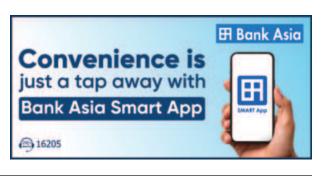
# SUSINES



## IMF team due in Dec to review fourth tranche of \$4.7b loan

REJAUL KARIM BYRON and AM JAHID

The International Monetary Fund (IMF) is sending a team within the first week of December to review whether Bangladesh qualifies for the fourth tranche of a \$4.7 billion loan programme.

The IMF delegation, led by mission chief Chris Papadakis, will also suggest potential reforms required for securing an additional \$3 billion loan, which was sought by the interim government to improve the country's forex reserve.

Officials of the multilateral lender informed Finance Adviser Salehuddin Ahmed about these decisions during a meeting at the IMF headquarters in Washington last week.

A delegation from Bangladesh, led by Ahmed, is currently visiting the US to participate in the annual meetings of the IMF and The World Bank.

#### The IMF delegation will also suggest potential reforms required for securing an additional \$3 billion loan

"Bangladesh is making good progress on the \$4.7 billion loan programme. So, discussions are ongoing for the next review," said Krishna Srinivasan, director of the IMF's regional office for Asia and

She was addressing a press conference on October 24 on the economic outlook of Asia and the Pacific in Washington,

"We had discussions in Dhaka and discussions are ongoing in Washington on how to move forward in terms of financing. All those will be part of the upcoming discussions," she added.

The IMF mission will review whether Bangladesh has met seven conditions for the fourth tranche of the \$4.7 billion loan as of June this year.

Bangladesh has fulfilled all of these conditions, except the one regarding tax collection targets.

As per the IMF target, the government was supposed to collect Tk 394,530 crore in taxes by June.

Data from the Finance Division showed that the government collected Tk 369,209 crore by June, meaning that it fell Tk 25.321 crore behind the IMF target.

**READ MORE ON B3** 

# Bangladesh losing out to Pakistan in home textile exports

Local manufacturers hamstrung by gas price hike

#### TAKEAWAYS

- >>> Bangladesh's home textile export recovery slow
- >> A lot of work orders shifted from Bangladesh to Pakistan
- >> Home textile was a highly promising export item for Bangladesh



>> Pakistan's textile export rose to a 26-month high in August



#### WHY WORK ORDERS SHIFTED



Gas price hike in Bangladesh and higher devaluation of Pakistani rupee were the major reasons



Pakistan has adequate raw materials and **GSP Plus benefit** in the EU

#### **WAY OUT**



Adequate supply of gas can bring back work orders of home textile

#### REFAYET ULLAH MIRDHA

Bangladesh has been struggling to recover lost work orders in the home textile segment, a significant volume of which shifted to Pakistan nearly two

This shift occurred mainly due to the sudden doubling of gas prices in Bangladesh and significant devaluation of the Pakistani rupee against the US dollar. More recently, labour unrest in industrial belts and months of political unrest in Bangladesh have contributed

to lower receipts.

Moreover, Pakistan possesses some inherent advantages. For example, it is the world's seventh-largest producer of cotton, according to Statista.

Pakistan also enjoys benefits under the European Union's Generalised Scheme of Preferences Plus (GSP+), while Bangladesh only enjoys standard GSP racilities.

When

suddenly hiked gas prices by 150.41 percent in February 2023, from Tk 11.98 per unit to Tk 30 per unit, major home textile exporters refrained from booking orders due to the abnormal surge in expenses in production and a good volume of work orders shifted to Pakistan.

Khorshed Alam, chairman of Little Group, a textile miller, added that this move caused local home textile exporters to incur huge losses since work orders were based on lower prices before the hike in gas prices.

For instance, if a big local company paid Tk 68 crore in monthly gas bill prior to the hike, it would cost Tk 126 crore after, he added.

As a result, local millers did not book new work orders for some time.

"However, the export of home textile is

gradually recovering," Alam said. Another major advantage of Pakistan

is that it has readily available cotton while Bangladesh's government Bangladesh relies on imports to meet

more than 98 percent of the demand for cotton in the country.

Pakistan's performance in the home textiles segment is also noticeable in the country's export figures.

Pakistan's textile exports surged to a 26-month high in August, reaching \$1.64 billion -- a 13 percent year-on-year increase -- due to government policies and facilitation by the Special Investment Facilitation Council (SIFC), according to a report by SAMAA TV, a private television

According to the Pakistan Bureau of Statistics, textile exports stood at \$1.46 billion last August.

Significant growth was recorded across various sectors, with knitwear and bedwear exports increasing by 15 percent, and ready-made garment exports up 28 percent compared to last year.

'Analysts attribute the rise to Pakistan's strategic positioning in the global textile market, especially in light

#### Stocks plunge to 47-month low on sell-off Panel formed to look into downtrend

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange (DSE) sank to a near four-year low yesterday as large investors continued selling amid fears of further erosion of their investments.

This prompted the stock regulator to form an inquiry committee yesterday. It will look into the recent downtrend of the DSEX, the prime index of the Dhaka bourse, and submit a report to the regulator within 10 working days.

