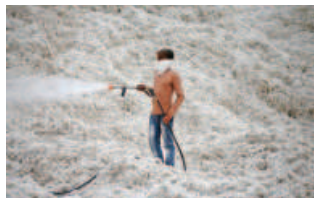


Star BUSINESS

Bangladesh's cotton consumption is expected to rise marginally to 78 lakh bales in marketing year 2024-25



Story on B4

Economic output may expand 29% if more women employed: WB

REJAUL KARIM BYRON and AHSAN HABIB

Bangladesh could increase its output in the manufacturing, service and farming sectors by up to 29 percent simply by bringing more women into the workforce, according to the World Bank.

The increase would be the highest among South Asian countries due to Bangladesh's relatively higher initial labour productivity.

If more women were to access manufacturing jobs alone, output in Bangladesh could rise by as much as 21 percent, the Washington-based lender said in its South Asia Development update published last week.

Despite progress in the local garment industry, the report shows a sizable gender gap in employment across the broader manufacturing sector.

The report said the female labour participation rate in Bangladesh remained static at 37 percent in 2022 and 2023.

It identified supply-side constraints, restrictive laws and conservative social norms as factors deterring more women from joining the labour force.

If more women were to access manufacturing jobs alone, output in Bangladesh could rise by as much as 21 percent, World Bank says

Economists agreed with the World Bank's projection, citing the country's apparel might with female labour force at its core. However, they also listed demand-side factors that discourage more women from participating in the workforce.

"Employers are often hesitant to hire women," said Professor Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem). "Many firms still do not have women-friendly production processes or workplace arrangements."

According to the report, if more women joined farming in Bangladesh, only modest gains of 0.63 percent could be expected due to low labour productivity and a smaller gender gap in employment.

However, closing the gender gap could lead to a gain of 8.12 percent in the service sector.

The Sanem executive director said the task of caring for children and elderly persons falls disproportionately on women, acting as a supply-side factor that limits employment opportunities.

READ MORE ON B3

STOCKS		WEEK-ON-WEEK
DSEX	CASPI	
0.74%	0.89%	
5,422.65	15,135.34	

COMMODITIES		AS OF FRIDAY
Gold	Oil	
\$2,656.78	\$75.5	
(per ounce)	(per barrel)	

Inward remittance through MFS hits 5-year high in August



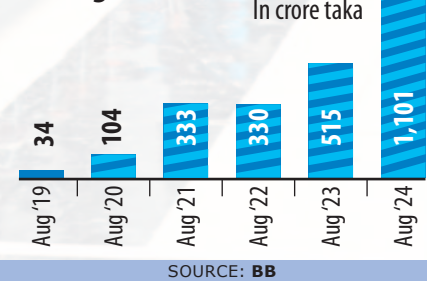
AUGUST'S REMITTANCE THRU MFS

- » Highest monthly receipts in the past 5 years
- » 113% year-on-year increase
- » 54.21% higher than that in July this year

REASONS BEHIND INCREASE

- » Higher MFS use amid banking disruptions
- » 2.5% incentive -- similar to that offered by banks
- » Various cash benefits offered by MFS providers
- » Central bank's policy support like doubling transaction limit to Tk 2.5 lakh

Remittance received through MFS



SOURCE: BB

AM JAHID

Bangladesh's migrant workers sent home Tk 1,101.8 crore in remittances through mobile financial service (MFS) providers in August, marking the highest monthly receipts through digital channels in the past five years.

This figure represents a remarkable 113 percent year-on-year increase from the Tk 515.4 crore that was sent home through MFS providers in August 2023, offering a glimmer of hope for bolstering the country's dwindling foreign exchange reserves.

Bangladesh currently has around \$20 billion in its foreign exchange reserves, far lower than the record \$40.7 billion it boasted in August 2021.

Industry people said remittance transactions through MFS were higher in August as there were banking disruptions and limited cash supplies to ATMs following the political changeover in that month.

Besides, they credited the increasing use of technology, a 2.5 percent government incentive on remittance through formal channels, as well as various cash benefits offered by the MFS providers for the remittance surge.

Currently, at least 13 MFS platforms, including bKash, Nagad and Rocket, operate in Bangladesh.

MFS providers facilitated 54.21 percent more remittances in August compared to the month prior, according to data from the Bangladesh Bank.

Industry people said remittance transactions through MFS were higher in August as there were banking disruptions and limited cash supplies to ATMs following the political changeover in that month

In July, expatriate workers had sent home Tk 7,144 crore through MFS channels.

An analysis of central bank data reveals that August's remittance inflow through MFS channels was the highest since December 2018.

The increase follows the recent political changeover on August 5, when former prime minister Sheikh Hasina resigned and fled the country amid a mass uprising.

With MFS channels contributing

significantly, total remittances surged nearly 39 percent to \$2.2 billion year-on-year in August.

According to the latest data from the Bangladesh Bank, overall remittance receipts continued to rise in September, jumping 80.28 percent year-on-year to \$2.40 billion.

Moreover, September's receipts were 8.12 percent higher than the previous month's.

Apart from ease of access and cash benefits, various policies from the central bank and continuous efforts of MFS providers encouraged migrant workers to use the formal channel, industry insiders said.

At the end of last year, the Bangladesh Bank doubled the maximum single-transaction limit for sending remittances to individual MFS accounts from Tk 1.25 lakh to Tk 2.5 lakh.

Ali Ahmad, chief commercial officer of bKash, said the central bank had recognised the critical role of remittance inflows in bolstering the country's economy.

Through concerted efforts and technological and distributional support of MFS providers, they have successfully channelled remittances through digital channels, he said.

READ MORE ON B3

Eastern Bank PLC.
EBL SKY BANKING
EBL Skybanking is now Newer Simpler
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Grameen Bank's tax waiver reinstated

No income tax for donors of As-Sunnah Foundation

STAR BUSINESS REPORT

The interim government has reinstated a tax exemption for Grameen Bank and offered it for the next five years, meaning until December 2029.

