

Star BUSINESS

Local business leaders worry about the double-digit interest rate on bank loans, highlighting how this makes profitability harder for them.



Story on B4

\$800m repayment to Russia in limbo

MD MEHEDI HASAN

About \$809 million has piled up in a Bangladesh Bank escrow account to repay loans and interest for the Russia-funded Rooppur Nuclear Power Plant.

Escrow is an arrangement for a third party to hold the assets of a transaction temporarily. The assets are kept in a third-party account and are only released when all terms of the agreement have been met.

The central bank was left with little choice but to deposit funds into the special account (escrow) after sanctions were levied on Russia following its invasion of Ukraine.

Among these sanctions, at least 10 Russian banks were barred from using the Society for Worldwide Interbank Financial Telecommunication (SWIFT) system, which provides the main messaging network through which international payments are initiated.

As of Thursday, over three quarters of a billion dollars had been deposited in the account. It will be paid in the future, The Daily Star learned from officials of the central bank who are directly involved with the matter.

Bangladesh agreed to borrow around \$13 billion from Russia for the construction of the nuclear plant in Rooppur in 2016.

It is scheduled to pay interest as well as a ten percent advance payment, but transactions have stagnated for over a year because of the sanctions.

The repayment of the principal amount will commence from March 15, 2027.

FACT BOX

- Russia lending \$13bn for the power plant
- Construction to end in Dec next year
- Principal payment to start in Mar, 2027
- Interim govt seeks repayment extension
- A portion to be repaid in taka



PHOTO: COLLECTED

However, the interim government recently proposed extending it to March 15, 2029.

Seeking anonymity, a senior central bank official told The Daily Star that government stakeholders, including from the Economic Relations Division (ERD) and the Bangladesh Bank, are continuing to arrange meetings to discuss how payments can be made to

Russia. "We are trying to find out how to settle the issue. The central bank is also keeping an eye out for alternative channels."

"Over the past year, we have tried to find a risk- and hassle-free process to make payments. But the issue is yet to be finalised."

READ MORE ON B3

BSEC summons 14 firms for failing to pay dividends

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has asked the top officials of 14 listed companies to come to its office with related documents to explain why they declared but failed to pay dividends last year.

In separate letters to the companies, the regulator ordered the chairmen, managing directors, chief financial officers and company secretary-level officials to be present at the BSEC office today. They have been asked to bring all financial and dividend related documents.

The companies are Lub-rref (Bangladesh), Fortune Shoes, Beach Hatchery, Pacific Denims, SK Trims and Industries, Associated Oxygen, Advent Pharma, Union Insurance, Shepherd Industries, Desh Garments, Khulna Power, VFS Thread, Indo-Bangla Pharmaceuticals and Libra Infusions.

Last week, the stock authorities downgraded these companies to "Z" category due to non-compliance, which has agitated the investors of these companies.

A company is downgraded to 'Z' if it fails to pay at least 80 percent of the announced dividends.

Besides, a company is downgraded to 'Z' if it fails to declare dividends for two consecutive years.

The 'Z' classification also includes failure to hold regular annual general meetings, production suspension for six months or having a negative retained earnings balance exceeding the company's paid-up capital.

Eastern Bank PLC.

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- > Tk. 7,444 million financed in sustainable agriculture
- > Tk. 5,996 million financed to import energy efficient machines to reduce carbon emission
- > Partnering with icddr for bio hazardous waste management project

16230

Apparel exporters demand \$10m in Debenhams dues



PHOTO: REUTERS

STAR BUSINESS REPORT

A platform representing three dozen local apparel manufacturers has demanded over \$10 million payment for fashion items they supplied to the UK retail giant Debenhams.

At a press conference at the Economic Reporters Forum (ERF) in Dhaka yesterday, they said they will file a case against the local forwarder of the now-bankrupt British store chain unless the payment is made within 15 days.

Md Zahangir Alam, convener of the Debenhams vendors' community platform, said that due to the negligence of the forwarder Expo Freight Limited (EFL), they have not received the payment to date.

The 36 vendors were supplying readymade garments (RMG) to Debenhams, a 150-year-old UK-based public limited company.

As Debenhams was a highly reputable company in the UK and other Western markets, Alam said they were selling the goods through sales contracts.

"The payment terms were to surrender the bill of lading to the nominated forwarder, EFL in this case, after receiving the export proceeds in the bank," he said.

"We have been supplying the goods for the past decade following these terms," he added.

Alam said the 36 companies

supplied garments worth \$70 million before Debenhams went bankrupt due to the Covid-19 pandemic. "Out of the \$70 million, the suppliers have received nearly \$60 million over the last four years, but \$10 million remains unpaid."

"Now, Expo Freight Limited is legally responsible for paying the arrears to the suppliers as it handled the shipments to the now-bankrupt British retailer Debenhams," he said.

"We have relentlessly tried to resolve this matter and to some extent, we have succeeded. But due to the negligence of the EFL, we have not received the export value to date," said Alam.

On April 9, 2020, Debenhams filed for liquidation in the UK and the court appointed an administrator.

Subsequently, the Bangladeshi vendors came together and formed the platform called the Debenhams Vendors Community.

Alam said the main objective of this community is to negotiate, liaise, realise the dues and make collective decisions regarding the goods lying in the port and transit.

He said that among the 36 suppliers, whose total export value exceeds \$5 billion annually, many are small and medium-sized companies that cannot absorb such losses.

"These companies will face unrecoverable losses if the arrears are not paid on time," he added.



Shabbir A Khan

Malaysia can help us enter chip industry

Says trade body president

AHSAN HABIB

Bangladesh can join hands with Malaysia to develop a sector that caters to global semiconductor industries, which can play a vital role in increasing export earnings, said Shabbir A Khan, president of the Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI).

Malaysia has such a sector, which is drawing a lot of attention but which lacks skilled engineers, for which it has opted for hiring the experts from abroad, he said during an interview with The Daily Star yesterday.