Meanwhile, insiders and market experts said the intense political landscape and recent policy rate hike, along with lower-than-expected earnings disclosures of companies, played a catalytic role in the sharp decline.

This dampened investment sentiment and discouraged investors from pouring fresh funds into shares amid price fluctuations.

A huge forced sell also worsened the situation while buying appetite is low as investors cannot determine the bottom of the market fall.

Investors currently do not have any confidence in the market, said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

READ MORE ON B3

### Edible oil prices rise despite VAT cut

STAR BUSINESS REPORT

Consumers in Bangladesh saw no drop in soybean and palm oil prices over the past week even though the National Board of Revenue (NBR) has reduced the import VAT from 15 percent to 10 percent.

On October 17, the NBR also exempted VAT at the production and trading stages of the commodity, which is mostly imported. It said the VAT benefit would remain effective until December 15 this year.

The move came at a time when inflation has been hovering over 9 percent since March 2023. Food inflation has remained above 10 percent since April this year.

Despite the VAT rate cut, prices of unpackaged palm oil, which is consumed the most, stood at Tk 148 to Tk 149 per litre yesterday, up 0.34 percent from a week ago.

Meanwhile, prices of unpackaged soybean oil rose 2 percent to Tk 155 to Tk 160 per litre at retail in Dhaka city, according to data of the Trading Corporation of Bangladesh.

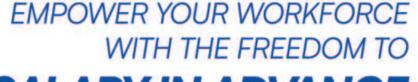
The current prices are also higher from that a

month and a year ago. "The spiralling price of palm oil is driving the

READ MORE ON B3







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## BUSINESS

STAR BUSINESS DESK

Management Survey 2024.

liability and investments.

according to a press release.

Bangladesh."

HSBC named 'Best

Cash Management Bank' in

Bangladesh

The Hongkong and Shanghai Banking Corporation Limited (HSBC) Bangladesh has

been voted as the "Best Cash Management Bank"

and "Best Cash Management Bank for Client

Service' in Bangladesh for the 15th time and 7th

time respectively in a row in the Euromoney Cash

This year, the multinational bank has also won

the awards as the "Best Bank for Cash Management

Products" and "Best Bank for Cash Management

Technology" for the first time for its wide range

of cash management products across payables,

receivables, clearing, foreign currency, liquidity,

Besides, the bank has also been recognised as

Md Mahbub ur Rahman, chief executive office

the 'Best Bank for Payables Automation' as well as

multiple categories across the Asia-Pacific region,

of HSBC Bangladesh, said, "Being consistently voted by our customers reflects HSBC's strong

commitment to their success. Providing leading

transaction banking services to the Bangladesh

market remains a key strategic priority for HSBC

"I extend my sincere thanks to our customers,

regulators, and stakeholders for their unwavering

support in making these achievements possible,

Gerard Haughey, managing director and head of wholesale banking at HSBC Bangladesh,

said, "It's an honour for HSBC Bangladesh to be

recognised as the market leader and best service

in us and the dedication of our teams in delivering

the highest standards of service, technology and products. Thank you to our clients for your

The Euromoney Cash Management Survey is conducted by the leading global business and

With an average response base of 30,000 corporate respondents, this survey is one of the most regarded and comprehensive rankings

IN DHAKA CITY

PRICES OF KEY ESSENTIALS

% CHANGES

FROM A

1.90 🕇

9.52

27.27 🛧

FROM A

9.09

7.14 🕇

-2.30 🕹

10.53 🕇

7.48

40.00 ↑

-1.96 👃

'These awards reflect the trust our clients place

provider in cash management once again."

continued support," he added.

finance magazine 'Euromoney'.

PRICE

(OCT 27)

Tk 64-Tk 80

Tk 52-Tk 55

Tk 40-Tk 45

Tk 105-Tk 110

Tk 155-Tk 160

Tk 55-Tk 60

Tk 130-Tk 150

Tk 48-Tk 52

## Gold firms as Mideast woes lift prices

REUTERS

Gold prices edged up on Friday after recovering from a profit-taking bout as Middle East tensions and US election jitters supported prices, while palladium prices extended gains to 10-month highs.

Spot gold was up 0.2 percent at \$2,741.50 per ounce by 01:44 p.m. ET (1744 GMT). Prices hit a record \$2,758.37 on Wednesday and logged a third straight weekly gain.

US gold futures settled 0.2 percent higher at \$2,754.60.

The fact that maybe something is going to happen this weekend between Israel and Iran could have triggered some safe-haven buying going into the weekend, said Bob Haberkorn, senior market strategist at RJO Futures.

At least nine Palestinians were killed and several wounded in an Israeli air strike on Al-Shati, medics told Reuters.

Non-vielding gold has risen over 32 percent so far this year as safe-haven demand stemming from ongoing tensions in the Middle East bolstered prices, along with a half-point basis cut by the Federal Reserve.

Uncertainty around presidential elections also boosted bullion demand as opinion polls show the race to the White House remains tight.

Gold has rallied despite gains in the US dollar, which is set for its fourth weekly rise on increasing odds of a Donald Trump victory.

