

# Star BUSINESS

Industrialist Ratan Tata was credited with transforming India's Tata Group into a globally renowned conglomerate with a portfolio ranging from software to sports cars



Story on B4

No respite for jute goods makers from export fall

SOHEL PARVEZ

Bangladesh's exports of jute and jute goods have been falling continuously as many buyers have switched to synthetic and regenerated cotton yarn due to high prices of the golden fibre in the domestic market.

In the absence of adequate domestic demand, the country, the second-largest producer of jute after India, is reliant on global buyers for jute yarns, sacks, and bags.

However, shipments of jute and jute goods have been falling since exporters logged \$1.16 billion in fiscal year (FY) 2021-22.

Earnings from the sector fell 6 percent year-on-year to \$925 million in FY24.

In the July-September quarter of FY25, exports of raw and processed jute fell 20 percent year-on-year to \$178 million, according to

**In the absence of adequate domestic demand, Bangladesh is reliant on global buyers for jute yarns, sacks and bags**

the data unveiled by the Export Promotion Bureau.

Raw jute exports fell 31 percent in the period while shipments of jute yarn and twine, the biggest export item in the sector, declined by a fifth.

Industry stakeholders said the demand for jute yarn began to decline after the Covid-19 pandemic, when prices of locally grown raw jute shot up to Tk 5,500-Tk 6,000 per maund (around 37 kilograms).

"Our closest competitor is polypropylene yarn and demand for that has increased among buyers. This is also because demand for recycled carpet has increased in the West," said Md Mamunur Rahman, director of Rahman Jute Spinners Private Ltd.

Besides, the use of regenerated cotton yarn in carpet making has seen an uptick as rugs made of cotton yarn are easy to fold.

Locally, an unhealthy competition to grab buyers among jute millers worsened the situation.

Of late, spiralling

READ MORE ON B3

## Bangladesh still stays at bottom in business environment

Shows World Bank's Business Ready report

### PERFORMANCE BY PILLARS

Score out of 100

Operational efficiency	70.49
Public services	41.64
Regulatory framework	56.99

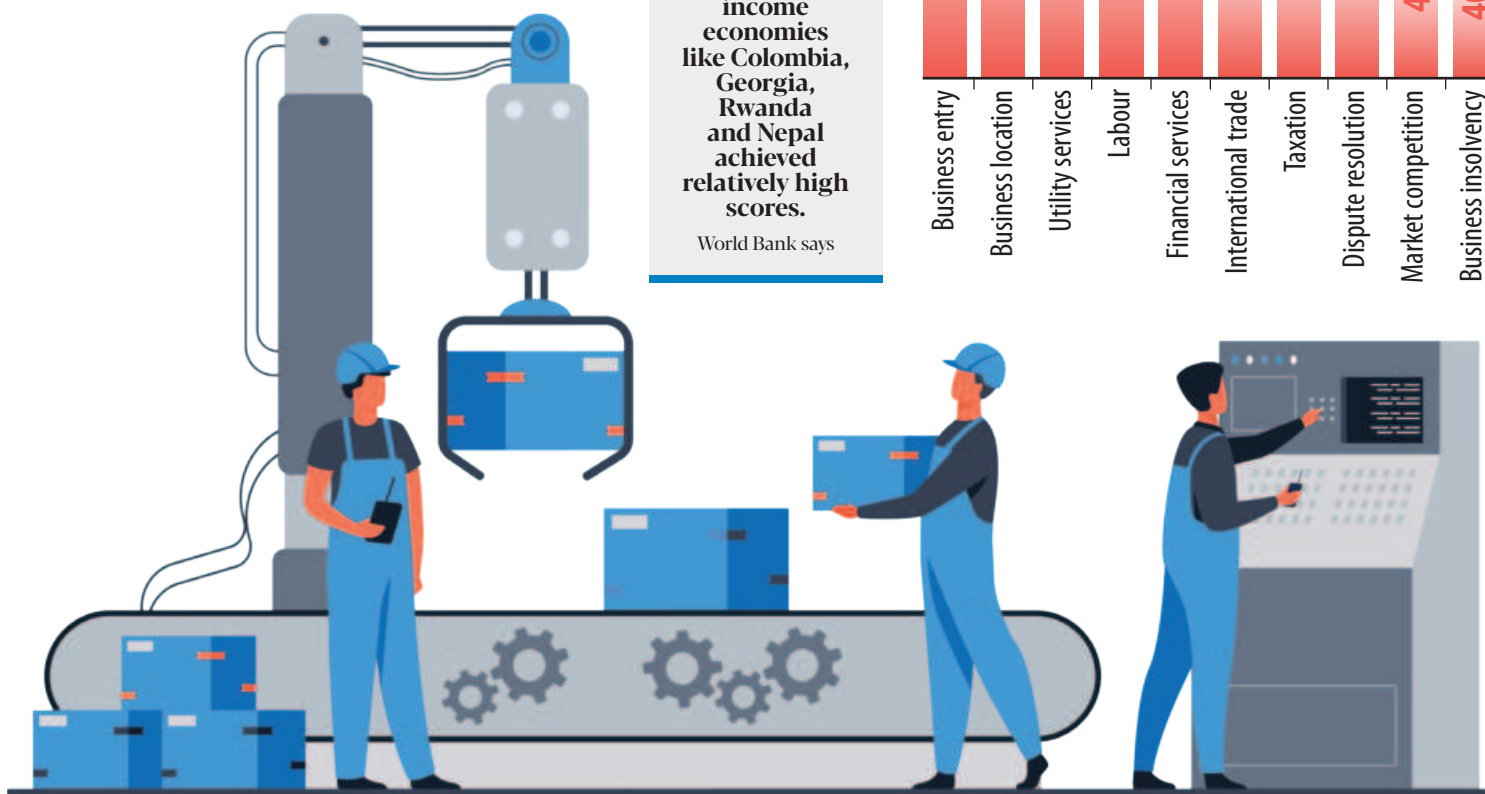
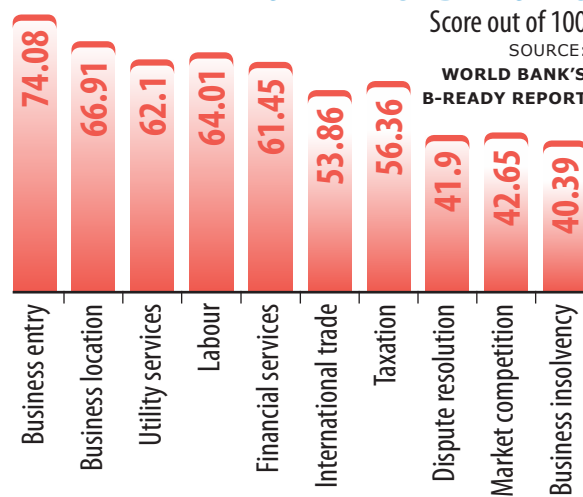
Economies do not need to be rich to develop a good business environment. Some low-income and middle-income economies like Colombia, Georgia, Rwanda and Nepal achieved relatively high scores.