The semiconductor industry is an aggregate of companies engaged in the design and fabrication of semiconductors and semiconductor devices, such as transistors and integrated circuits, he said.

READ MORE ON B3

Eastern Bank PLC.

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We strive for excellence in corporate governance

EBL wins Gold Award in 11th ICSB National Award 2023 for Corporate Governance Excellence.

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HASANAH ISLAMIC BANKING

China home sales rise after stimulus measures, state media says

REUTERS, Beijing

China's home sales rose during the National Day holiday after a string of property stimulus measures to boost the country's beleaguered real estate market since late September, state media said on Saturday.

Across the world's second-largest economy, policies, including reductions in down-payment ratios and mortgage rates, have been introduced this year to support the property sector, which previously made up one-quarter of economic activity.

During the week-long holiday period that started on Tuesday, the number of house visits, which reflects a willingness to buy a home, increased significantly while sales of homes in many places rose to "varying degrees", state broadcaster CCTV reported.

More than 50 cities introduced policies to boost the real estate market, while nearly 2,000 developments from more than 1,000 property companies participated in promotions, CCTV said, citing the Ministry of Housing and Urban-Rural Development.

The number of visits to most of the projects participating in the promotions increased by more than 50 percent year-on-year, it added.

In the southern Chinese city of Shenzhen, many real estate sales offices worked through the night to lure home-buyers, and transaction volumes as well as the number of viewers to properties "increased significantly," the 21st Century Business Herald reported, without providing details.

EBL launches payroll suite for women professionals



Ahmed Shaheen, additional managing director of Eastern Bank PLC, attends the launch of a payroll suite for women professionals at the bank's head office in the capital's Gulshan recently.

PHOTO: EBL

STAR BUSINESS DESK

Eastern Bank PLC (EBL) recently launched a payroll suite, named "EBL Women Payroll Suite", exclusively for women professionals with several attractive privileges and facilities.

Ahmed Shaheen, additional managing director of the bank, attended the launch at the bank's head office in the capital's Gulshan, according to a press release.

"EBL Women Payroll Suite will surely be

a one-stop solution to any banking need of professional women," said Shaheen.

The suite comes with comprehensive features like exclusive rates for savings and loan products, lifestyle vouchers for top brands, a dedicated customer help desk, dual currency debit card, 1,000 bonus SKYCOINS (loyalty programme points) on EBL Visa women platinum credit card, 3,000 bonus SKYCOINS on EBL Visa women signature credit card and many more.

MKhorshed Anwar, deputy managing director and head of retail SME banking at the bank, Syed Zulkar Nayan, head of business, Sarmin Atik, head of liability and wealth management, and Tasnim Hussain, head of cards, were present.

Mohammad Salekeen Ibrahim, head of assets of the bank, Tanzeri Hoque, head of priority and women banking, and Trisha Taklim, head of payroll banking, along with many successful women professionals, were also present.

Exim Bank holds quarterly business conference

STAR BUSINESS DESK

Exim Bank PLC yesterday organised its quarterly "Business Development Conference 2024" at the bank's head office in the capital.

Md Nazrul Islam Swapan, chairman of the bank, attended the programme as the chief guest, the bank said in a press release.

In the speech, Swapan said the Exim Bank is gradually moving towards progress and has already recovered the defaulted investment of Tk 450 crore.

He also advised all to achieve business targets by providing better customer service.

While presiding over the conference, Mohammad Feroz Hossain, managing director and CEO of the bank, discussed the overall activities and business possibilities to overcome the current



Md Nazrul Islam Swapan, chairman of Exim Bank PLC, attends its quarterly "Business Development Conference 2024" at the bank's head office in Dhaka yesterday.

PHOTO: EXIM BANK

challenges of the banking sector.

Md Nurul Amin Faruk, director of the bank, SM Rezaul Karim and Khandaker Mamun, independent directors, Md

Humayun Kabir, additional managing director, and Md Zoshim Uddin Bhuiyan, Maksuda Khanam and Md Moidul Islam, deputy managing directors, were

present. All branch managers, sub-branch in-charges and divisional heads at the head office, among others, were also present.

DBH Finance opens 16th branch in Barishal



Nasimul Baten, managing director and CEO of DBH Finance PLC, cuts a ribbon to inaugurate a branch of the non-bank financial institution on Shahid Nazrul Islam Sarak in Barishal recently.

PHOTO: DBH FINANCE

STAR BUSINESS DESK

DBH Finance PLC recently launched a branch at the Khan Faiz Shotaiyu Bhaban on Shahid Nazrul Islam Sarak in Barishal city, aiming to offer home loans and deposit services to the people living in the city and its adjacent areas.

This is the 16th branch of the non-bank financial institution (NBFI), according to a press release.

Nasimul Baten, managing director and CEO of the NBFI, inaugurated the branch as the chief guest.

With this new branch, DBH now has footprints across all divisions of Bangladesh.

DBH Finance PLC, formerly known as Delta BRAC Housing Finance Corporation Limited, obtained an AAA credit rating this year for the 19th consecutive year for its strong financial capacity.

The institution provides financing under conventional home loans, Shariah-compliant Islamic housing finance and mobilises deposits under conventional scheme and Mudaraba scheme.

DBH has set its aims to focus on affordable housing loans and sustainable green housing finance. The new branch opening in Barishal is aligned with that goal, the press release added.

Prominent developers of Barishal city and other high officials of the NBFI, among others, were also present.

US hiring soars past expectations in sign of resilient market

AFP, Washington

Hiring in the United States picked up significantly more than expected in September while the jobless rate crept lower, according to government data released Friday, offering relief to policymakers ahead of November's election.

The world's biggest economy added 254,000 jobs last month, the Department of Labor said. This was markedly higher than August's 159,000 number, which was revised upwards.

A consensus estimate by Dow Jones had expected growth of 150,000. The

unemployment rate dipped from 4.2 percent to 4.1 percent, the report added.