The microfinance specialised community development bank was founded by Nobel laureate Prof Muhammad Yunus, who is now the chief adviser to the interim government of Bangladesh.

The National Board of Revenue (NBR) issued a gazette in this regard on Thursday.

"This facility came into effect the day the order was issued," said the notification signed by NBR Chairman Md Abdur Rahman Khan.

However, Grameen Bank will still be required to submit annual income tax returns, as per the gazette.

Grameen Bank has enjoyed tax exemption since its inception in 1983 as its activities are primarily focused on poverty alleviation. The benefit is typically renewed every five years and was last extended until December 2020.

READ MORE ON B3

Puja brings little cheer to sweet shops

SUKANTA HALDER and SUSHANTA GHOSH

Sweets makers in Dhaka have found little reason to cheer during the ongoing Durga Puja festivities as chain stores reported that sales have not grown due to security concerns weighing on the minds of devotees.

However, traders in two other districts reported higher sales.

Durga Puja is the largest annual festival for Hindu people, who make up roughly 8 percent of the country's population.

Sweetmeat sales typically spike from on the onset of the five-day event, which began on October 9 this year, with producers making new items and other preparations well in advance.

Mahbubur Rahman Bokul, head of the Bangladesh operations at Ontario-based Premium Sweets, said this year's sales centring Durga Puja have dropped significantly compared to last year.

"The timing of this year's Durga Puja is unfortunate as there is a sense of economic uncertainty stemming from the recent political changeover," he added.

Also, several violent incidents involving minorities during and ahead of the festival in Dhaka and other parts of the country have heightened security concerns.

As such, people are prioritising safety over celebrations, Bokul said.

Aslam Hossain, senior executive for online



An assortment of sweets are on display in this picture taken at a Premium Sweets outlet on Panthapath, Dhaka yesterday.

PHOTO: RASHED SHUMON

marketing at leading sweets brand Rosh, said they make different preparations for Durga Puja every year and this year too was no exception.

"But sales have not met our expectations amid

the current situation as there is a sense of fear among those observing Durga Puja," he added while informing that their sales have dropped by about 30 percent compared to that last year.

Uzzal Barman, head of corporate at Boss Sweets and Food, said their sales have reduced by 40 percent compared the same time last year.

He believes that sales have decreased mainly due to the political crisis and high inflation.

Swapan Gosh, president of the Tangail District Sweet Traders Owners Association, echoed those sentiments, saying sales declined as people are not in a festive mood given the current situation.

On the other hand, GM Sabbir Shabuddin, head of sales and marketing at Well Food, said their sales have increased by between 15 and 20 percent compared to what it was during the festival last year.

"The demand is so high that, in fact, it is exceeding our supply," he added.

Nirmalendu Gosh, owner of Kalachand Mistanna Bhandar at Sarishbari in Jamalpur district, said their daily sales are currently almost double of what they got during Durga Puja last year.

Kabir Hossain, owner of Haq Sweets, one of the largest sweetmeat sellers and producers in Barisal city, said sweetmeat sales were dwindling a few days ago, but now they have started to see profits.

"Sales have increased by at least 40 percent over the past five days," he said, adding that they have been unable to cope with the demand for sweets and yoghurt.

SAFE. STRONG. SUSTAINABLE.

Prime Bank

Oil settles down

AFP, Houston

Oil prices settled lower on Friday but rose for the second straight week as investors weighed factors such as possible supply disruptions in the Middle East and Hurricane Milton's impact on fuel demand in Florida.

Brent crude oil futures settled down 36 cents, or 0.45 percent, at \$79.04 a barrel. EDT, US West Texas Intermediate crude futures settled down 29 cents, 0.38 percent, to \$75.56 per barrel.

For the week however, both benchmarks rose by more than 1 percent. Money managers raised their net long positions on Brent crude by 123,226 contracts to 165,008 in the week to Oct. 8, according to the Intercontinental Exchange.

"Markets can feel the tension, as Israel contemplates the size and form for their response to Iran's massive missile attack. If Israel destroys Iran's oil & gas infrastructure, prices will rise," said chief economist at Matador Economics, Tim Snyder, in a note on Friday.

Crude benchmarks spiked so far this month after Iran launched more than 180 missiles against Israel on Oct. 1, raising the prospect of retaliation against Iranian oil facilities. Israel has yet to respond.

"\$75 per barrel for WTI is sort of the fair value area for elevated tensions," said John Kilduff, partner at Again Capital in New York.

Israeli Defence Minister Yoav Gallant has said that any strike against Iran would be "lethal, precise and surprising."

"We need to wait and see how Israel responds, but I think until that point the oil market will keep a risk premium," said UBS analyst Giovanni Staunovo.

Prime Bank signs deal with Ramada by Wyndham Cox's Bazar



Md Nazeem A Choudhury, deputy managing director of Prime Bank, and Chevan Gooneratne, general manager of Ramada by Wyndham Cox's Bazar, pose for photographs at an agreement signing ceremony.

PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC has recently partnered with Ramada by Wyndham Cox's Bazar.

Under this agreement, Prime Bank customers will get exciting offers at the luxurious hotel in Kolatoli area of the

beach town, according to a press release.

Md Nazeem A Choudhury, deputy managing director of Prime Bank, and Chevan Gooneratne, general manager of Ramada by Wyndham Cox's Bazar, signed the agreement on behalf of their respective organisations.

Tamanna Quadry, head of Priority Banking of Prime Bank, and Beni Amin, senior assistant manager, sales and marketing of Ramada by Wyndham Cox's Bazar, and other senior officials from both organisations were also present at the event.

Boeing to cut 10% of workforce as it sees big Q3 loss

AFP, New York

Boeing announced that it plans to cut 10 percent of its workforce as it projected a large third-quarter loss amid a machinist strike in the Seattle region.