World Bank says

### BANGLADESH'S BUSINESS PERFORMANCE BY TOPIC

Score out of 100

SOURCE: WORLD BANK'S B-READY REPORT



REJAU KARIM BYRON and AHSAN HABIB

Bangladesh remains near the bottom among 50 countries in providing a conducive regulatory framework for businesses, according to a World Bank report, as the country trails even its neighbours Nepal and Pakistan.

The Washington-based multilateral lender's Business Ready (B-Ready) report, which was released yesterday, also places Bangladesh in the fourth tier of five stages for public service delivery, indicating weaker performance in this area too.

In operational efficiency, the WB places Bangladesh in the second stage against a total of five tiers.

The B-Ready report replaces the World Bank Group's discontinued "Doing Business" report.

Based on data collected directly from experts and enterprises, the World Bank scores countries on ten topics, each with three pillars: regulatory framework, public services and operational efficiency.

Each pillar score is standardised on a scale of 0 to 100, and the overall score is calculated by averaging the scores across all ten topics.

The ten topics evaluated include Business Entry, Business Location, Utility Services, Labor, Financial Services, International

Trade, Taxation, Dispute Resolution, Market Competition and Business Insolvency.

In terms of regulatory framework, Bangladesh scored 56.99 out of 100, placing it in the bottom quintile among the 50 economies.

The Regulatory Framework pillar assesses the effectiveness of laws and regulations in promoting good practices. Hungary led in this area with a score of 78.23, while



neighbouring Nepal and Pakistan both surpassed Bangladesh with scores of 59.34 and 59.10 respectively.

For public service delivery, which measures the institutional provisions, including government facilities for regulatory compliance and the infrastructure supporting business activities, Bangladesh scored 41.64.

With a score of 73.31, Estonia tops the pillar. Among neighbouring countries, Nepal scores 49.29 and Pakistan scores 44.97 -- both performing better than Bangladesh.

In the operational efficiency pillar, which evaluates both the ease of compliance with regulations and the effective use of public services as perceived by experts and firms, Bangladesh's score is 70.49, compared to the highest score of 87.33, secured by Singapore.

Also in this area, Nepal and Pakistan beat Bangladesh, with scores of 72.21 and 65.90 respectively.

Apart from the pillar performance, B-Ready also presents information on economic performance at the topic level.

Bangladesh scored 74 points in business entry, followed by business location 66.91, labour 64, utility services 62, financial services 61 and taxation 56.

Business entry includes information and procedural standards, business registration restrictions, digital services and online information transparency.