President Joe Biden lauded the job creation, adding in a statement that unemployment remains low and wages are growing faster than prices.

But he stressed: "We have more to do to lower costs and expand opportunity."

The health of the job market has come into focus over recent months as high interest rates bite -- but the pick-up in hiring should assuage some concerns that the Federal Reserve waited too long to slash rates last month, risking a downturn.

Businesses worried over

FROM PAGE B4

If law and order is ensured in industrial zones, it will have a positive impact on the economy, he said.

The interim government has given a lot of attention to the banking sector but it has yet to similarly focus on other sectors, Reaz said.

Businesses still feel that law and order in the country is yet to reach an acceptable level, said Ashraf Ahmed, president of the DCCL.

"Businesses face many challenges at present. Some issues can be addressed locally, but others require national-level solutions with government intervention," he said.

Ahmed also said the possibility of arson, vandalism, and looting at factories and business establishments remain

major concerns for the business community.

Law enforcement agencies are present but they are not active enough to respond quickly to emergencies, he said.

"The industrial police have not fully recovered psychologically or regained the confidence they once had, hence their response is delayed," Ahmed added.

He also pointed out that some industries were struggling to pay workers, largely because banks were unable to disburse necessary funds.

Syed Mohammad Kamal, country manager of Mastercard Bangladesh, Shams Mahmud, a former president of the DCCL, and Ambreen Reza, co-founder, chairman and CEO of Foodpanda, also addressed the seminar.

As EU targets Chinese cars

FROM PAGE B4

German Finance Minister Christian Lindner warned the commission against sparking a "trade war" as he called for a negotiated solution, while VW and BMW made similar pleas.

Chinese competition is not the only problem for some companies.

"After two years of double-digit margins, European automakers are now seeing that when it rains, it rains cats and dogs," said Kevin Thozet, portfolio manager at asset manager Carmignac.

After posting a series of record quarterly earnings, Stellantis slashed its operating profit margin forecast on Monday from "double-digit" expectations to somewhere between 5.5 percent and seven percent.

Stellantis has struggled in North America, its cash cow in the past, as US dealerships are having a hard time unloading their inventory of expensive cars.

The company has offered promotional deals in recent months, limiting profit margin.

The weaker performance has trickled down to suppliers such as airbag maker Autoliv and parts producer Forvia, which have also lowered their earnings outlooks.

"We've had bad news. We don't see, by the end of this year, how the market could recover," said Forvia chief executive Patrick Koller.

"We thought that combustion engines would compensate for the drop in electric motorisation, but that didn't happen," he said.

While automotive groups are recording healthy margins on fossil-fuel cars, they still face sizeable investments to develop EVs, which are not selling fast enough.

Several companies have reduced their electrification targets in favour of hybrid cars, whose sales have surged.

Despite the industry setbacks, battery-electric cars are set to reach a market share in Europe of 20 to 24 percent next year, according to Transport & Environment, a European clean transport advocacy group.

The surge will be partly due to the arrival of seven more affordable electric models hitting the market this year and in 2025, the group said.

"2025 will be a great year for Europeans in the market for an electric car," said T&E cars director Lucien Mathieu.

Sri Lanka approves

FROM PAGE B4

International sovereign bonds account for \$12.5 billion and the balance of \$2.2 billion is owed to the China Development Bank.

Sri Lanka's external debt stood at \$46 billion at the time of its foreign debt default in 2022, when it ran out of foreign exchange to finance even the most essential imports such as food and fuel.

The bond restructuring endorsed by the new government must still go to parliament for ratification.

Dissanayake dissolved the assembly

days after he was sworn in and called a snap election for November 14, a year ahead of schedule. The legislature is set to have its first session on November 21.

Austerity measures in line with the IMF bailout loan of \$2.9 billion secured last year helped stabilise the economy but also caused severe hardships for low income Sri Lankans.

The IMF has said that Sri Lanka returned to growth in the wake of the crisis, but warned its economy was still not out of the woods.

Dhaka Bank to provide Tk 250cr liquidity support to troubled banks

STAR BUSINESS DESK

Dhaka Bank PLC has agreed in principle to provide liquidity support of Tk 250 crore to weak banks against the guarantee of the Bangladesh Bank, according to a press release.

The central bank recently took an initiative to facilitate and revitalise problem banks through financially strong 10 banks.

In this process, the Bangladesh Bank held a meeting with the chief executives of ten strong banks, including the Dhaka Bank.

After a detailed discussion, heads of the strong banks agreed to extend their wholehearted cooperation to the weak banks through liquidity support.

Against the BB guarantee, some of the strong banks have already provided support to the weak banks.

Ahsan H Mansur, governor of the central bank, was present in the meeting.

Global food prices rise at fastest rate since 2022

AFP, Paris

Global food prices rose in September at their fastest rate since March 2022, with sugar prices surging as dry weather and fires damaged Brazilian sugarcane crops, the Food and Agriculture Organization said Friday.

The FAO Food Price Index reached 124.4 points in September, a three-percent increase from August.

But it remained 22.4 percent below the peak reached in March 2022 in the wake of Russia's invasion of agricultural powerhouse Ukraine.

The index tracks monthly changes in international prices of a basket of food commodities.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (OCT 5, 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	2.41 ↑	-2.30 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 151-Tk 155	0	-2.86 ↓
Potato (kg)	Tk 50-Tk 60	-1.79 ↓	15.79 ↑
Onion (kg)	Tk 105-Tk 110	0	0
Egg (4 pcs)	Tk 58-Tk 60	14.56 ↑	20.41 ↑

SOURCE: TCB

41 recognised with ICSB awards

STAR BUSINESS REPORT

The Institute of Chartered Secretaries of Bangladesh (ICSB) yesterday awarded 41 local companies for their outstanding corporate governance practices, particularly in regard to ensuring transparency and accountability in overall management.

With the winners from 14 business categories placing in either the gold, silver or bronze ranking, the 11th ICSB National Award for Corporate Governance Excellence, 2023 was held at the Pan Pacific Sonargaon Dhaka.

