin, managing director of AkijBashir Group, told The Daily Star in an interview.

As traditional earthen houses and tin-roofed homes evolved into concrete structures over time, glass became an essential component of modern construction.

There has been a surge in demand for basic glass products like float glass for windows, as well as advanced technical glass for large-scale infrastructure projects such as shopping malls, hospitals, and corporate offices.

"We have taken all these factors into account before selecting our projects," he said.

"We focused on producing traditional window glass and made significant strides in increasing transparency and quality by refining our raw materials and streamlining production processes."

Bashir Uddin added that venturing into the glass industry was a natural progression for the Akij Group, which already offered several products in the building materials sector, including cement, ceramics, and sanitary ware.

"Expanding into glass production was a logical step towards our vision of becoming a complete home solutions



Sk Bashir Uddin

company."

Subsequently, following his exit from Akij Group, which he led as managing director for over one and half decades, and the formation of the AkijBashir Group as part of the family settlement, the glass business became part of his portfolio under AkijBashir Group.

AkijBashir Group is also actively involved in manufacturing ceramics, sanitary ware and particle boards.

He added that their products, which launched in September this year, were poised to raise standards.

"We believe our glass products have achieved the highest level of transparency available in the market. At the same time, we are steadily introducing the necessary technical features to meet both the functional and aesthetic demands for high-end glass products."

Asked what distinguishes Akij Glass from competitors, he said that apart from a commitment to innovation, their sustainability efforts and eco-friendly

initiatives ensure that the highest environmental standards are met while delivering products.

"When we planned this project, we prioritised environmental responsibility. Currently, up to 71 percent of our electricity consumption comes from renewable energy sources. The goal is to reach 100 percent over time," he said.

"Achieving this requires significant investment and meticulous planning; it cannot happen by chance."

"Glass production is highly energy-intensive, but we have managed to balance energy efficiency with uncompromised functionality. Our financial partner, IDCOL (Infrastructure Development Company Limited), has been immensely supportive in completing this initiative."

He also emphasised that their products would be free from defects like bubbles and stones.

"We are the only company in the country to have installed an online scanner, ensuring that every product is

digitally scanned for quality. This allows us to maintain precise dimensions and superior flatness."

He proudly claimed that Akij is the only company in the country producing glass with a 700 ppm (parts per million) rating, resulting in clearer and higher-quality glass products.

"While some competitors claim to produce 700 ppm glass, it's simply not true. This will become glaringly obvious when you compare our glass side by side with theirs. The difference is like day and night."

Asked about why he chose Madhabpur as the location for the facility, he explained: "It was due to the proximity of raw materials and natural resources. Sylhet offers relatively uninterrupted gas supplies and essential materials like sand and gas are close by. However, there are other crucial chemical components involved."

The project, which currently employs over 1,000 people, faced significant cost increases due to delays caused by the Covid-19 pandemic and the taka's slide against the US dollar, ultimately reaching Tk 2,000 crore.

He also confirmed that the company was preparing for international markets.

"When production exceeds domestic demand, we must explore foreign markets. We need to keep the plant operational; stopping glass production isn't an option."

When asked about handling technically complex ventures within his portfolio, he credited the legacy of Akij Group, which has thrived for over 70 years.

"Innovation has always been at the core of Akij's success. Personally, I was trained by my father, who was constantly pushing for excellence and innovation across industries."

Industry insiders say that around 3.5 lakh tonnes of glass is consumed annually in Bangladesh, including float, reflective and soundproof variants.

Thriving in business through energy transition

ARIJIT CHAKRABORTI

With climate change quickly becoming a global emergency, businesses need to contribute in both cooperative and coordinated way to address it. The historic Paris Agreement, in which Bangladesh is one of the signatory countries, aims to reduce greenhouse gas emissions and limit the global average temperature rise to 1.5° C above pre-industrial levels. Businesses can contribute to this goal by not only reducing their direct emissions, but also by focusing on how they use energy to produce and distribute their goods and services.

However, business leaders must assess their energy transition activities with respect to the business value they can create for their stakeholders – including customers, employees, investors and regulators. They should analyse their energy usage by considering two aspects – sources of energy and efficient consumption of energy. While the sources of energy should get switched out by greener options, the optimised use of energy to produce goods and services is also crucial. These steps would help businesses to be resilient against the shocks pertaining to rapid rise in energy prices.

Transformation of the energy supply from greener sources for businesses will require more energy from wind and solar farms. At the same time, businesses need to explore the possibility of using alternative sources of energy, such as green hydrogen and biofuels. These alternative energy sources have been used in specialised applications – e.g. hydrogen has been used as rocket fuel for several decades now. Moreover, their commercial viability to produce and supply energy for business processes has improved significantly in the recent years. For example, hydrogen can now be used in the cooling and heating systems of homes and commercial premises.

Businesses have an important role in catalysing the transformation of energy production and supply. By seeking to transition to the electricity produced from greener sources, businesses can influence energy suppliers to transform their production processes. Similarly, by adopting alternative fuels to run their business processes, businesses can catalyse the development of the alternative fuel market. In either scenario, businesses must conduct a cost-benefit analysis to understand how such energy transition is going to help their businesses commercially and deliver value to the stakeholders. A scientific assessment of the cost-benefit analysis – by estimating the energy supply mix and its cost – will help businesses to make prudent business decisions as well as make their business more resilient.