The aviation giant must "reset our workforce levels to align with our financial reality," Chief Executive Kelly Ortberg said on Friday, adding that the cuts of 17,000 positions globally "will include executives, managers and employees."

The company announced a series of belt-tightening measures and production delays as the nearly monthlong strike of 33,000 workers has added to the company's litany of problems.

Boeing staff with the International Association of Machinists (IAM) and Aerospace Workers walked off the job on September 13 after overwhelmingly rejecting a contract offer.

IAM officials did not immediately respond to a request for comment from AFP.

The company announced a series of belt-tightening measures and production delays as the nearly monthlong strike of 33,000 workers has added to the company's litany of problems

Boeing, which has also faced significant scrutiny over commercial aviation safety lapses and stumbles in its Starliner space program, said the IAM strike contributed to \$3 billion in pre-tax charges to its commercial aviation results in the third quarter, part of an anticipated loss of \$9.97 per share.

"While our business is facing near-term challenges, we are making important strategic decisions for our future and have a clear view on the work we must do to restore our company," Ortberg said in a press release.

"These decisive actions, along with key structural changes to our business, are necessary to remain competitive over the long term."

Details of the cuts would come next week, he said. As a result of the strike, Boeing said it is pushing back first delivery of the 777X to 2026 from 2025. The much-delayed jet was originally supposed to enter service in January 2020.

The company plans to cease production of the 767 Freighter in 2027 once it completes production on current orders.

NCC Bank unveils four new products to support small businesses



M Shamsul Arefin, managing director and CEO of NCC Bank, unveils the bank's SME products at SME Relationship Managers' Meet at NCC Bank Bhaban in Dhaka recently.

PHOTO: NCC BANK

STAR BUSINESS DESK

NCC Bank has launched four new products to support cottage, micro, small and medium enterprise (CMSME) entrepreneurs, with credit facilities ranging from Tk 1 lakh to Tk 10 crore.

These are NCC Commercial Building Loan, NCC Commercial Vehicle Loan, NCC Supply Chain Finance and NCC Business Account, according to a press release.

M Shamsul Arefin, managing director and CEO of the bank, recently unveiled the products at the SME Relationship Managers' Meet at NCC Bank Bhaban in Dhaka. He hoped the customised products would help CMSMEs in meeting their needs.

Mahbub Alam, Mohd Rafat Ullah Khan, Md Monirul Alam and Mohammed Mizanur Rahman, deputy managing directors, Mohammed Anisur Rahman, senior executive vice-president and chief information officer, and Mohammad Ridwanul Hoque, executive vice-president and head of Strategy & Emerging Business, joined the programme.

Syed Hasnain Mamun, head of Human Resources Division, Sharif Mohammad Mahsin, senior vice-president and head of SME, Nighat Mumtaz, head of Women Banking and Sustainable Finance, Shahin Akter Nuha, head of Cash Management and Md Solaiman-Al-Rajji, head of CRM-CMSME, along with other officials were also present at the occasion.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (OCT 12, 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 152-Tk 156	.65 ↑	-2.22 ↓
Potato (kg)	Tk 50-Tk 60	-1.79 ↓	29.41 ↑
Onion (kg)	Tk 110-Tk 120	0	24.32 ↑
Egg (4 pcs)	Tk 55-Tk 60	7.48 ↑	7.48 ↑

SOURCE: TCB

US consumer inflation eases to 2.4% in September

AFP, Washington

US consumer inflation cooled last month -- though slightly less than expected -- according to government data published Thursday, providing further evidence that price pressures are easing ahead of November's presidential election.

The consumer price index (CPI) slowed to 2.4 percent in September from a year ago, down from 2.5 percent in August, the Labor Department said in a statement.

This was slightly above the median forecast of economists surveyed by Dow Jones Newswires and The Wall Street Journal.

There was also some cause for concern for the Federal Reserve as it looks to cut interest rates: a measure of inflation that strips out volatile food and energy costs rose slightly to 3.3 percent, up from 3.2 percent in August, buoyed by a jump in the transportation services index last month.

Monthly headline inflation rose by 0.2 percent, while core inflation also exceeded forecasts to increase by 0.3 percent.

Despite the "slight upward surprise relative to what we're expecting," the inflation picture isn't all bad, Oxford Economics' deputy chief US economist Michael Pearce told AFP.

Given "the broader trend in services inflation, I think I'm still confident in the view that that's going to continue to trend lower over the next 12 months," he said.

The economy has remained a top concern for voters going into the upcoming presidential election, in which Democratic Vice President Kamala Harris is running against former president Donald Trump, a Republican.

Both candidates have talked up

their record in government in recent months, while criticizing their opponent's economic plans.

"We keep making progress, with inflation returning to pre-pandemic levels, 16 million jobs created, lower interest rates and low unemployment," Lael Brainard, the White House national economic advisor, said in a statement.

In a speech in Detroit on Thursday, Trump blamed the Fed -- the independent US central bank -- for the "hotter" September inflation data.

"It was too big a cut, and everyone knows that was a political maneuver that they tried to do before the election," Trump said. The former US president has previously indicated he believes the commander-in-chief should have a "say" over interest rates.

"But they did the wrong thing," Trump continued, adding -- without

evidence -- that "inflation has started to rise," as a result of last month's rate cut. Peace from Oxford Economics painted a more nuanced picture.

"If you focus on just the last few months, the economy's I think doing quite well, and would be supportive of the incumbent party," he told AFP.

"But if you focus on the past three and a half, four years, you know, what we have seen is a big drag on real incomes, sluggish growth in terms of real disposable incomes," he added. "And that's obviously a political liability for the Democrats."

While inflation has eased toward the Fed's long-term target of two percent, the labor market has shown some signs of cooling in recent months, causing policymakers to refocus their attention on the employment side of the bank's dual mandate.

Against this backdrop, the Fed voted last month to cut interest rates by half a percentage point and penciled in an additional half point of cuts this year.