Finance and Commerce Adviser Salehuddin Ahmed handed over the trophies at the event, which was themed "Promoting Governing Excellence".

Eastern Bank PLC won the gold trophy in the general banking category.

No company in the Islamic banking category was considered for an award this year. IDLC Finance PLC won the gold in the non-banking financial institution category.

In the general insurance category, City Insurance PLC claimed the gold trophy.

Square Pharmaceuticals PLC took the top honour in the pharmaceutical and chemical category. In the textile and RMG category, Paramount Textile PLC snatched the gold.

Among companies of the food and allied category, Unilever Consumer Care Ltd achieved the gold rank.

IT Consultants PLC won the gold award in the information and communication technology category.

In the engineering category, Walton Hi-Tech Industries PLC was the gold winner.

In the manufacturing category, LafargeHolcim Bangladesh Ltd was announced as the gold winner.

In the fuel and power category, United Power Generation and Distribution Company Ltd secured gold.

Unique Hotel and Resorts PLC won the top honour in the services category.

In the telecommunications category, Grameenphone got the gold.

Bangladesh Securities and Exchange Commission Chairman Khondoker Rashed Maqsood, Finance Secretary Md Khairuzzaman Mozumder, Commerce Secretary Md Selim Uddin, and National Board of Revenue Chairman Md Abdur Rahman Khan were present as the special guests.

ICSB Senior Vice-President M Nurul Alam, who is also chairman of its corporate governance committee, presided over the programme.



Wage growth still below inflation

Unskilled workers' wage grew 8.01% in Sept when inflation was 9.92%

STAR BUSINESS REPORT

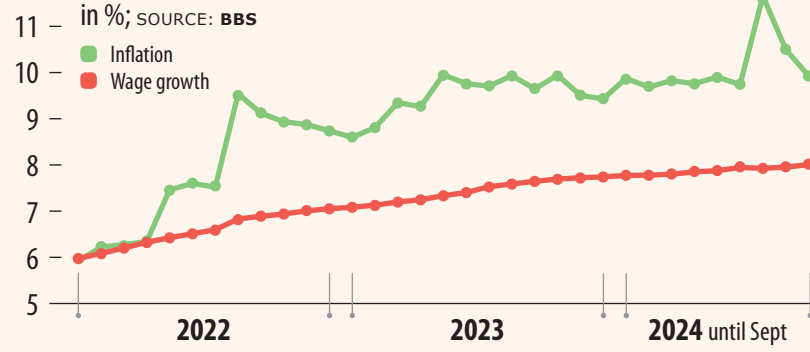
Many low-income and unskilled workers in the agriculture, industrial and service sectors of Bangladesh are being forced to reduce consumption as higher inflationary pressure is eating away their real income.

According to the Bangladesh Bureau of Statistics (BBS), inflation has outpaced wage growth in the country for more than two and a half years now.

The wages of low-income and unskilled workers across 63 employment categories grew by an average of 8.01 percent in September while the inflation rate was 9.92 percent, shows the Wage Rate Index of the BBS.

The situation was even worse in August as the inflation rate stood at 10.49 percent, thereby exceeding wage growth by 2.53 percentage points in a trend that has been

INFLATION AND GROWTH OF WAGES IN BANGLADESH



continuing for the past 32 months.

The data also indicates that earning levels across all three of the economic sectors registered month-on-month growth of less than 1 percentage point in September.

Wage growth in the industrial

sector was 7.61 percent that month, up by 0.07 percentage points from August, while that of the agriculture sector increased by 0.03 percentage points to 8.28 percent.

Likewise, wage growth in the service sector advanced by 0.05 percentage points to 8.29 percent.

Energy security review needed urgently

STAR BUSINESS REPORT

The Integrated Energy and Power Master Plan (IEPMP) should be revisited to design a clear pathway for improving the Power Development Board's (PDB) financial strength and Bangladesh's energy security, according to an article in Energy Outlook, a quarterly publication by the South Asian Network on Economic Modeling (SANEM).

The article, written by energy analyst Shafiqul Alam, said the IEPMP provides no roadmap to contain the PDB's deepening revenue shortfall.

"Further, it puts the country at the risk of imported fossil fuel lock-in and a disorderly energy transition relying on unproven technologies, such as carbon capture and storage (CCS) and ammonia."

Alam added that the IEPMP has raised more questions than answers.

Bangladesh approved the IEPMP in June 2023, with high hopes of accelerating the renewable energy transition and enhancing national energy security.

"However, the master plan has thus far given little signal in that direction," Alam said.

According to the article, the PDB's annual revenue shortfall compelled the government to pay a cumulative subsidy of \$6.88 billion between fiscal years 2020-21 and 2022-23.

However, the IEPMP has no answer for the PDB's diminishing financial strength.

"One of the key reasons behind PDB's revenue shortfall is the industrial sector's tepid demand growth in grid electricity consumption. Due to a lack of reliable grid electricity, industries combined operate around 3,000 megawatts (MW) of gas-fired captive generators even as grid electricity remains underutilised," it said.

It added that the IEPMP's natural gas demand outlook suggests industries may significantly depend on gas-fired captive generation beyond 2040. Under different scenarios, the IEPMP's proposed energy mixes will make Bangladesh more import-dependent, exposing it to the high price volatility of the international energy market and raising concerns over foreign currency reserves, the article added.

Mentioning that imports of liquefied natural gas (LNG) would soar by 4.35 to 9.85 times in 2050 compared to 2023 levels, it said annual LNG import costs may stand between \$8 billion and \$18.2 billion in 2050.

"The economic burden will drastically increase if the LNG price spikes," it added.

The IEPMP incorporated unproven technologies like CCS and ammonia co-firing, which may derail the country's energy transition, the article further said.

Malaysia can help

FROM PAGE B1

The industry can be divided into three major parts—designing, engineering and packaging, said Khan.