# MTB signs deal with WeGro, Syngenta to scale up lending to farmers



Mohammad Hedayet Ullah, managing director of Syngenta Bangladesh Limited, Md Mahmudur Rahman, co-founder and CEO of WeGro, and Md Khalid Mahmood Khan, additional managing director and chief business officer of Mutual Trust Bank PLC, pose for photographs after signing an agreement at the latter's head office in the capital's Gulshan recently. PHOTO: MUTUAL TRUST BANK

STAR BUSINESS DESK

Mutual Trust Bank (PLC) recently signed a tripartite agreement with agri-fintech startup WeGro and agrochemical company Syngenta to scale up lending to marginal farmers across the country.

Under the deal, farmers will be able to access the bank's agri credit through the WeGro app and procure inputs from designated Syngenta outlets.

Mohammad Hedayet Ullah, managing director of Syngenta Bangladesh Limited, Md Mahmudur Rahman, co-founder and CEO of WeGro, and Md Khalid Mahmood Khan, additional managing director and chief business officer of the bank, penned the deal at the latter's head office in the

capital's Gulshan. Syed Mahbubur Rahman, managing director and CEO of the bank, was present

This arrangement among MTB, WeGro and Syngenta will ensure a better quality of production as well as smooth funding support to scaling up agri production, said the press release.

Khalid Hossin, head of digital banking division of MTB, and Sanjib Kumar Dey, head of SME and agri banking division, along with other officials of the at the signing ceremony, said a press organisations were also present.

## Prime Bank inks payroll banking deal with Dutch-Bangla Pack

STAR BUSINESS DESK

Prime Bank PLC recently signed a payroll banking agreement with industrial packaging solutions provider Dutch-Bangla Pack Limited.

Abdul Mumit, managing director of Dutch-Bangla Pack Limited, and Faisal Rahman, additional managing director of Prime Bank PLC, penned the deal at the latter's corporate office in the capital's Gulshan, said a press release.

As per the agreement, employees of Dutch-Bangla Pack Limited can withdraw their salary in advance by using Prime Bank's AI-driven Platform "Prime Agrim".

This AI-driven platform is designed emergency financial needs seamlessly and efficiently.

Prime Agrim evaluates customers' credit eligibility in real time and processes loan disbursements digitally, eliminating the need for manual document submission, thereby saving valuable time and effort.

The platform leverages cutting-edge artificial intelligence (AI), machine learning, and alternative credit assessment tools designed to provide a hassle-free digital experience.

Mamur Ahmed, head of consumer sales of the bank, Md Asif Bin Idrish, senior executive vice-president and head of commercial banking division, and Abdullah Al Mamun, head of finance of Dutch-Bangla Pack Limited, Maria Tripty, senior officer for sustainability and planning, to facilitate partner employees' alongside other senior officials from

কাস্ট সিকিউরিটি



Abdul Mumit, managing director of Dutch-Bangla Pack Limited, and Faisal Rahman, additional agreement at the latter's corporate office in the capital's Gulshan recently.

#### First Security Islami Bank opens agent outlet in Chinatola Bazar of Jashore

STAR BUSINESS DESK

First Security Islami Bank yesterday opened "Chinatola Bazar agent banking outlet" under Keshabpur branch in Jashore with a view to providing Shariah-based modern banking services

Ahmed Ashique Raazi, the bank's Khulna zonal head, inaugurated the outlet as the chief guest. the bank said in a press release.

Customers availed of cash deposit and withdrawal, online banking and remittance services

from the day of the inauguration of the outlet. Mohammad Musudur Rahman, head of alternative delivery channel division of the bank, GM Mustafa Monwar, manager of Keshabpur branch, Rafiqul Islam, a school teacher, Babu Sukumar Dey, a businessman, along with other local dignitaries, were also present.

## Construction expo 'Build Series of Exhibitions'

Fine rice (kg)

Coarse rice (kg)

Loose flour (kg)

Soybean (litre)

Lentil (kg)

Potato (kg)

Onion (kg)



Meherun N Islam, president and group managing director of CEMS-Global USA and Asia-Pacific, speaks at a press conference regarding the 29th Bangladesh edition of Power and Build Series of Exhibitions at the Dhaka Press Club in the capital yesterday.

#### STAR BUSINESS DESK

The 29th Bangladesh edition of "Build Series of Exhibitions", comprising 6 major international expos that serve as a vital platform for the real estate, construction and renewable energy industry, will be held at the International Convention City Bashundhara in Dhaka on November 14.

The announcement was made at a press conference at the Jatiya Press Club in the capital yesterday, said a press release. CEMS-Global USA, a multinational

exhibition and convention organiser based in New York, will organise the three-day exhibitions.

The expositions will bring together architects, key manufacturers, and retailers from across the globe to highlight the latest advancements, innovations, and trends in the construction and electricity supply chain sector.

Meherun N Islam, president and group managing director of CEMS-Global USA and Asia-Pacific, presided over the press conference, highlighting the importance

of these exhibitions in promoting sustainable development and fostering international collaboration.

Speaking at the press conference, she emphasised how the events will continue to position Bangladesh as a global player in real estate, renewable energy and infrastructure sectors.

"As we are aware that Bangladesh's construction market size is expected to grow from \$30.38 billion in 2023 to \$41.47 billion by 2028, it is understood that the construction sector is a driving force behind the economic progress of Bangladesh.'