The fundamental inflation outlook "remains benign," economists at Pantheon Macroeconomics wrote in a note to clients on Thursday.

"The September CPI report came in slightly hotter than expected, but not enough to meaningfully change the outlook for US inflation," economists at Wells Fargo wrote in an investor note. The data support "a more measured pace of rate cuts," said Pearce.

"I think they're still confident that inflation is heading down, but obviously that, you know, we will see noisy reports like today's," he added. "It's going to be a bumpy process. It's not a glide path down to two percent."



Customers are seen at a Trader Joe's store in Glendale, California. The US consumer price index slowed to 2.4 percent in September from a year ago.

PHOTO: AFP/FILE

China tees up

FROM PAGE B4

Beijing was likely "still working on the minute details of the fiscal stimulus," Heron Lim at Moody's Analytics told AFP.

"In the meantime, investors might be taking a step back until they are absolutely certain of the direction fiscal policy is taking."

On the streets of Beijing on Saturday though, those who spoke to AFP were largely optimistic.

"Everyone has been paying close attention to this meeting, especially since the stock market has recently been experiencing a downward trend," said Quan Sheng, a 41-year-old who works in IT.

"I believe this is definitely positive news... This provides confidence for investors, who believe that the stock market can gradually strengthen," he added.

China's economic uncertainty is fuelling a vicious cycle that has kept consumption stubbornly low.

On Saturday, "notably absent was any mention of large-scale handouts to consumers," said Capital Economics' Julian Evans-Pritchard.

"The lack of forward guidance

on the scale of next year's budget deficit means it is still difficult to judge how large and long-lasting the fiscal boost will be," he added.

In recent weeks, Chinese policymakers have unveiled a string of stimulus measures including a suite of rate cuts and a loosening of rules on buying homes, but economists have warned more action is needed to pull the economy out of its slump for good.

Earlier on Saturday, China's top banks said they would cut lower interest rates on existing mortgages from October 25, following a government call for the action.

"Except for second mortgages in Beijing, Shanghai, Shenzhen and some other regions, the interest rates on other eligible mortgages will be adjusted" to no less than 30 basis points below the prime lending rate, the central bank's benchmark rate for mortgages, state broadcaster CCTV said.

CCTV reported that major banks had announced that they would make the adjustments "in batches".

The People's Bank of China last month requested that commercial banks lower such rates by October 31.

Russia sets price floor

FROM PAGE B4

The agriculture ministry has not yet allocated export quotas for the current season. The union said quota distribution was also discussed at the meeting, without elaborating.

Russia slightly lowered its official estimate for this year's harvest to 130 million tons from 132 million tons previously, after bad weather affected many grain-producing regions this year.

"The Russian government appears to be taking a serious course to reduce wheat exports; it seems they want to keep Russian bread prices down," another trader said.

Independent consultancy Sovecon

published substantially lower grain-harvest estimates on Friday, forecasting the harvest at 122.9 million tons, down from 124.4 million tons previously, citing lower yields in Siberian grain-producing regions.

Russian farmers have so far harvested 122 million tons of grain in gross weight from 92 percent of the seeded area, agriculture ministry officials said.

The country's agriculture minister, Oksana Lut, said on Thursday this year's harvest was sufficient to meet domestic needs. She estimated domestic grain consumption at 85 million to 87 million tons, with the remainder available for export.



PHOTO: ANISUR RAHMAN

This wholesaler at Karwan Bazar yesterday claimed that his suppliers have not provided any eggs for the past 10 days, for which currently he only has duck eggs available for sale. There are around 40 to 50 wholesale shops in the area, a large number of which were found closed around noon. However, Taher Ahmed Siddiqui, president of Bangladesh Egg Producers' Association, which represents around 1,500 farmers, says there was no such break in supply from their end. The photo was taken around noon yesterday.

ICT experts demand taskforce to reduce data prices urgently

STAR BUSINESS REPORT

Telecom and ICT industry experts yesterday proposed the formation of a specialised taskforce to urgently address the high cost of mobile and broadband data in Bangladesh.

Comprising telecom and technology specialists, the proposed taskforce's primary goal will be to develop strategies to reduce data prices within the next three months to make internet access more affordable for millions of users.

The recommendation was made during a roundtable discussion, titled "The Use of Technology for Inclusive Development: A New Journey", organised by the Tech Industry Policy Advocacy Platform (TIIPAP) at the Bishwo Shahitto Kendro auditorium in the capital.

Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services (BASIS), presented a paper with a 20-point recommendation to the interim government, aimed at boosting internet accessibility and improving digital infrastructure.

One significant suggestion was the creation of an expert committee to analyse various components of internet service in Bangladesh. The committee will focus on eliminating monopolistic practices, reducing operational costs, and fostering

healthy competition, ultimately ensuring more affordable internet for all, he said.

Another crucial recommendation was the development of a coordinated plan to help low-income citizens acquire smartphones with minimal or zero down payments.

The initiative would involve telecom companies working in partnership with financial institutions to make smartphones more accessible, thereby bridging the digital divide.

He also called for the introduction of toll-free numbers for essential citizen services, similar to those in developed nations.

This would include services like healthcare, education, legal aid, and complaint filing.

By ensuring these services are free to access, the goal is to make them more widely available to the general public by removing financial barriers that may currently exist, he added.

Addressing data usage issues, the paper highlighted that many mobile users cannot access critical apps such as mobile financial services like bKash or Nagad or ride-hailing services such as Pathao or Uber when their data balance runs low.

To counter this, the roundtable recommended that telecom operators work with app developers to ensure that essential services remain accessible even without an

active data plan. This could be achieved through subsidy programmes or cost-sharing models, as seen in other countries.

Mashroor emphasised the need to ensure the availability of 4G technology nationwide while accelerating the rollout of 5G services.

Cybersecurity concerns were also raised, especially in light of recent hacking incidents involving national data infrastructure.