Bangladesh is capable of engaging in designing and engineering while Malaysia is skilled in packaging. If the two countries join hands, both can do better, he said.

On the other hand, a huge number of engineers are graduating from Bangladesh every year. If they can be trained, their skills can be put to good use in the sector, he said.

In 2030, the market size of the semiconductor industry will cross \$1 trillion worldwide. So, this sector bears a huge potential for both countries, he added.

As global semiconductor giants are now shifting their manufacturing hubs from Taiwan to Malaysia, it is the best option to target, pointed out Khan, who is also the chief executive officer of Khan & Deen Traders.

Visiting Bangladesh on Friday, Malaysian Prime Minister Anwar Ibrahim had held talks with Prof Muhammad Yunus, chief adviser to the interim government, regarding this sector alongside others, he said.

Recently, a delegation of the BMCCI also held discussions with Malaysia Digital Economy Corporation regarding knowledge and expertise exchange to develop a robust digital economy in Bangladesh, he said.

The BMCCI has taken to promoting the semiconductor sector as it has realised that both countries have the potential to grow through it, he claimed.

Malaysia is a major player in the semiconductor industry, accounting for 13 percent of global testing and packaging. It has attracted multibillion-dollar investments from leading firms in recent years, including Intel and Infineon, said Khan.

Bangladesh is also working on signing a free trade agreement (FTA) with Malaysia to reduce trade

barriers, which would increase garment exports and thereby benefit the economy, he said.

At present, Malaysia has an FTA with China, using which the latter exports a high volume of garments to the Southeast Asian country. Once Bangladesh signs its FTA, it will be able to take over the market, he added.

As the world's sixth-largest semiconductor exporter, Malaysia commands a 7 percent share of the global market and accounted for 23 percent of the US semiconductor trade in 2022, said Khan.

However, many Malaysian companies, especially small and medium enterprises, still depend on skilled foreign labour and are hesitant to adopt automation, he said.

Despite this, Malaysia's semiconductor industry has fostered successful local companies specialising in automation solutions, forming a resilient supply chain, he added.

There is a huge shortage of skilled engineers and Malaysia has been currently outsourcing engineers from developed countries, he added.

Once Bangladesh starts focusing on developing the semiconductor sector, it will emerge as a new frontier for high-tech manufacturing, said Khan.

"Our current industry setup is limited to only the integrated circuit design. But if we can enter the semiconductor ecosystem, Bangladesh's foreign exchange earnings from the semiconductor industry may hit the turnover of RMG (ready-made garment) sector," he said.

Sectors like garments, pharmaceuticals, leather and leather goods and home textiles are getting special attention through policy support from the government so that they can reach the billion-dollar mark in exports, he said.

If the semiconductor industry gets similar attention, it will indeed

surpass the \$10 billion mark by 2031, hoped Khan.

The Malaysian government has proactively addressed the shortage of skilled workers by relaxing conditions regarding foreign labour in the semiconductor, electronics and electrical sectors, he said.

This reflects a recognition of the immediate need for skilled manpower to support industry growth, he said.

Collaboration between Bangladesh and Malaysia offers a promising opportunity to tackle skilled labour challenges in the high-tech industry. By leveraging each other's strengths, both countries can work towards mutually beneficial solutions, he added.

US, India to cooperate on critical minerals

AFP, Washington

The United States and India are set to work together on supply chains for critical minerals that are key to clean energy technologies, the US Commerce Department said Thursday in a statement.

US Commerce Secretary Gina Raimondo and India's Minister of Commerce and Industry Piyush Goyal met in the US capital Washington on Thursday, inking a deal to "expand and diversify" critical mineral supply lines.

The aim of the Memorandum of Understanding (MoU) is to increase resilience in the critical minerals sector, said the statement.

Both sides will also identify ways to facilitate "commercial development of US and Indian critical minerals exploration, extraction, processing and refining, recycling, and recovery," the statement added.

in the local currency instead of US dollars after Atomstroyexport, the Russian contractor for the project, agreed to receive payments in Bangladeshi currency Taka.

The advance payments will be made through the state-run Sonali Bank.

Industry insiders said that about 69 percent of the project has already been implemented.

Construction work is scheduled to be completed on December 31 next year.

BANGLADESH RURAL ELECTRIFICATION BOARD
POWER DIVISION, MINISTRY OF POWER, ENERGY AND MINERAL RESOURCES
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

Memo No: 27.12.0651.032.07.08.001.24-123 Date: 24-09-2024

Tender Notice e-GP (LTM)

e-Tenders are invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for construction/Up-gradation/Coverion of overhead electrical distribution line under the geographical area of **Barisal PBS-1/2, Patuakhali & Bhola PBS of Modernization & Capacity Enhancement of BREB Network (Barisal Division) Project**. Tender submission deadlines are mentioned below:

SL No.	Tender Sub-package No.	Description of Works	Tender ID No.	Closing & Opening Date	Closing & Opening Time
1	MCEP/BREB/BD-L-16-4	Construction of 19.357 Km 11 KV Electric Distribution Line (New/Up-Gradation/Underground) under the geographical area of Barisal PBS-1.	1013558	21-10-2024	10:00
2	MCEP/BREB/BD-L-29-1	Testing Commissioning & Coverion of 27.063 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-1.	1013560		10:30
3	MCEP/BREB/BD-L-29-2	Testing Commissioning & Coverion of 26.643 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-1.	1013561		11:00
4	MCEP/BREB/BD-L-29-3	Testing Commissioning & Coverion of 25.560 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-1.	1013562		11:30
5	MCEP/BREB/BD-L-29-4	Testing Commissioning & Coverion of 26.383 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-1.	1013563		12:00
6	MCEP/BREB/BD-L-29-5	Testing Commissioning & Coverion of 25.839 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-1.	1013564		12:30
7	MCEP/BREB/BD-L-18-4	Construction of 27.774 Km 11 KV Electric Distribution Line (New/Up-Gradation/Underground) under the geographical area of Barisal PBS-2.	1013565		13:00
8	MCEP/BREB/BD-L-37-5	Testing Commissioning & Coverion of 23.986 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-2.	1013566		14:30
9	MCEP/BREB/BD-L-38-1	Testing Commissioning & Coverion of 18.826 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Barisal PBS-2.	1013567		15:00
10	MCEP/BREB/BD-L-23-2	Construction of 20.136 KM 11 KV Electric Distribution Line (New/Up-Gradation/Underground) under the geographical area of Patuakhali PBS.	1013568		15:30
11	MCEP/BREB/BD-L-46-2	Testing Commissioning & Coverion of 25.724 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Patuakhali PBS.	1013569	22-10-2024	16:00
12	MCEP/BREB/BD-L-46-3	Testing Commissioning & Coverion of 25.418 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Patuakhali PBS.	1013570		10:00
13	MCEP/BREB/BD-L-46-4	Testing Commissioning & Coverion of 26.387 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Patuakhali PBS.	1013571		10:30
14	MCEP/BREB/BD-L-46-5	Testing Commissioning & Coverion of 26.046 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Patuakhali PBS.	1013572		11:00
15	MCEP/BREB/BD-L-15-1	Construction of 20.965 Km 33 KV Electric Distribution Line (New/Up-Gradation/Underground) under the geographical area of Bhola PBS.	1013574		11:30
16	MCEP/BREB/BD-L-24-3	Construction of 16.841 Km 11 KV Electric Distribution Line (New/Up-Gradation/Underground) under the geographical area of Bhola PBS.	1013575		12:00
17	MCEP/BREB/BD-L-51-3	Testing Commissioning & Coverion of 26.981 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Bhola PBS.	1013576		12:30
18	MCEP/BREB/BD-L-51-4	Testing Commissioning & Coverion of 27.193 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Bhola PBS.	1013577		13:00
19	MCEP/BREB/BD-L-51-5	Testing Commissioning & Coverion of 27.095 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Bhola PBS.	1013578		14:30
20	MCEP/BREB/BD-L-52-1	Testing Commissioning & Coverion of 27.042 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Bhola PBS.	1013579		15:00
21	MCEP/BREB/BD-L-52-2	Testing Commissioning & Coverion of 26.925 KM Electric (LT/HT/Installation of Insulated Cable) Line under the geographical area of Bhola PBS.	1013580	15:30	

This is an online Tender, where only e-Tender will be accepted in the National e-GP Portal and no off line/hard copies will be accepted. Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender each documents for tender ID: 1013565, 1013566, 1013569, 1013570, 1013571, 1013572 & 1013574 (BDT. 2000) & tender ID: 1013558, 1013560, 1013561, 1013562, 1013163, 1013564, 1013567, 1013568, 1013575, 1013576, 1013577, 1013578, 1013579 & 1013580 (BDT. 1000) from the National e-GP System Portal have to be deposited online through any e-GP registered bank's branches (Except the bank's debarred by BREB) up to 20-10-2024 at 16:00 for SL No. 1 to 11 & 21-10-2024 at 16:00 for SL No. 12 to 21. Further information and guidelines are available in the National e-GP System Portal and from e-GP helpdesk (helpline: 02-478831637). The Procuring Entity reserves the right to accept or reject all the Tenders Proceedings without any Reason.

বাংলাদেশ রুরী বিদ্যুতায়ন বোর্ড
BANGLADESH RURAL ELECTRIFICATION BOARD

বাপবিবো/জন (২৪০৯-৪১) ২০২৩-১০-২৪

Parash Ch. Mondal
Superintending Engineer
Bangladesh Rural Electrification Board,
Barisal Zone, Rupatali, Barisal.
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\$800m repayment

FROM PAGE B1

The official added that they would feel comfortable if the tenure for repayment of the principal amount was extended.

Around eight to nine instalments were already paid before sanctions on Russia were imposed, he added.

The EXIM Bank of Russia began to disburse loans for the project in 2017.

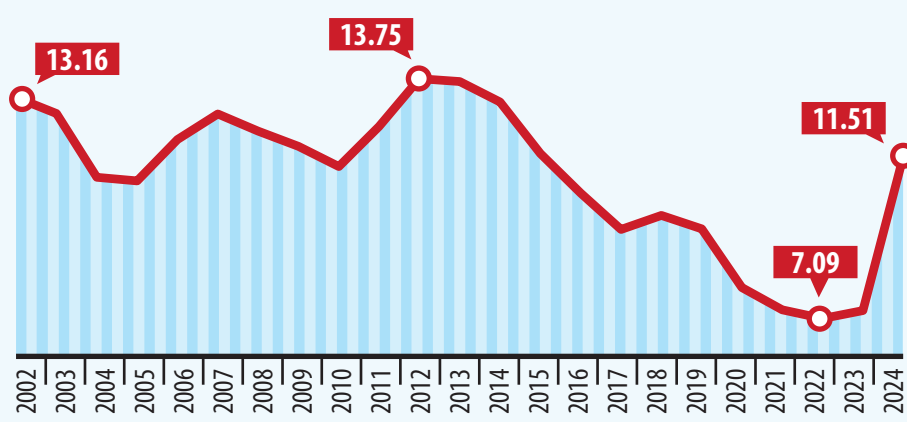
The interim government, which took office following the ouster of the Sheikh Hasina-led Awami

League government on August 5 this year, has taken initiatives to review loan agreements for mega projects made by the previous regime, including the nuclear facility in Rooppur.

ERD officials told The Daily Star that Russia proposed to send payments through a bank in China, but it had not yet been evaluated.

In another development, the government decided to make partial advance payments for the project

TREND OF INTEREST RATE ON LENDING



SOURCE: BB

Can we brand Bangladesh afresh?

MAMUN RASHID

Fallen dictator Sheikh Hasina used to regularly lament that she did a great job, but our civil society members were behaving dumb. A few of my friends were quite aggrieved – our country made so many achievements, yet the Western media and opinion makers were not recognising any of those.