These multisectoral exhibitions will enhance the possibility of increasing B2B connection in all the sectors," she added.

Among others, Tanveer Qamrul Islam, executive director of CEMS Global, Mahmud Riyad Hassan, deputy general manager for marketing and sales, Asraful Islam, assistant general manager for business development and strategic planning at CEMS Bangladesh, were also

## Standard Bank holds school banking conference in Mymensingh

PHOTO: FIRST SECURITY ISLAMI BANK

#### STAR BUSINESS DESK

yesterday.

Standard Bank PLC recently organised "School Banking Conference-2024" as a lead bank at the District Town Hall in Mymensingh.

Ahmed Ashique Raazi, zonal head for Khulna of First Security Islami Bank PLC,

inaugurates the Chinatola Bazar agent banking outlet under Keshabpur branch in Jashore

The Bangladesh Bank patronised the conference, where the branches of all scheduled banks located in Mymensingh jointly organised the event.

Teachers and students from 42 local schools took part in the programme, the bank said in a press release.

Md Habibur Rahman, managing director and CEO of Standard Bank, chaired the programme. Md Mahbubul Haque, executive director of Bangladesh Bank Mymensingh

office, was present as the chief guest. Speakers in the meeting highlighted the benefit of savings for students and urged them to contribute to future investments.



Md Habibur Rahman, managing director and CEO of Standard Bank PLC, presides over the "School Banking Conference-2024" organised by Standard Bank PLC as lead bank at the District Town Hall in Mymensingh recently.





Workers unload leftover wood of sawmills from a vessel on the Sandhya river at Nesarabad upazila of Pirozpur district to load onto a truck, which would take those to Dhaka and Kushtia for use as firewood. Each person can earn anywhere from Tk 800 to Tk 1,000 working as long as daylight persists. The photo was taken recently.

## Number of mobile internet users dropped in August

MAHMUDUL HASAN

The number of mobile internet subscribers in Bangladesh dropped by nearly one crore to 12.69 crore in August, marking the second consecutive month of

Shahed Alam, chief corporate and regulatory officer at Robi, said customers have been discontinuing the use of secondary SIMs ever since a restriction on shortterm data packages.

He said the lack of smaller packages, like the threeday option, has led many Robi and Banglalink users who often use these as secondary SIMs -- to avoid subscribing to costly, high-volume packages.

InOctober2023, the Bangladesh Telecommunication Regulatory Commission (BTRC) revised mobile internet package guidelines, discontinuing three-day and 15day data packages in an effort to simplify offerings and enhance user experience.

The minimum validity for data packages was extended to 7 days, addressing concerns that shorter durations were insufficient for many users.

However, the removal of three-day packages led to user dissatisfaction as these plans were popular for their affordability and flexibility. On a year-onyear basis, the number of mobile internet subscribers increased by 5.99 percent 12.69 crore.

Broadband internet subscribers remain unchanged at 1.35 crore. The BTRC provides broadband internet subscriber information on a quarterly basis.

# Limiting tourism in Saint Martin's not the right move

Tour operators say

STAR BUSINESS REPORT

Restricting traffic to Saint Martin's Island and stopping overnight stays will severely hamper the local tourism industry and put everyday entrepreneurs at significant risk, according to tour operators.

About 10,000 people live on Bangladesh's only coral island, most of whom are dependent on tourism,

If tourism is limited or stopped, they will all be left without jobs, Rafeuzzaman, President of Tour Operators Association of Bangladesh (TOAB), said at a press conference at the Economic Reporters Forum.

"At the same time, entrepreneurs" financial investment will be at great risk. This decision should be withdrawn immediately," he added.

protect the

Saint Martin's Island, but not by stopping tourism."

On October 22, the Chief Adviser's Deputy Press Secretary Apurba Jahangir said that the interim government's advisory council had decided to impose restrictions on tourism to the island for four months, starting in November.

He stated that the decision was part of efforts to protect the island and surrounding coral reefs from environmental pollution.

According to the briefing, tourists will be allowed to visit in November environmentally friendly solar plants but may not stay overnight. In December and January, tourists will be allowed to stay overnight, but the number of visitors will be capped at 2,000 per day.

The island will be closed to tourists in February to facilitate around 67 percent of the coral colonies

cleaning efforts, Apurba added. Generally, October to March are to coral bleaching due to

the island, which was designated as an 'ecologically critical area' in the Bangladesh Environment Protection

Shiblul Azam Koreshi, a tour operator, said single-use plastics should be strictly prohibited to protect the environment.

However, he said tourism should continue unrestricted, adding that alternative travel routes to the island should be developed.

The use of generators on the island should be stopped and should be set up, Koreshi said, adding that construction of permanent structures using bricks, sand, cement, and rods should be controlled.

According to Save Our Sea, a platform for marine conservationists, surrounding the island had fallen prey environment and biodiversity of the peak months for tourism to rising temperatures by 2016.

## DSE calls for withdrawing capital gains tax

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) vesterday urged the tax authority to withdraw a capital gains tax on general investors to encourage the inflow of funds as the market was suffering from low liquidity.