The proposed taskforce's primary goal will be to develop strategies to reduce data prices within the next three months to make internet access more affordable

The proposal called for the formation of a dedicated expert committee to investigate these incidents and recommend immediate action to enhance cybersecurity.

The committee would report back within a month with strategies for securing sensitive data, particularly in critical sectors like banking.

A taskforce of industry experts and entrepreneurs should be formed to address the challenges faced by freelancers, such as payment issues and

access to incentives.

The proposals include introducing global payment platforms like PayPal and Stripe, reducing import duties on essential equipment and exempting freelancers from income taxes for the next decade.

Additionally, measures should be taken to simplify the process of repatriating foreign earnings and making international payments.

Mahtab Uddin Ahmed, a former CEO of Robi Axiata, highlighted that a swift reform could start with the abolishment of the International Gateway Operators Forum within a month, ending discriminatory revenue-sharing and ensuring call terminations at actual rates, benefiting all parties.

However, deeper reforms, such as restructuring licensing layers, require cancelling or not renewing licences, a complex process, he said.

Mustafa Mahmud Hussain, a telecom expert, underscored the pressing need to develop more purposeful local content, highlighting that 70-75 percent of internet usage in Bangladesh is consumed by entertainment platforms.

He advocated for a shift towards content that drives learning, fosters personal development, and supports economic growth, ultimately contributing to the nation's broader progress.

IMF approves changes to cut borrowing costs by 36%

AFP, Washington

The IMF approved reforms on Friday that will lower members' borrowing costs by 36 percent and lift eight indebted countries out of the requirement to pay more to borrow money.

The suite of changes agreed to by the International Monetary Fund's executive board include adjustments to the surcharges paid by countries with high levels of debt, like Ukraine and Argentina, the Washington-based institution announced in a statement.

The reforms, which come into effect on November 1, will raise the threshold of debt at which IMF members countries start paying the surcharges, lifting eight of the countries out of the requirement to pay the additional borrowing costs, it added.

They are: Benin, Ivory Coast, Gabon, Georgia, Moldova, Senegal, Sri Lanka, and Suriname.

The IMF estimates that only 11 countries will meet the requirement to pay the surcharge once the new policy begins.

Combined, the measures approved on Friday "will lower IMF borrowing costs for members by 36 percent, or about US\$1.2 billion annually," the Fund's managing director, Kristalina Georgieva, said in a statement.

"In a challenging global environment and at a time of high interest rates, our membership has reached consensus on a comprehensive package that substantially reduces the cost of borrowing, while safeguarding the IMF's financial capacity to support countries in need," she said.

Russian inflation slows in Sept but still elevated

AFP, Moscow

Inflation ticked lower in Russia in September but was still more than double the central bank's target, as huge spending on the Ukraine conflict kept upward pressure on prices, official data showed Friday.

The annual rate of inflation was 8.63 percent in September 2024, slightly down from 9.05 percent in August but well above the central bank's target of four percent, according to data from the Rosstat state statistics agency.

Russia has spent billions of dollars on its soldiers and arms industry since sending troops into Ukraine, a spending surge that has swelled its economy but also sent prices soaring.

The Kremlin is set to boost its defence budget by almost 30 percent next year as it diverts resources to the offensive, spending more on the military than welfare and education combined.

Over the past year, the Russian central bank has aggressively raised interest rates in a bid to cool what it has warned is an unsustainable economic growth rate due to the massive increase in outlays on defence.

EU chief says China must 'adapt its behaviour' to solve trade row

AFP, Vientiane

China must "adapt its behaviour" to solve an escalating tariff row with Europe, EU chief Charles Michel told AFP Friday, warning of the dangers of the dispute escalating into a full-blown trade war.

The European Council president met Chinese Premier Li Qiang on the margins of a Southeast Asian summit in Laos as Beijing and the European Union impose tit-for-tat penalties on each other's imports in a row about subsidies and protectionism.

Michel said in an interview with AFP that after his "frank and candid" talks with Li, he hoped a deal could be struck in the coming days or weeks - but he warned that getting there would be tough.

"I have the impression that the door is not closed, but it's a

very difficult situation, it's very challenging," he said.

"We count on China to adapt its behaviour and to understand that we have to rebalance the economic relationships for more fairness, for fair competition, for a more level playing field."

China and the 27-member bloc are vehemently at odds over Beijing's generous subsidies for its industries, which Brussels says unfairly undercut European competitors.

Brussels has decided to impose swinging new tariffs of up to 35.3 percent on imports of Chinese-made electric cars.

A furious Beijing has responded with new tariffs on EU-made brandy, alarming French producers, while Brussels is also investigating Chinese subsidies for solar panels and wind turbines.

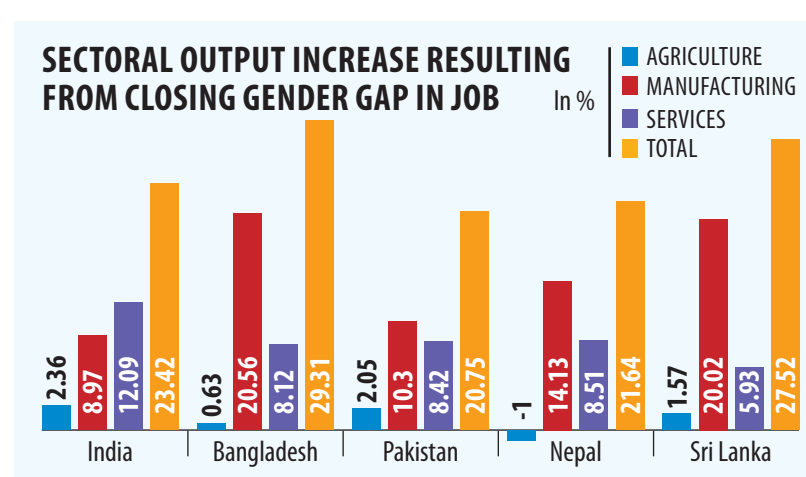
China is also tangled in a

bitter, wide-ranging trade dispute with the United States, with Washington announcing sharp tariff hikes targeting \$18 billion of Chinese goods including electric vehicles, EV batteries and solar cells.