Natural calamities, political skirmishes, poor governance standards and work ethics didn't allow Bangladesh to achieve the right image it deserved with its young and energetic workforce, resilient entrepreneurs and an increasing number of women in the workplace. Bangladesh's potential as a liberal Muslim country was not being discussed at the right tables. Investors were going to Sri Lanka, Vietnam, Indonesia, and even Pakistan, but not Bangladesh, with some exceptions for infrastructure sector investments. While the new political order and economic surprises awaited with Professor Yunus, Bangladesh's image problem is not over since we have yet to take "nation branding" with a modicum of importance.

Nation branding is substantially different from product branding. We see catchy taglines being used by several nations to promote tourism in their countries, such as "Malaysia, truly Asia," and "Amazing Thailand." However, the function of nation branding is not just limited to tourism. According to Simon Anholt, widely considered the "Father of Nation Branding," the concept of nation branding refers to developing an identity for a nation that encompasses several components of national accounts, including foreign direct investments, exports, culture, sports, migrants, international relations, etc.

Traditional promotional tools, such as advertising or roadshow activities, don't apply in the same manner when it comes to nation branding. Instead, it involves a holistic and well-concerted effort to highlight the key competitive advantages offered by the nation. The government has a huge role to play in this regard. It is the duty of our leaders to showcase our achievements to the world.

However, this responsibility does not lie on the shoulders of the government alone. It is a responsibility shared by all of us.

While product branding affects a particular company, the impact of nation branding affects an entire economy, and hence the standard of living of its citizens. However, there also exists an integral connection between the two concepts.

Sometimes, we get to know a nation through the great companies which originated in that country and the product brands they offer.

Some of those national brands also build enough equity to graduate to the status of global brands, such as Nokia from Finland, Google from the US, and Toyota from Japan, that we begin to associate these countries with their national brands.

Now, the question for a growing economy like Bangladesh would be: what kind of products should we invest in? We are already known to the world for "micro-finance." Today, countries all over the world are reshaping their identities to gain a competitive edge over their neighbours. If we listen to Philip Kotler, the father of modern marketing, and want to brand Bangladesh as an RMG exporting country, we must question ourselves as to what extent that would be sustainable in the long run. We must ensure adequate capacity building, productivity improvement, healthy industrial relations, professional management, and new export destinations to remain competitive because uncertainty is more dangerous than instability.

So far, our RMG industry has shown remarkable resilience in terms of weathering turbulence, when the country was faced with some of our worst political turmoil and man-made disasters. Moreover, the sector also seems to have survived the global financial meltdown relatively unscathed.

However, uncertainty still shrouds the future of our RMG industry. There is also ambiguity regarding the future of the microfinance industry.

In the age of fierce competition, nation branding has become more of a necessity than a luxury. Our country has suffered due to a negative brand image, both at home and abroad. The time has come to rebrand our country, to highlight the amazing accomplishments of our people despite the hardships. That is what makes our nation truly remarkable and unique. However, one Nobel laureate professor and his very young and hardcore companions may not be enough to attract the right and sustainable attention to Bangladesh.

The author is the chairman of Financial Excellence Ltd

Businesses worried over double-digit bank interest rate

Speakers tell DCCI seminar on the state of the economy

STAR BUSINESS REPORT

Businesses are worried over the interest rate of bank loans reaching double digits as it will increase the cost of doing business and subsequently affect profitability, the country's business leaders stated yesterday.

"There is no country where businesspeople can make a profit with a double-digit bank interest rate. Now the rate of interest is 14 percent," said Syed Nasim Manzur, a former president of the Metropolitan Chamber of Commerce and Industry, Dhaka.

He was delivering a speech at a seminar styled "Current State of the Economy and Outlook of Bangladesh" organised by the Dhaka Chamber of Commerce & Industry (DCCI) on its premises.

Regarding malpractices in business, Manzur, also president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh, alleged that the whole business community gets blamed for the misdeeds of a few.

Foreign direct investment (FDI), a very important factor for enhancing product value, image and engagement with the global value chain, will not come about at the moment as the country is going

through a transition, he said.

With state administrations partially functional, investors are uninterested in providing fresh funds and are opting to wait it out, which has halted employment generation, he said.

No country can run solely with the financial assistance of donors, rather businesses need to stay active while investments need to be made for the economy to develop, he said.

Manzur urged the interim government to prevent violence at industrial zones and ensure law and order by focusing on the strategic deployment of industrial police.

The interim government has not yet been able to build up confidence among businesspeople, said Mir Nasir Hossain, a former president of the Federation of Bangladesh Chambers of Commerce and Industry.

The government needs to engage in dialogues with the business community and hear about their problems, he said, adding that no businessperson had been able to speak their mind to the National Board of Revenue in the past 10 years.

Regarding bank loans, he said the actual interest rate was more than 14 percent.

He further said loans from the International

Monetary Fund end up having a detrimental effect on the country and do not benefit businesses.

Hossain also urged the government to bring unscrupulous businesspeople to justice.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, said he was now engaged in building up the confidence of buyers to continue running business with them.

Echoing Manzur, he said it was becoming tough to do business due to the high interest rates of bank loans.

Regarding the recent labour unrest in industrial zones, he alleged that it was provoked by "outsiders".

Employment generation is a moral responsibility of businesspeople, said Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group.

Law and order must be ensured in order for industries to flourish, Chowdhury emphasised.

Proper decisions were not taken at the appropriate time during the previous government's tenure, which affected the country's macroeconomic situation, said M Masrur Reaz, chairman and chief executive officer of Policy Exchange Bangladesh.

READ MORE ON B2

Oil settles up, biggest weekly gains in over a year on Middle East risk

REUTERS, New York

Oil prices rose on Friday and settled with their biggest weekly gains in over a year on the mounting threat of a region-wide war in the Middle East, although gains were limited as US President Joe Biden discouraged Israel from targeting Iranian oil facilities.