While the supply side of energy has been an area of focus from the beginning, it should also be noted that the effective management of demand is another important parameter of energy transition for businesses. From simple changes like changing the lighting within the entire factory or office from incandescent lamps to LED lamps, to a complete redesign of the business processes, there are ample opportunities to improve energy efficiency in most business operations.

According to a recent report published by the World Economic Forum in collaboration with PwC, improving energy efficiency at the demand side across buildings, factories and transportation can reduce the global energy intensity by up to 31 percent. Furthermore, the consequent monetary savings globally would be up to US\$2 trillion. Evidently, businesses will be able to reap this benefit quickly by improving on their demand-side energy efficiency.

Apart from business leaders' collective focus, the policymakers and regulators also need to step in and catalyse the change. Promoting entrepreneurship for creating innovative sources of energy, incentivising the initiatives towards sustainable and transparent changes, and enabling the intersecting industries to collaborate and co-create innovative solutions for themselves and their stakeholders remain a few key focus areas where policymakers and regulators can help the businesses in their energy transition.

The need for rethinking business strategies in order to thrive post energy transition and stay relevant in the future is quickly becoming imperative. Therefore, the business leaders who are proactively embracing greener supply and pursuing efficient consumption of energy are going to set compelling examples for others to follow.

The writer is a partner with PwC. The views expressed here are his own



Duty cuts calm potato, onion prices

Tariff commission says

STAR BUSINESS REPORT

Import tax cut by the National Board of Revenue (NBR) has brought down potato and onion prices in the domestic markets, despite the kitchen items having seen price spirals in the international market, according to the tariff commission.

Prices of potatoes dropped by 1.79 percent to Tk 54-Tk 56 each kilogramme (kg) over the last month.

Onions, a good portion of which are imported to cover the deficit in local production, also registered a decline. Prices of locally grown onions fell by 6.52 percent to Tk 105-Tk 110 per kg on September 29 from a month ago.

Prices of imported onions dropped by 11.6 percent to Tk 90-Tk 100 since August 29 this year, the Bangladesh Trade and Tariff Commission (BTTC) said in a report submitted to the commerce ministry.

"A positive impact of the duty cut is visible in the market," the report mentioned.

The NBR slashed regulatory duty on onion imports to 5 percent on September 5 following recommendations of the BTTC that tax cuts would encourage imports and increase supply of these kitchen staples.

The BTTC also reduced customs tariffs on potato imports to 15 percent from the previous 25 percent.

The reduced import taxes will remain effective until November 30 this year.

In its latest report, the commission said prices of onions stood at \$510 a tonne, which was 25.4 percent higher than the prices on August 30.

Potato prices in the international market grew by 20.1 percent in a month to \$358 each tonne yesterday (Monday), it said.

China's factory, service sector activities shrink for fifth month

REUTERS, Beijing

China's factory activity shrank for a fifth straight month and the services sector slowed sharply in September, suggesting Beijing will need even more stimulus to hit its 2024 growth target with only three months left in the year.

The National Bureau of Statistics (NBS) purchasing managers' index (PMI) released on Monday nudged up to 49.8 in September from 49.1 in August, still below the 50-mark separating growth from contraction but beating a median forecast of 49.5 in a Reuters poll. The reading was the highest in five months.

However, paired with a downbeat private-sector Caixin survey and weak service PMIs, the data showed China's factory and consumer activity remains a pain point for policymakers who acknowledged the economy faces "new problems" and have called for more forceful stimulus.

Authorities last week launched their most aggressive stimulus package since the COVID-19 pandemic, which helped China's stocks post their best weekly performance in nearly 16 years. Share markets extended their rally on Monday.

Economists say while the PMIs showed some bright spots for manufacturing,



Employees work in a factory that produces LED lights for export in Jiujiang, in China's central Jiangxi province. China's factory and consumer activities remain a pain point for policymakers. PHOTO: AFP/FILE

the bigger question now is on whether last week's big policy announcements, which include loosened property curbs in China's biggest cities, would be enough to kickstart a recovery.

"From a macro perspective these policies are not that important, as these cities account for a small share of

national property market," said Zhiwei Zhang, chief economist at Pinpoint Asset Management. "The key policy to address the macro challenge remains to be fiscal."

The central bank and top financial regulator on Sunday night unveiled more sweeping measures to aid the housing

market, including directives for banks to lower mortgage rates for existing home loans before Oct. 31.

Analysts expect the stimulus and a reported new 2 trillion yuan (\$285.20 billion) bond package should be enough to deliver growth in line Beijing's growth target of around 5 percent, but the country still needs to tackle issues of weak demand and an increasingly hostile global trade environment.

Signs of persistent consumer weakness were evident in Monday's readings with the official services PMI falling to 49.9 in September, showing the first contraction since December last year. Meanwhile, the Caixin services PMI showed activity in the sector slowed.

Zhao Qinghe, statistician at the NBS, said the decline in the official services PMI was due to the end of summer holiday travel peak and extreme weather such as typhoon in some regions.

The official construction PMI, however, shot up to 50.7 from 50.6 in the prior month.

Reuters reported on Thursday that 1 trillion yuan due to be raised via special bonds will be used to increase subsidies for a consumer goods replacement programme and for business equipment upgrades.

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