Beijing reacted angrily to Michel's remarks Friday, condemning what it called the EU's "lose-lose" approach to the dispute.

"The EU should clearly recognise that imposing additional tariffs will not solve any problems," foreign ministry spokeswoman Mao Ning said, urging the bloc to "take concrete actions and work together with China to seek solutions through discussions".

With the global economy rattled by conflict in Ukraine and fresh turmoil in the Middle East, Michel said it was better for all to avoid a trade war.



Economic output

FROM PAGE B1

"To increase women's participation in employment, both supply-side and demand-side constraints must be addressed," he remarked.

"Safety and security issues also contribute to the lower participation," the economist added. "The availability of transportation for women is also important. The government should take care of these issues."

The World Bank said Bangladesh has the least protective laws for women, leading to severe shortcomings in safety. According to the report, Bangladesh and Pakistan also have the most conservative social expectations for women.

Frustrating participation shadows promising outlook

The report said the female labour force participation rates in most South Asian countries are in the bottom quartile among emerging and developing countries and far below male participation rates.

"South Asia's female labour force participation rate of 32 percent is well below the 54 percent average in emerging market and developing economies," said Franziska Ohnsorge, World Bank chief economist for South Asia.

However, this contrasts with the share of female employment in a range of export-oriented sectors across South Asia, such as ready-made garments in Bangladesh, call

centres in India, and textiles in Sri Lanka.

The multilateral lender said increased female participation in the workforce could boost India's output by 23 percent, Pakistan's by 21 percent, Nepal's by 22 percent and Sri Lanka's by 28 percent.

If more women were to access manufacturing jobs, output in India would rise by 9 percent, it said.

Low female employment means a substantial loss of aggregate and per capita incomes. Raising women's labour force participation rate to parity with men would increase regional GDP by 13-51 percent, with larger impacts if capital and labour markets are more flexible, it said.

"South Asia's outlook is undoubtedly promising, but the region could do more to realise its full economic potential," said Martin Raiser, World Bank vice president for South Asia.

World Bank Chief Economist for South Asia Franziska Ohnsorge said, "Increasing women's employment requires action from all stakeholders; a multi-pronged effort where governments, the private sector, communities and households all have a role to play."

Echoing these sentiments, Raiser said key policy reforms to integrate more women into the workforce and remove barriers to global investment and trade could accelerate growth.

Grameen Bank's tax waiver reinstated

FROM PAGE B1

The previous government did not extend the exemption after that period.

"Although Grameen Bank is a bank by name, it actually runs microcredit activities like a non-government organisation [NGO]," NBR Chairman Khan told The Daily Star yesterday.

So, the services of Grameen Bank are similar to those of microcredit institutions. It is fair for Grameen Bank to get an income tax exemption, which it used to get previously, he said.

Meanwhile, the NBR, in a separate notification, said no income tax would be applicable on donors of As-Sunnah Foundation, a charity organisation.

The facility will continue until June 2029. However, the donors will have to submit their tax returns too.

As-Sunnah Foundation is a non-political and non-profit government-registered organisation.

The foundation was established in 2017 by Shaikh Ahmadullah, who came into the limelight for relief efforts during the recent floods and post-flood rehabilitation activities, including in Feni and Cumilla.

During the floods, As-Sunnah Foundation raised over Tk 100 crore in relief funds, Ahmadullah stated in a video interview by newspaper Kalbela.

Besides, the organisation was praised for charitable activities during the pandemic and the 2023 Turkey-Syria earthquake.

The tax administration has taken the move to encourage these kinds of philanthropic activities, according to an official of the NBR.

Inward remittance through MFS

FROM PAGE B1

Over the years, bKash has built a robust partnership ecosystem for remittances whereby seamless cross-border fund transfers can be initiated from more than 130 countries through Money Transfer Operators (MTOs) and leading commercial banks, Ahmed said.

He added that remittances received through bKash could be accessed anytime, anywhere.

Families of the expatriates can utilise remittance to take various services through their bKash accounts, including paying for goods and services, utility bills, and educational and government fees. They can also send money, donations and many other services from the comfort of their homes, he said.

In addition to offering convenient, instant, and secure remittance

transfers, bKash has lowered cash-out fees, he added.

Beneficiaries can now withdraw remittances at a minimal cost of Tk 7 per thousand from approximately 2,500 ATMs of 19 leading commercial banks, Ahmed said.

"Furthermore, bKash has collaborated with various organisations and launched regular campaigns with attractive offers to encourage the use of legal remittance channels among expatriates and raise awareness. These efforts have contributed significantly to the growth of remittance inflows in Bangladesh."

Muhammad Zahidul Islam, head of media and communications at Nagad, said they had witnessed significant remittance earnings in August.

"With the natural growth, we from

Nagad have also given tremendous effort to bring more remittances, such as by onboarding world-class foreign partners. Currently, people from more than 200 countries can send remittances through Nagad to Bangladesh," he said.

He said Nagad has already started a Tk 100 cashback campaign on top of the 2.5 percent government incentive to further boost inward remittance, adding that it had garnered a huge response from non-resident Bangladeshis.

"We have observed that these efforts have regained respect for us and the number of transactions has grown rapidly over time."

Through such measures, top MFS providers like Nagad are playing a vital role in strengthening and elevating the country's foreign exchange reserves, he added.

Bangladesh's cotton use forecast revised upwards

SOHEL PARVEZ

Bangladesh's cotton consumption is expected to rise marginally to 78 lakh bales in marketing year 2024-25, which began in August, according to a US Department of Agriculture (USDA) report published on Friday.

The US agency, in its initial projection in April this year, estimated cotton consumption in Bangladesh, the world's second-biggest clothing factory, at 80 lakh bales.

One bale equals 480 pounds or 218 kilogrammes (kg).