Brent crude futures rose 43 cents, or 0.6 percent, to settle at \$78.05 per barrel, while US West Texas Intermediate crude futures gained 67 cents, or 0.9 percent, to close at \$74.38 per barrel.

Israel has sworn to strike Iran for launching a barrage of missiles at Israel on Tuesday after Israel assassinated the leader of Iran-backed Hezbollah a week ago. The events had oil analysts warning clients of the potential ramifications of a broader war in the Middle East.

Oil prices jumped nearly 2 percent

during the session but pulled back sharply after Biden said that if he were in Israel's shoes he would consider alternatives to striking Iranian oil fields.

On Thursday, oil benchmarks surged over 5 percent after Biden confirmed the US was in talks with Israel over whether it would support a strike on Iranian energy infrastructure.

On a weekly basis, Brent crude gained over 8 percent, the most in a week since January 2023. WTI gained 9.1 percent week-over-week, the most since March 2023.

An attack on Iranian energy facilities would not be Israel's preferred course of

action, JPMorgan commodities analysts wrote on Friday. Still, low levels of global oil inventories suggest that prices are set to be elevated until the conflict is resolved, they added.

Iran will target Israeli energy and gas installations if Israel attacks it, the semi-official Iranian news agency SNN quoted Revolutionary Guards deputy commander Ali Fadavi as saying

Citing data from ship tracking service Kpler, they said that inventories are below last year's levels when Brent was trading at \$92 and at 4.4 billion barrels are the lowest on record.

Brokerage StoneX forecasts oil prices could jump between \$3 and \$5 per barrel if Iranian oil infrastructure is targeted.

On Friday, Iran's Supreme Leader Ayatollah Ali Khamenei appeared in public for the first time since his country

launched the missile attack. He called for more anti-Israel struggle.

Iran will target Israeli energy and gas installations if Israel attacks it, the semi-official Iranian news agency SNN quoted Revolutionary Guards deputy commander Ali Fadavi as saying.

Iran is a member of Opec+ with production of around 3.2 million barrels per day or 3 percent of global output. The group's spare production capacity should allow other members to boost output if Iranian supplies are disrupted, limiting oil price gains, Rystad analysts said on Thursday.

Supply fears have also eased in Libya. The country's eastern-based government and Tripoli-based National Oil Corp on Thursday said all oilfields and export terminals were being reopened after a dispute over leadership of the central bank was resolved.

Sri Lanka approves controversial foreign debt deal

AFP, Colombo

Sri Lanka's new government has approved a controversial restructure of \$14.7 billion in foreign commercial credit tentatively agreed by its predecessor, the finance ministry said Saturday.

Former leader Ranil Wickremesinghe announced a deal with international sovereign bondholders and the China Development Bank just two days before he lost presidential elections last month.

The new leftist President Anura Kumara Disanayake had called for better terms, but after two days of talks with an IMF delegation in Colombo, his government said it would honour his predecessor's deal.

"Sri Lankan authorities confirm their endorsement of... the agreement in principle terms as announced on September 19," the finance ministry said in a statement.

The debt restructuring is a key International Monetary Fund demand to rebuild the island's economy, which suffered its worst crisis in 2022 when it shrank by 7.8 percent.

In June, the government concluded a deal with its bilateral lenders to restructure its official credit amounting to \$6 billion.

Under the deal announced on September 19, private creditors holding more than half of international sovereign bonds and foreign commercial loans to the South Asian nation agreed to a 27 percent haircut on their loans.

They also agreed to a further 11 percent reduction on the interest owed to them.

READ MORE ON B2

As EU targets Chinese cars, European rivals sputter

AFP, Paris

As the EU seeks to put a brake on competition from Chinese electric cars, European automakers are stuck in second gear.

German group Volkswagen, BMW, Mercedes and Stellantis, a 15-brand behemoth that includes Jeep, Fiat and Peugeot, have all issued profit warnings in recent weeks.

Weaker demand for their cars in China, whose economy is slowing, and growing competition from cheaper Chinese EVs elsewhere are among the main drags on European automakers, which employ 2.4 million people.

In a divided vote, EU states on Friday gave a definitive green light to hefty additional tariffs on made-in-China EVs.

The aim is to protect Europe's auto industry, but opponents including the German government and the country's top carmakers fear the move could backfire.

The European auto industry is in "grave danger", Luc Chatel, president of French auto industry trade group PFA, told the French Senate on Wednesday.

New car registrations rose by just 1.4 percent to 7.2 million units in the first eight months of the year, maintaining a low volume since the Covid pandemic

broke out in 2020.

High prices at dealerships and a sluggish economy have discouraged consumers from getting new cars, according to analysts.

"The performance of the auto sector

in the coming weeks and months will be capped by deteriorating fundamentals into 2025," UBS analysts said in a note.

More worrying, sales for electric vehicles have stalled when the industry is facing a 2035 EU deadline to phase out

new sales of petrol-powered cars.

EVs accounted for 12.6 percent of car sales in Europe in the first eight months of the year, down from 13.9 percent over the same period in 2023.

Worried about stricter emissions targets that come into effect next year, the European Automobile Manufacturers' Association (ACEA) urged the EU last month to provide "urgent relief measures".

In a stark sign of the European industry's struggles, Volkswagen announced last month that it could close factories in Germany for the first in its history as it grapples with high costs, Chinese competition and weak demand for EVs.

The German government held crisis talks with senior figures from the country's beleaguered auto industry last month.

But Germany opposes EU tariffs against China, fearing that retaliatory measures could hurt automakers doing business in the world's second biggest economy.

Ten countries including France voted Friday for imposing tariffs of up to 35.3 percent on top of existing 10 percent duties.

Germany was among five that voted against while 12 abstained, paving the way for the European Commission to impose the tariffs.

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An MG Cyberster electric sports car is displayed at the Beijing Auto Show in China. EU states on Friday gave a definitive green light to hefty additional tariffs on made-in-China EVs.

PHOTO: AFP/FILE