At present, investors face a minimum 15 percent capital gains tax, which the country's prime bourse said was discouraging large individual investors from investing in the market.

The appeal was made when the DSE's board of directors met with the National Board of Revenue (NBR) Chairman Md Abdur Rahman Khan at the NBR headquarters in Dhaka.
A capital gain is an increase in a capital asset's

value and is realised when the asset is sold. A person has to pay the capital gains tax if the capital gains of his/her portfolio exceed Tk 50 lakh. The provision was introduced in the last budget.

The tax rate varies depending on the amount of time the investor retained the shares.

It may rise up to a maximum 40.5 percent, including a surcharge on massive amounts of wealth, if the investor holds the shares for less than five years.

DSE Chairman Mominul Islam urged the tax authority to provide policy support in order to bring back confidence of investors in the market.

The capital gains tax is too high for large investors and this has a negative impact on the investors, which was ultimately causing the stock market index to plunge, he said.

In this situation, he requested to withdraw the capital gains tax as the investors were already paying a turnover tax of 0.05 percent.

On hearing all the proposals, NBR Chairman Khan said he would discuss the issue with Finance Adviser Salehuddin Ahmed, who is now in Washington attending the annual meetings of the International Monetary Fund and the World Bank Group.

Among others, DSE directors Mohammad Quamruzzaman, Shakil Rizvi and Richard D' Rozario were present at the event.

The directors also requested to allow taxpayers to carry forward their losses for at least six years when calculating capital gains tax. They also urged to incorporate all the taxes on the income, including a dividend tax, into a single rate.

#### Sri Lanka aims to exit default

**REUTERS**, Washington

Sri Lanka met this week with its bondholders in Washington to discuss a debt exchange as the South Asian country aims to emerge from default as soon as possible, central bank Governor Nandalal Weerasinghe said on Friday.

He said the talks, which happened on the sidelines of the IMF/World Bank meetings in Washington, aim to quickly get Sri Lanka "out of this default category."

Citibank will act as dealer manager to take charge of a consent solicitation, the next step for the island nation to exit default.

Sri Lanka defaulted in 2022 for the first time ever after being hit by an economic crisis, and reached in september a draft deal with creditors to restructure \$12.5 billion of international bonds.

## Edible oil prices rise despite VAT cut

rates of other edible oils. Exporting countries are focusing on making biodiesel using palm oil," said a top official of a leading commodity importer and processor.

The official urged the government

to reduce VAT on the import of both palm and soybean oil to 5 percent to contain domestic prices. The World Bank, in its latest commodities price data, said palm oil

tonne in the July-September quarter this year from \$856 a year ago. A report by Malay Mail said a supply shortfall from Indonesia, the world's largest palm oil producer, was

a factor behind the spike in prices in

prices soared 9 percent to \$937 per

the international market. In September 2024, Indonesian exports dropped to 1.79 million tonnes from 2.38 million tonnes in August

and 2.28 million tonnes a year earlier. This decline in exports has been linked to the impact of the 2023-2024 El Niño, which affected palm fruit yields, as highlighted by Indonesian

Palm Oil Association (GAPKI). In the first eight months of 2024, Indonesia's production fell to 34.52 million tonnes from 36.29 million



PHOTO: PRABIR DAS

added.

In a report on October 9, Reuters quoted a leading industry analyst as saving that implementation of higher biodiesel mandates in Indonesia is likely to tighten supplies of the vegetable oil.

Indonesia currently has a mandatory

tonnes in the same period in 2023, it 35 percent blend of palm oil-based fuel in biodiesel and is seeking to ramp up to biodiesel containing 40 percent palm oil to cut its energy imports.

The plan, if implemented, could see a rise in biodiesel consumption to 16 million kilolitres next year.

additional use of 1.5 to 1.7 million requirement through imports.

tonnes of palm oil, leading to lower export volumes, Oil World Senior Analyst David Mielke told a palm oil conference in Kuala Lumpur, according to Reuters.

Abul Hashem, general secretary of Bangladesh Edible Oil Wholesalers Association, said there was no effect of the VAT reduction on the prices of

edible oil in the domestic market. Prices of both palm and soybean oil rose by Tk 200 to Tk 250 per maund [37 kilogrammes] over the last one week, he added.

"Supply is short of demand," he

The US Department of Agriculture forecasted that Bangladesh's consumption of vegetable oil would be 32 lakh tonnes in marketing year 2024-25, which began this month, up from 31 lakh tonnes in the previous year.

Palm oil accounts for almost half of the nation's total domestic consumption while soybean oil is roughly one-third. The types of vegetable oil include coconut, olive, palm, palm kernel, rapeseed, soybean and sunflower seed oil.

Bangladesh meets more than The move would involve the 80 percent of its vegetable oil

### Stocks plunge to 47-month low on sell-off

FROM PAGE B1

Investors currently do not have any confidence in the market, said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

As the second reason, he identified trigger sales or margin calls.

"The margin calls are not stopping. What we can do is restore investor confidence in the market," he said. "To regain it, we need leadership."

"Lenders can't go for the margin call. What we can do is restore the confidence of investors in the market, where leadership can play a vital role,"

he added. A margin call is a demand made by a broker for an investor to deposit additional funds into their margin account. If the investor fails to do so, brokerage firms or the merchant bank then go for the forced sale.