It revised the projection downwards in August and September before raising the forecast in its latest update.

Although the USDA did not explain the reasons behind the hike in its latest report, titled "Cotton: World Markets and Trade," industry stakeholders said the overall use of cotton by local textile mills may be higher this year.

"Business was unfavourable for various reasons, including the gas crisis and hike in its prices alongside unavailability of US dollars to open letters of credit (LCs) for cotton imports. Now, we can open LCs," said A Matin Chowdhury, managing director of New Asia Group, a vertically integrated apparel manufacturer.

Import and consumption of cotton yarn also grew last year.

"It appears that local production of yarn will increase this year," he said, citing falling prices of cotton on the international market.

Cotton prices declined 15 percent year-on-year to \$1.79 per kilogramme (kg) in July-September from \$2.11 a year ago, according to the World Bank Commodities Price Data (The Pink Sheet).

"But a lot depends on gas and electricity supply," he said.

Insiders said the domestic market had



been sluggish in July and August, with demand only starting to pick up by the end of September.

"The overall situation has improved to some extent. But spinners cannot run operations properly due to the gas and electricity crises," an official of the Bangladesh Textile Mills Association (BTMA) said.

Mills run at over 80 percent of their capacity when the energy supply is adequate.

"But they are currently running at half of their capacity because of the gas and electricity crises," the official added.

The USDA said Bangladesh's domestic use of cotton hit 88 lakh bales in MY22 to feed the demand for export-oriented knitwear makers, the main export-earning sector.

However, cotton consumption began declining in subsequent years and overall use stood at 77.5 lakh bales in MY24.

The country is highly reliant on imports

because of its low domestic production of cotton, which amounts to around 1.5 lakh bales annually.

Local millers import a good chunk from countries in West Africa followed by India, Brazil, the United States and Australia, according to the USDA.

The US agency estimated Bangladesh's imports of cotton for MY25 at 77 lakh bales – around 2 percent higher than the 75.75 lakh bales imported the previous year.

Family businesses: accept change, compete or get lost

MAMUN RASHID

Thanks to The Daily Star and DHL Worldwide for holding Bangladesh Business Awards for 22 consecutive years. Having been with its jury panel for nine years during the initial period, I know how tough it is to find the awardees, especially the individual businesspersons with respectable track records. While looking at the past awardees list, I could also see at least five of the businesspersons who couldn't hold up to our expectations and have gone underwater with a very bleak future for their family-owned businesses.

Family-owned businesses form the backbone of economies across the world, generating more employment and economic output than any other type of commercial organisation. Their unique vision, value, and legacy are evident in their deeply rooted value systems, practices, agile decision-making, and track record of legacy building. Their long term values help them invest in strong, durable relationships with people and business partners, giving them a competitive edge.

However, we have also seen these businesses undergoing a downward trend after the demise of their principal architect or founder, making these one-generation or may be hardly two-generation businesses. Upon investigations, we learned about the causes being family feuds, absence of strategic direction, not being able to withstand competition, poor financial management, diversion of funds and inability to adopt to market changes. We also found that the next generation, especially daughters, not being interested in the business or even migrating abroad, captive management or decision-making in the hands of the promoters or no delegation of authority to the management or even internal corruption or defalcation of funds along with employee fraudulence.

Along with the above challenges, the key priorities facing the family-owned businesses over the next few years would

also be improving digital capabilities, expanding into new markets, introducing new products and services, increasing use of new technologies and protecting the core business and covering costs. Many such businesses are already focusing on protecting their core businesses.

Issues related to sustainability lower down the priority order for such businesses. They are slightly less likely to have at least one issue related to sustainability or the local community as a key priority compared with the global average.

However, most family-owned businesses in Bangladesh seemed to be positive about the clarity of roles and strength of leadership within the business. In addition, most such businesses, especially if the next generation is educated, feel the need to embrace rather than resist change.

We have already realised that digital transformation and innovation are key to the long-term success of businesses. And family businesses too must keep pace with digital technology or risk being blindsided by other game changers. Transformation can deliver a wide array of benefits to family-owned businesses, including helping them strengthen their competencies, optimise internal processes, become more customer-centric, improve decision-making, and achieve durable competitive advantage. In an increasingly complex and competitive world, achieving these outcomes is now more critical than ever.

Leading family-owned businesses across the world apply professional corporate governance processes and standards for many years. Globally, companies are moving towards implementing functioning family governance structures as well.

Succession is one of the most critical factors in sustaining the success and continuity of any family-owned business. This means it isn't simply an event, but a process that must be planned carefully. An effective business continuity or succession process must focus on areas ranging from leadership and ownership to values and purpose to wealth management and stewardship. Various survey findings show that it's no longer enough to rely on values and legacy to propel the business forward. Tomorrow's family-owned business requires a new approach for lasting success, one based on accelerated digital transformation, prioritisation of sustainability goals, and professional family governance. It would soon be either accept change, compete or get lost.

The author is chairman of Financial Excellence

Russia sets price floor for wheat at int'l tenders

REUTERS, Moscow

Russia's agriculture ministry asked exporters at a closed-door meeting on Friday not to sell wheat by tender to international buyers below a minimum price, two sources with direct knowledge of the matter told Reuters.

The recommendation introduces a de-facto price floor of \$250 per metric ton on a free-on-board basis for wheat from Russia, the world's biggest exporter of the grain.

The floor is set to curb exports that were flowing at high volumes in recent weeks as Russia fights domestic inflation, which is running at about 9 percent.

Russia's Grain Exporters Union said in a statement after the meeting the ministry also told exporters to engage in direct deals with buyers without third parties, as well as not to provide Russian grain to foreign firms that won international tenders below the new price floor.

"The harmful practice of recent months, caused by the vigorous activity and dumping by some 'new' exporters, must be eradicated," the union said. "Russian grain should be supplied to consumers only by Russian exporters," it added.

One of the sources said the ministry gave exporters one week to implement the recommendations.



