

EBL secures \$35m from Opec Fund for SME, green finance

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has obtained a \$35 million loan from the Opec Fund for International Development to enhance financial access for small and medium-sized enterprises (SMEs) in Bangladesh, with a focus on agribusiness, trade finance and green projects.

The loan agreement was signed recently in Dhaka, according to a press release.

EBL Managing Director Ali Reza Iftakhar said, "This partnership with the Opec Fund will help us stimulate financial support to SMEs, ensure food security and contribute to a climate-responsive, sustainable future for Bangladesh."

Opec Fund President Abdulhamid Alkhalifa said, "By supporting SMEs, especially women-led businesses, we aim to empower communities and foster a more inclusive, sustainable future."

Established in 1976, the Opec Fund is a development institution focused on financing essential projects in food, energy, infrastructure, and healthcare across low and middle income countries.

With over \$27 billion committed to global development initiatives, it operates to drive social progress and economic resilience.



The finest quality jute is currently selling for around Tk 3,800 per maund, up from Tk 3,200 last year, due to a supply crunch amid the recent spike in demand, according to growers and traders.

PHOTO: SUZIT KUMAR DAS

Jute prices jump amid supply crunch, polybag ban

SUZIT KUMAR DAS

Prices of raw jute, once dubbed the "golden fibre" of Bangladesh, have increased by nearly 19 percent year-on-year as demand has outpaced supply following the government's ban on polythene bags.

Farmers in key jute-growing districts say that punishing heat during the March-April plantation period devastated seed germination.

Besides, low prices in previous years discouraged growers from cultivating as much jute as before, reducing overall acreage.

As a result, raw jute production is projected to decline to around 7,574,000 bales (one bale is roughly 182 kilogrammes) in the current fiscal year, compared to 8,414,000 bales the year prior, according to the Department of Jute.

The government's decision to ban polythene bags in superstores from October and nationwide from November 1 further contributed to the price hike.

According to jute growers and traders, the finest quality jute now costs around Tk 3,800 per maund (37 kilogrammes), up from Tk 3,200 last year. Medium-quality jute prices also shot up by Tk 600 per maund to Tk 2,600.

Arifujaman Chan, a jute trader from Kanaipur market in Faridpur, a major jute growing district in Bangladesh, said raw jute is being sold for between Tk 3,200 and Tk 3,800 per maund, depending on quality and colour, compared to Tk 2,600-Tk 3,200 last year.

Mohammad Mahmudur Nabi, a jute trader in Pabna, another key jute growing district, credited surging demand for the price increase.

However, many farmers could not fully capitalise on higher prices as they



sold their produce soon after the June-September harvest period since they incurred increased costs for agri inputs such as fertilisers and labour.

Panchanan Das, a jute trader from Jamalpur Jute Market in Rajbari district, said only 10-12 percent of farmers currently hold jute stocks. The rest, he said, has already been purchased by small traders.

Isarat Matubbar, a jute grower from Chotto Bahirdia village in Saltha upazila of Faridpur, said most local farmers sold their jute immediately after harvest at low prices, only holding on to a few maunds for later sale.

Matubbar said he recently sold three maunds of jute at Tk 3,800 each, which had encouraged him to go for jute cultivation again next year.

Nabo Kumar Kundu, a farmer at Rautara village in the southwestern district of Magura, cultivated jute on five bighas of land (one bigha is 1,338 square metres) this year, yielding 50 maunds of raw jute, down from 96 maunds last year.

"Although yields decreased this year,

fibre quality is much better," he said. "That is why we are getting good prices."

Zahid Sheikh, a 40-year-old jute grower from Hat Krishnapur village in Faridpur, said increased costs for fertiliser, irrigation and labour pushed cultivation costs to Tk 27,000-30,000 per bigha.

"This year, it cost us Tk 3,000 to produce a maund of jute. If prices remain at current levels, we can make a profit. However, if prices decline, jute cultivation in future will be difficult," he said.

Md Zahidul Islam, an assistant director at the Department of Jute in Faridpur, said farmers produced high-quality jute fibre this year, which commanded good prices.

Jahangir Hossain Mia, chairman of the Faridpur-based Karim Group, which owns a jute mill, said: "Mill owners want to ensure fair prices for farmers. If farmers receive fair prices, they will be encouraged to produce more jute. Increased jute production will enable mill owners to export jute products and keep mills running."

Importance of sustainability management

MAMUN RASHID

As the world faces pressing environmental and social issues while the business world continues to evolve, sustainability management has become an essential concept in modern business strategies. It integrates environmental, social and economic principles into decision-making, helping organisations reduce their negative impacts, enhance social welfare and ensure long-term financial health.

Sustainability management comprises three fundamental pillars – environmental stewardship, social responsibility and economic viability. Environmental stewardship focuses on minimising a company's ecological footprint. This includes efforts to cut carbon emissions, conserve natural resources, reduce waste and protect biodiversity.