The DSEX, the broad index of the country's primary bourse, plunged by 149.20 points, or 2.92 percent, to close at 4,965, the lowest in about four years.

The last time the DSEX had reached such a level was on December 2, 2020, when it stood at 4,934 points.

The other two indices of the DSE IMF team due also showed negative performance. The DSES index for Shariahcompliant companies slumped by 36.28 points, or 3.17 percent, to 1,107 points and the DS30 index representing blue-chip firms dropped by 48.18 points, or 2.56 percent, to

1,830 points. The day's turnover stood at Tk 304 crore, a decrease of 0.72 percent compared to the previous day's trading session. The banking sector dominated the turnover chart, accounting for 20.56 percent of the

Preferring anonymity, a top official of a stock brokerage said, "The market is falling as investors find that anybody who cares about the market is not in the government."

"So, buyers are rare in the market. On top of that, the fall is triggering forced sales for those who invested in stocks by taking margin loans."

The official said people who are now losing funds will not return to the market. Consequently, it would be more devastating for the market, he added.

For the recent fall, he blamed large investors for selling shares.

Islami Bank Bangladesh alone was liable for 17.76 points of the market decline. Renata, BAT Bangladesh Square Pharmaceuticals compounded the woes with combined losses of more than 24 points.

Grameenphone, Commercial Bank, Industries, Beximco Pharmaceuticals, IFIC Bank and National Bank also suffered losses.

At Chittagong Stock Exchange, the Caspi, the main index of the port city bourse, edged down by 295.99 points, or 2.07 percent, to settle at 14.006 points.

# in Dec to review

FROM PAGE B1

Another major condition set by the IMF was to increase the country's net international reserves (NIR), which was fulfilled after the IMF lowered the required threshold in May upon request by the then government.

The initial NIR collection target was \$20.11 billion by June 30. However, the IMF lowered it to \$14.79 billion later in May. As of June 30, Bangladesh had an NIR of \$16.7

Previously, Bangladesh failed to fulfil the NIR target for each instalment of the loan, which was also revised by the IMF.

## Bangladesh losing out to Pakistan in home textile

of political instability in Bangladesh and international sanctions on China, which have led global importers to seek alternatives," the SAMAA TV report also said.

On the other hand, Bangladesh's exports of home textiles, which include bedsheets, tents and rugs, declined 2.05 percent to \$851.01 million in the fiscal year 2023-24, according to data from the stateowned Export Promotion Bureau

The country's home textile exports had crossed the \$1-billion mark in FY21, registering a whopping 49.17 percent year-over-year growth. That momentum continued into the monthly amount, which was faced closures a few years ago for

following year, with exports rising by another 40-odd percent to \$1.62 billion.

However, the gas crisis upended that trend the following year, with home textiles fetching \$1.09 billion, down by almost a third.

"As per our previous plan, we were supposed to export \$30 million worth of home textiles each month. But we are now exporting \$25 million a month," said Md Shahidullah Chowdhury, executive director of Noman Group, which accounts for more than 70 percent of Bangladesh's home textile

exports. "This is even less than the previous

supposed to increase," he said.

Of the exported amount, \$15 million comes from home textiles and \$10 million comes from shipment of terry towels, Chowdhury said.

We are trying to recover the lost business but some factors like low gas pressure and labour unrest are posing major barriers at present," Chowdhury said. Monsoor Ahmed, former chief

executive officer of Bangladesh Textile Mills Association, echoed Chowdhury's views. Ahmed said five to seven major home textile makers are currently

exporting while a few big companies

Textile mills cannot run at full capacity due to low gas pressure

and they cannot produce the goods adequately to be more competitive, Furthermore, Pakistan has enjoyed zero-rated or preferential tariffs on nearly 66 percent of tariff lines,

enhancing the country's ability to

export to the EU market under the

GSP+ since 2014. From 2014 to 2022, Pakistan's exports to the EU increased by 108 percent whereas imports from the EU increased by 65 percent. The total trade volume increased from 8.3 billion euros in 2013 to 14.85 billion

### **RAK** Ceramics incurs Tk 14cr loss in Q3

STAR BUSINESS REPORT

RAK Ceramics (Bangladesh) Ltd posted a net loss of Tk 14.67 crore in the July-September quarter of 2024 according to an official disclosure, as the ceramics manufacturer attributed the loss to a gas shortage in its production lines and nationwide political turmoil.

The company made a loss per share of Tk 0.35, significantly down from an earnings per share of Tk 0.29 in the same period last year, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

The ceramics manufacturer attributed the loss to a demand-supply gap caused by underutilised plant capacity due to inconsistent gas supply from the national grid.

The company's share price responded sharply, plunging 8.52 percent to Tk 20.4 yesterday on the Dhaka bourse.

The ceramics manufacturer attributed the loss to a gas shortage in its production lines and nationwide political turmoil

Adding challenge, production and sales suffered due to unprecedented political disruptions during the third quarter, further impacting the company's performance, said RAK.