The business location covers property transfer systems, environmental permits and digital services. Utility services assess quality, infrastructure, safety, reliability, digitisation and environmental sustainability.

READ MORE ON B3

## Crisis-hit banks repaying depositors for emergencies, basic needs

MD MEHEDI HASAN

As crisis-hit lenders have started getting liquidity support from the inter-bank money market, they are now repaying depositors for specific purposes, such as medical emergencies, and in the case of salary disbursement or remittance encashment.

Depositors regularly gather at the branches, head offices and ATM booths of cash-strapped banks, but are usually unable to get the amount of money they require.

However, officials of the banks said since they are now getting liquidity support from sound banks, they can repay depositors to some extent.

After obtaining a Bangladesh Bank (BB) guarantee to avail liquidity support from the inter-bank money market, First Security Islami Bank, Social Islami Bank, Global Islami Bank and National Bank received a total of Tk 945 crore in support from five sound banks.

In the second phase, First Security Islami Bank, Social Islami Bank, Global Islami Bank, National Bank, and Islami Bank Bangladesh received Tk 1,480 crore as liquidity support.

**Depositors regularly gather at the branches, head offices and ATM booths of cash-strapped banks, but are usually unable to get the amount of money they require**

Apart from National Bank, Chattogram-based conglomerate S Alam Group had a stranglehold on the board of directors of the other lenders that are now facing liquidity crises.

Following the installation of an interim government in August, all those lenders saw their boards of directors reconstituted.

So far, Union Bank has yet to get any liquidity support. As such, its new board of directors met with central bank Governor Ahsan H Mansur on Wednesday to avail the BB guarantee.

Contacted, Mohammed Nurul Amin, the new chairman of Global Islami Bank, told The Daily Star the bank was now repaying depositors based on emergency and priority.

"We request depositors not to withdraw money if there is no urgent need."

He added that the central bank should speed up the process of providing guarantees. Otherwise, he cautioned, it will be difficult to regain the confidence of depositors.

Mohammad Abdul Mannan, the new chairman of First Security Islami Bank, said normal banking activities were resuming after it received Tk 375 crore from the inter-bank money market.

He further added that the bank had already recovered around Tk 600 crore from borrowers since its board was reconstituted. READ MORE ON B3

COMMODITIES	
Gold ▲	Oil ▲
\$2,615.32 (per ounce)	\$73.85 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.26% 81,677.05	▲ 0.26% 39,380.89	▼ 0.36% 3,582.71	▲ 1.32% 3,301.93

## Holidaymakers throng beach towns amid four-day Durga Puja festival



The Kuakata sea beach in Patuakhali is seen teeming with tourists in this picture taken yesterday. Local hotels, resorts and the like have all been fully booked for the four-day public holiday centring Durga Puja.

PHOTO: SOHRAB HOSSAIN

JAGARAN CHAKMA, MOKAMMEL SHUVO and SOHRAB HOSSAIN

Tourism in Cox's Bazar, Kuakata and Sylhet has got a boost as travellers are flocking to these regions to enjoy a four-day public holiday centring Durga Puja that began yesterday, according to industry people.

However, this influx could be because an ongoing travel ban on three hill districts in the country has reduced the number of places people can choose for their vacation.

The district administrations of Rangamati, Bandarban and Khagrachhari recently imposed the 23-day travel ban due to "unavoidable circumstances" starting from October 8.

The recent rise in travellers comes as much-needed relief for the tourism industry in Cox's Bazar, Kuakata and Sylhet as these regions were suffering from low turnout in July, August and September this year.

The domestic tourism industry registers turnover of around Tk 76,990 crore each year, as per a report by the Bangladesh Bureau of Statistics in 2020.

Bangladesh boasts about 30 tourist destinations, with roughly 2.5 crore locals visiting the spots annually.

"People used to put Cox's Bazar and

the Chittagong Hill Tracts at the top of their list for travel," said a tourism and hospitality management expert on condition of anonymity.

"But ever since the construction of Padma Bridge, Kuakata and the Sundarbans have been seeing a gradual rise in the number of visitors," he added.

And considering how the turnout is also increasing in areas like Naogaon and Bagerhat, this means domestic tourism is slowly being decentralised from Cox's Bazar and the Chittagong Hill Tracts.

Against this backdrop, he said Cox's Bazar and Chittagong Hill Tracts now account for 65 percent of all domestic tourism compared to 70 percent previously.

"The tourism industry holds tremendous potential as the economy is growing steadily despite several challenges," said Hakim Ali, president of the Bangladesh International Hotel Association.

He informed that with the rising number of domestic travellers, the number of international hotels in the country has also seen growth over the years.

Besides, local consumers are spending more nowadays, which was not the case just five years ago, especially when it comes to food and beverage items.

READ MORE ON B3