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

Sk Bashir Uddin

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 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 in use 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*

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

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, 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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