Additionally, Ceramics reported a loss per share of Tk 0.26 in the January-September period

Its net operating cash flow per share (NOCFPS) also saw a downturn, standing at Tk 0.37 in the negative over the nine months as the company prioritised settling vendor liabilities on schedule, despite weakened sales and collection efforts.

Ceramics, one of the largest ceramics manufacturers in the world, is a publicly listed company on the Abu Dhabi Securities Exchange in the UAE and the group has an annual turnover of \$1 billion, according to its website.

company headquartered in the UAE and operates in over 150 countries with operational hubs in Europe, the Middle East, North Africa, Asia, North and South America, and Australia. RAK Ceramics's products include sanitaryware, and porcelain tableware, among others.



Speakers attend a discussion, titled "Wage Determination Process of Minimum Wage Board: Scope, Challenges and Way Forward", organised by the Bangladesh Institute of Labour Studies at The Daily Star Centre in Dhaka vesterday.

# Minimum Wage Board lacks data, transparency: experts

STAR BUSINESS REPORT

The Minimum Wage Board, a government regulatory agency responsible for recommending changes to the minimum wage in different sectors, operates with limited data, which could lead to a lack of transparency and fairness in the wagesetting process, according to labour rights activists and experts.

"The board's data limitation complicates assessments of employers' ability to pay and broader productivity issues," said Mostafiz Ahmed, associate professor of social work at Jagannath University.

"The regulatory agency should establish a dedicated research wing to address the issue," Ahmed said at an event, titled "Wage Determination Process of Minimum Wage Board: Scope, Challenges and Way Forward", organised by the Bangladesh Institute of Labour Studies (BILS) at The Daily Star Centre in Dhaka yesterday.

In his keynote presentation, Ahmed said that the wage-setting process may not have transparency and fairness without clear

calculations and economic justifications. This, he said, could lead to dissatisfaction among both workers and employers.

The Minimum Wage Board, the statutory body responsible for setting private sector wages under the Bangladesh Labour Act 2006, receives and reviews feedback on recommended wage rates for 42 sectors, adjusting them as necessary.

According to different labour rights organisations, there are around 6.50 crore workers in these sectors.

However, the highest employing sector accountability.

in the country, agriculture, does not have a determined minimum wage. Wages in local farming are determined by the demand and supply of labour, while other sectors show substantial minimum wage gaps.

Ahmed pointed out that 20 of the 42 sectors have not seen regular wage increases for periods ranging from 6 to 40 years.

"Two sectors have seen no revision in the past 35 years, while wage revisions in eight sectors have been overdue for 10-15 years, and in 10 sectors for 6-9 years."

He called for revising sectoral wages every five years.

Experts pointed out that 20 of the 42 sectors have not seen regular wage increases for periods ranging from 6 to 40 years

Ahmed also highlighted that the Minimum Wage Board's workplace inspections lack a standardised format.

Without consistent guidelines, inspections may be less effective and the collected data might not provide a reliable foundation for decision-making, he added.

He also recommended expanding the board's human resources to enable more effective operations.

He proposed several reforms, including establishing a national minimum wage, democratising the selection of Minimum Wage Board representatives, setting criteria for independent members and improving sectoral representation and

Ahmed also recommended regular wage reviews, fixed meeting schedules and publishing proceedings on the board's website to keep workers and stakeholders informed.

He said that although the wage announcement is supposed to come within six months after the formation of the wage board, in this case it takes twice or thrice as long, or even more.

In this case, the question remains as to what kind of policy determines the selection of board members, he added.

Anwar Hossain, vice-chairman of the BILS, said that the attitude of depriving workers should be overcome, and their quality of life, economic empowerment, market conditions, price increases, and other factors should be taken into consideration.

Nazma Akter, a union leader in the garment sector for more than 35 years and now the president of the Sammilito Garment Sramik Federation, said workers cannot be deprived of fair wages in the name of protecting the industry's

She said the government will have to come forward to fix a living wage, considering the participation of employers and workers in the country's economic development.

Mamunur Rashid, chairman of the Minimum Wages Board, said the board has to work within its limitations.

He said that workers cannot uphold their rights as strongly as owners and that owners should therefore be more worker-

# Ifad Autos exporting AC bus to Bhutan

STAR BUSINESS REPORT

Ifad Autos has become the first local automobile company to export airconditioned (AC) buses assembled in Bangladesh.

The company started shipping 11 of the buses to Bhutan this week and will send 11 more within this month. Ifad has achieved a historic milestone for the automobile industry of Bangladesh, said Iftekhar Ahmed Tipu, chairman of Ifad Group.

Ifad has its own manufacturing plant, where the body of the AC buses were made.

'The bus export was really a matter of pride for Bangladesh, as the country has always imported this type of vehicles," he added.

Apart from Bhutan, Maldives, Nepal, Myanmar and India's seven-sister states have also showed interest in buying AC and non-AC buses from Ifad, Tipu said. The chairman of the automobile company thinks his company will be able to export buses to many more countries if it is provided with government support.



According to Tipu, a revolutionary change has been achieved in the field of heavy vehicles in Bangladesh over the past few years.

Ifad Autos has set up a car manufacturing plant as the country spends a huge amount of foreign currency every year for car imports, he said.