Social responsibility refers to fair labour practices, promoting diversity and inclusion, community engagement and prioritising health and safety in the workplace. Companies that are committed to social responsibility work to build an inclusive and safe environment, offering fair wages and protecting worker rights. By supporting local communities through partnerships and philanthropy, businesses build positive relationships and contribute to social development.

Economic viability involves strategies that support financial growth while reducing risks associated with unsustainable practices. Sustainability-linked loans, green bonds and other forms of sustainable finance

enable businesses to secure funding tied to achieving specific sustainability targets. Companies that invest in sustainable practices often see cost savings, risk reduction and greater investor confidence.

The importance of sustainability management has escalated due to regulatory pressures, evolving consumer expectations and the

need for risk mitigation. Governments worldwide are implementing stricter regulations to address climate change, pollution and resource depletion. Modern consumers, investors and employees increasingly prioritise companies that operate transparently and ethically.

Several emerging trends are setting the course for the future of sustainability management:

Circular economy models: The shift from a linear model to a circular economy emphasises reducing waste and reusing materials. Companies are adopting closed loop systems that recycle materials back into production cycles, cutting waste and resource dependency. For instance, H&M's "Let's Close the Gap" initiative incentivises customers to return used clothing, which the company either refurbishes for resale or recycles into new products.

Digital and technological transformation: Tools like the Internet of Things (IoT), blockchain and artificial intelligence (AI) are enhancing transparency, enabling real-time monitoring and supporting predictive analytics. These tools help companies optimise resource usage, cut emissions, and improve supply chain accountability. For example, UPS's ORION system uses AI to optimise delivery routes, saving millions of gallons of fuel annually.

ESG integration and reporting: ESG metrics are becoming a core part of organisational strategies as investors and stakeholders use them to assess sustainability performance. ESG integration enhances corporate accountability, aligns with investor criteria and supports eligibility for sustainable financing. Companies that score well on ESG metrics often attract more investment, particularly from funds focusing on sustainable and responsible investments.

Renewable energy and decarbonisation commitments: With increasing pressure to reduce greenhouse gas emissions, companies are setting ambitious targets for decarbonisation. This includes investments in renewable energy, energy efficiency projects, and innovations like carbon capture. These efforts are supported by financial incentives and regulatory requirements that promote cleaner energy adoption.

The future of sustainability management will likely involve deeper regulatory alignment and collaborative approaches. Governments can support businesses by offering tax incentives, funding green projects and creating transparent guidelines, encouraging sustainable investments and growth. Moreover, collaborative efforts between industries, governments, and civil society are essential for tackling complex sustainability challenges.

The author is chairman of Financial Excellence Ltd

Crown Cement's profit plunges 89% in Jul-Sep

STAR BUSINESS REPORT

Crown Cement PLC's profit dropped sharply year-on-year in the first quarter of fiscal year 2024-25 as political unrest reduced its manufacturing capacity alongside earnings.

The cement producer recorded a massive 89 percent year-on-year decline in profit, which came to stand at Tk 3.77 crore.

This substantial drop has driven the company's earnings per share (EPS) down to Tk 0.25 from Tk 2.32 a year earlier, according to its unaudited financial statements.

The company cited political instability and severe floods as primary factors hindering sales, which resulted in the underutilisation of its manufacturing capacity.

Shares of Crown Cement started trading at Tk 53.30 on the Dhaka Stock Exchange yesterday and rose 0.75 percent to reach Tk 53.7 by the end of the day.

The cement manufacturer also faced a 1.74 percent decrease in net revenue, which totalled Tk 610.89 crore, as the sales volume dropped 2.45 percent.

Crown Cement cited weak market demand during the monsoon season and disruptions caused by political turmoil for the sales decline.

Consequently, gross profit shrank by 19.12 percent to Tk 89.28 crore, with low-capacity utilisation and higher depreciation further weighing on profitability.

Despite a decrease in raw material costs in the global market, Crown Cement's cost of goods sold rose 2.11 percent.

Bitcoin surges past \$82,000

REUTERS, London

Bitcoin soared to a record high above \$82,000 on Monday on expectations that cryptocurrencies will boom in a favourable regulatory environment following the election of Donald Trump as US president and of pro-crypto candidates to Congress.

The world's biggest and best-known cryptocurrency has now more than doubled from the year's low of \$38,505 and was last at \$81,991, having earlier touched a record high of \$82,413.

Trump embraced digital assets during his campaign, promising to make the United States the "crypto capital of the planet" and to accumulate a national stockpile of bitcoin.

"Bitcoin's Trump pump is alive and well... with Republicans on the cusp of taking the house to confirm a red wave in Congress, it seems the crypto crowd are betting on digital-currency deregulation," said Matt Simpson, senior market analyst at City Index, referring to Republican control of both houses.