Agricultural workers operate combines and trucks in a field during wheat harvesting near the village of Solyanoye in the Omsk region of Russia.

The union said Russian grain-export potential is seen at 55 million to 57 million tons in the 2024/25 season. One Russian trader told Reuters that the announced curbs forced exporters to take risks that were previously taken by intermediary firms.

"We do not have sufficient risk-hedging tools for exporters," the trader said.

Russia earlier announced a 41 percent increase in its wheat export duty to 1,872 roubles (\$19.51) per ton on Oct. 16, up from 1,328.3 roubles previously. It was widely seen as another measure to curb exports.

The new duty reflects higher prices for Russian wheat at Saudi Arabia's wheat tender held on Oct. 7, which ranged from \$230 to \$243 per ton free on board.

The union had earlier accused unspecified exporters of shipping excessive volumes at low prices and said it would ask the agriculture ministry to review the quota-distribution mechanism for the second half of the season.

Under the current system, the ministry allocates export quotas for the second half of the export season from Feb. 15 to June 30, with volumes depending on shipments in the quota-free first half.

Traders said the duty increase could have been larger. "It's not very bullish in the end if that's all they're announcing. It's like \$5-\$6 a ton. People were pricing bigger risks, so the market might come off," a European trader commented.

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India's 100 richest tycoons surpass \$1tn milestone

ANN/THE STATESMAN

The collective wealth of India's 100 richest tycoons surpassed the trillion dollar milestone for the first time as more than 80 per cent of the country's richest tycoons are now wealthier than they were a year ago, a Forbes report showed on Thursday.

In a record-breaking year, India's wealthiest are now worth \$1.1 trillion, more than twice as rich as they were in 2019, according to the Forbes list of India's top 100 billionaires.

"The biggest dollar gainer is infrastructure magnate Gautam Adani, who posted a strong recovery from last year's short-selling attack and recently placed his sons and nephews in key positions," the report noted.

"With his brother Vinod (Adani), he added \$48 billion to take the family's net worth to \$116 billion, enough to retain the No. 2 position," it added.

India's richest individual, Mukesh Ambani, chairman and managing director of Reliance

Industries, was the second biggest gainer in dollar terms this year, up \$27.5 billion to \$119.5 billion.

According to the report, India's wealthiest added \$316 billion or nearly 40 per cent in just the past 12 months, as investor enthusiasm about the country's growth story remains robust under Prime Minister Narendra Modi's third term.



"Savitri Jindal, matriarch of steel-to-power conglomerate OP Jindal Group, whose son Sajjan Jindal recently made an ambitious foray into electric vehicles with MG Motor, moved up to No. 3 for the first time. She's one of nine women on the list, up from eight a year ago," the report revealed.

Mahima Datla, who controls privately-held vaccine producer Biological E. is one of four

newcomers to the Forbes list.

Others on the coveted list are B. Partha Saradhi Reddy, founder of Hetero Labs, a maker of generic medicines and pharma ingredients; Harish Ahuja of apparel maker Shahi Exports and Surender Saluja, founder and chairman of Premier Energies, which makes solar panels and modules.

Dilip Shanghvi, founder of Sun Pharmaceutical Industries, jumped three spots to fifth position with \$32.4 billion and siblings Sudhir and Samir Mehta of Torrent Group more than doubled their wealth to \$16.3 billion.

From the Godrej family, brothers Adi and Nadir Godrej, who control listed companies under the Godrej Industries Group, and their cousins Jamshyd Godrej and Smita Crishna Godrej, who control privately-held flagship Godrej & Boyce under the Godrej Enterprises Group, are on the list.

Nikhil Kamath, 38, who co-founded and runs online brokerage Zerodha with his brother Nithin, 45, is among the six nonagenarians on the list.

China tees up fresh spending to boost ailing economy

AFP, Beijing

China said Saturday it would issue special bonds to help its sputtering economy, signalling a spending spree to bolster banks, shore up the property market and ease local government debt as part of one of its biggest support packages in years.

The plan is part of a series of actions undertaken by Beijing to draw a line under a years-long property sector crisis and chronically low consumption that has plagued the world's second biggest economy.

Beijing's planned special bonds are aimed at boosting the capital available to banks – part of a push to get them lending in the hopes of firing up sluggish consumer spending.

China is also preparing to allow local governments to borrow more to fund the acquisition of unused land for development, aimed at pulling the property market out of a prolonged slump.

No figures were provided on the planned special bonds announced at a highly anticipated press conference by Finance Minister Lan Fo'an and other officials, following a series of steps launched in recent weeks that have included interest rate cuts and liquidity for banks.

But Lan said China still has room "to issue debts and increase the deficit" to fund the new measures.

Officials have been battling to reverse China's slowdown and achieve a growth target of five percent this year – enviable for many Western countries but a far cry

from the double-digit expansion that for years boosted the Asian giant.

On Saturday, Lan said Beijing was "accelerating the use of additional treasury bonds, and ultra-long-term special treasury bonds are also being issued for use".



Women are seen outside of a restaurant in Beijing, China.

"In the next three months, a total of 2.3 trillion yuan of special bond funds can be arranged for use in various places," he added.

On top of that, Beijing also plans to "issue special government bonds to support large state-owned commercial banks," Lan said, although he did not say how much.

Chinese authorities have been urging commercial banks to lend more and lower mortgage rates – measures that would put more cash into the pockets of consumers. Beijing's bonds would therefore offer banks help to shore up their capital, giving them greater leeway to lend more.

Local governments will be issued special bonds enabling them to acquire unused and idle land for development, Vice Finance Minister Liao Min said.

The move would "help ease liquidity and debt pressures on local governments and real estate companies," he explained.

Beijing will also encourage the acquisition of existing commercial properties to be used as affordable housing.

However, analysts expressed frustration that Beijing had refrained from putting a number on further fiscal stimulus.

PHOTO: AFP/FILE

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