Ifad Autos, one of the companies of Ifad Group, has been marketing various models of AC, non-AC buses, trucks and covered vans of Indian automaker Ashok Leyland in Bangladesh since 1985.

## On higher revenue, Marico's profit grows 25% in Q2

STAR BUSINESS REPORT

Marico Bangladesh Ltd reported a strong financial performance in the July-September quarter as its profit surged 25 percent year-on-year to Tk 146.54

In the period, the company's earnings per share (EPS) hit Tk 46.52, up from Tk 37.11 a year ago.

The company credited the growth to higher revenue, an improved gross profit margin, and a boost in net finance income, as per its disclosure on the Dhaka Stock Exchange (DSE) website.

Marico's stock fell 0.29 percent to Tk 2,200 at the end of the day's trading on the DSE yesterday.

Its net operating cash flow per share (NOCFPS) for the six months ending in September 2024 was Tk 26.36, down sharply from Tk 95.37 a year earlier. Marico attributed the cash flow drop to increased payments to suppliers for purchases in the first half of fiscal 2024-25.

The fast-moving consumer goods (FMCG) giant's board announced an interim cash dividend of 450 percent for the July-September quarter.

Additionally, Marico said its net asset value per share has slipped slightly since March 2024, as earlier dividends were distributed during this period.

Marico, one of the prominent FMCG companies in Bangladesh's beauty and wellness sector, reaches over 790,000 outlets with a diverse portfolio that includes hair care, edible oil, and male grooming products, demonstrating its leading market presence, according to its website.

## AIIB head criticises advanced nations for trade barriers

REUTERS, Washington

Asian Infrastructure Investment Bank (AIIB) President Jin Liqun on Saturday criticized advanced economies for creating trade barriers including for renewable energy goods, saying there was "no longer free trade" in the global economy.

The United States last month locked in steep tariff hikes on Chinese imports, including a 100 percent duty on electric vehicles, to strengthen protections for strategic domestic industries from China's state-driven excess production capacity.

The European Union and Canada also have announced new import tariffs on Chinese EVs, the latter matching the 100 percent US duties.

Jin, who heads the China-led development bank, said trade spats between advanced and emerging economies have increased partly because manufacturers in the latter have boosted their competitiveness

Emerging economies that build up capacity for trade and become competitive could be accused for overcapacity "no matter how much benefit you can bring to your trade partners," he said.

"It's no longer free trade, because you cannot rely on the WTO rules," Jin told the Group of Thirty (G30) International Banking Seminar.

What worries us even more is the barriers to trade in low carbon and renewable energy products, which are rising even more faster, just when we need more of these green products to save the planet," he said. AIIB was set up by President Xi Jinping in 2016 as a Chinese alternative to the World Bank and other Western-led multilateral lenders.

## Indonesia bets on SE Asia's first battery plant to become EV hub

Rows of robotic arms move with precision to assemble nickel-based battery cells on the production line at Indonesia's inaugural electric vehicle battery plant, the first in Southeast Asia.

After being chosen by a joint venture of South Korea's Hyundai and LG for the \$1.1 billion factory, Indonesia is now looking to boost investment to give it an edge in the race to become a regional EV hub.

When he opened the West Java plant in July then-president Joko Widodo said such investments would make Southeast Asia's biggest economy an "important global player" in the EV supply chain.

But while the country boasts the world's largest nickel reserves, analysts pointed out that it still faces a battle owing to its poor processing and refining capacity, environmental worries and the rise in other types of batteries.

It also has some way to go to rival Thailand, which Krungsri bank said had market share of 78.7 percent of Southeast Asia's EV sales as of early 2023, with Indonesia following with eight percent.

AFP was given rare access to the factory floor to get a glimpse of the plant's complex battery cell production, most of which will be shipped to Hyundai subsidiaries in South Korea and India.

Hyundai said the new factory was a commitment to helping the archipelago EV maker.

the government's desire to become a hub for Southeast Asia," Fransiscus Soerjopranoto, chief operating officer of become a supercharged Southeast Asian Hyundai's Indonesian subsidiary, said.

The government has unveiled a number



This photo shows a worker moving battery cells to be packed for shipment at the battery manufacturing plant at PT HLI Green Power, Indonesia's first electric vehicle battery cell manufacturer, in Karawang, West Java.

including a luxury goods tax exemption that has boosted sales and seen a flurry of key brands entering Indonesia's 280 million-strong market, including China's BYD and Vietnam's VinFast.

More than 23,000 battery-powered cars were sold to dealers between January and August this year, compared with 17,000 in all of 2023, Indonesian automotive association data showed.

Under the regulations unveiled last year, EVs imported to Indonesia are free of duties until 2025 if companies commit to building production facilities and producing as many cars in the country as they import by the end of 2027.

And Chinese automaker Wuling announced a plan last month to produce EV batteries at its Indonesia factory by the end of 2024, local media reported.

"We see a huge potential for EV purchase in Indonesia compared to other countries in Asia," said BYD Indonesia official Luther Panjaitan.

Key to Jakarta's strategy has been luring automakers before they establish plants elsewhere, said Rachmat Kaimuddin, a government official who left in the transition to President Prabowo Subianto's administration last week.