While Simpson warned that Trump's near-term priorities are likely to lie elsewhere, crypto investors see an end to stepped-up scrutiny under US Securities and Exchange Commission Chair Gary Gensler whom Trump has said he will fire.



both the Democratic and Republican parties won in Michigan, West Virginia, Indiana, Alabama and North Carolina.

Trump also unveiled a new crypto business, World Liberty Financial, in September.

Although details about the business have been scarce, investors have taken his personal interest in the sector as a friendly signal. Billionaire Elon Musk, a major Trump ally, is also a proponent of cryptocurrencies.

Rupee slips to record low vs dollar

But avoids sharp losses on central bank intervention

REUTERS, Mumbai

The Indian rupee slipped to an all-time low on Monday, pressured by weakness in regional currencies and sustained outflows from local equities but central bank intervention helped avoid sharp losses, traders said.

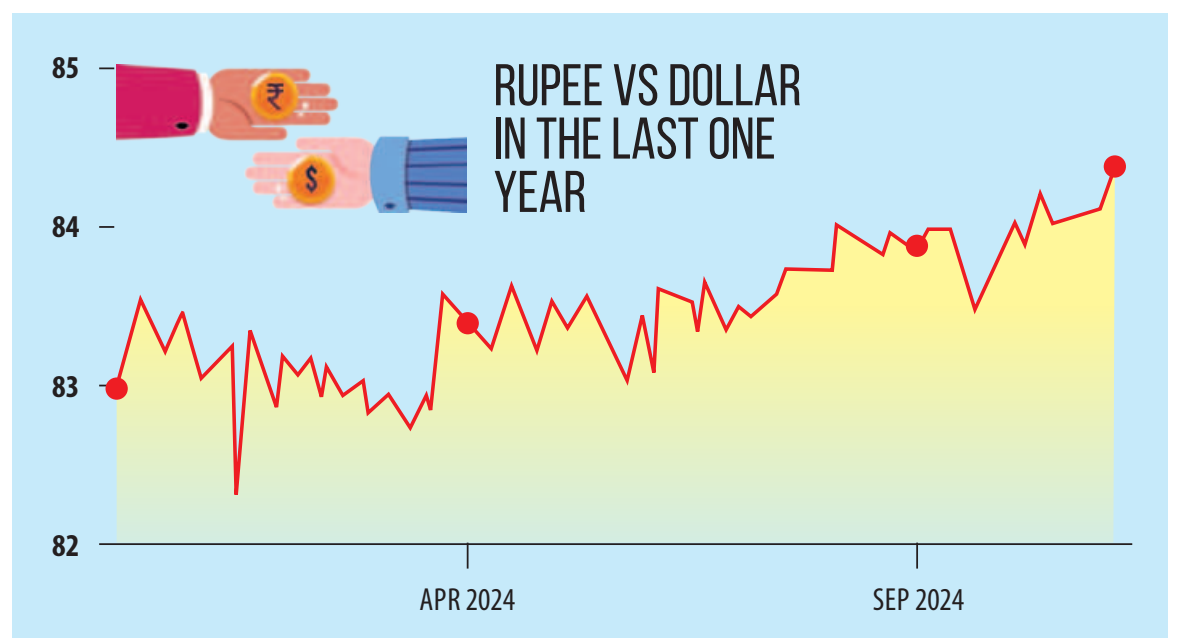
The currency ended at 84.3925, eclipsing its previous record low of 84.3875 hit last week. The currency was down 0.02 percent on the day.

Dollar demand from oil companies and foreign banks, likely on behalf of custodial clients, kept the rupee under pressure, a salesperson at a foreign bank said.

Overseas investors have pulled out a net of about \$2.5 billion from Indian stocks over November so far, adding to the \$11 billion of outflows in October.

Benchmark Indian equity indices, the BSE Sensex and Nifty 50, closed nearly flat on the day. Asian currencies were down between 0.1 percent to 0.6 percent while the dollar index was up 0.3 percent at 105.3, hovering close to a four-month high hit last week following Donald Trump's victory in the US election.

The offshore Chinese yuan, a closely-watched peer of the rupee,



was down 0.2 percent at 7.21. China unveiled a stimulus package on Friday which disappointed investors who had anticipated a greater fiscal push. Analysts expect Trump's policies to put upward pressure on US inflation and bond yields, while limiting the Federal Reserve's scope to ease policy.

"We see the dollar strengthening into year-end," ING Bank said in a note. The bank reckons the dollar index may consolidate in the 104.5-105.5 range before breaking higher.

US stocks closed higher Friday to end a stellar week as Donald Trump's election victory and a possible Republican Party sweep

in Congress fueled expectations for favorable business policies.

Meanwhile, dollar-rupee forward premiums declined with the 1-year implied yield dropping to an over two-month low of 2.10 percent, pressured by strong receiving interest from foreign banks.