

Star BUSINESS



Govt to lend Tk 60cr to Beximco to clear wages

STAR BUSINESS REPORT

The government will lend Tk 60 crore to Beximco from the national budget in a bid to help the troubled conglomerate clear wages for the month of October.

The labour and employment ministry will provide Tk 10 crore while the finance ministry will fund the rest, Labour Secretary AHM Shafiquzzaman said yesterday.

The issue of providing a loan to Beximco so its workers' wages can be cleared was also discussed at an advisory council meeting yesterday.

"We will disburse the loan as quickly as possible," Shafiquzzaman said.

The decision to lend to the much-discussed conglomerate was made on Tuesday evening in the face of continued demonstrations by workers at the Beximco Industrial Park.

Yesterday morning, workers of Beximco Group – which was forced to close 24 of its ventures following the political changeover in early August due to a lack of raw materials and funding – blocked the Dhaka-Tangail highway for a straight seventh day and demanded that outstanding salaries be cleared.

Beximco was forced to close 24 of its ventures following the political changeover in early August due to a lack of raw materials and funding

The industrial conglomerate, which employs roughly 40,000 people, landed in hot water after the arrest of its vice chairman Salman F Rahman, who served as private sector adviser to former prime minister Sheikh Hasina, who was ousted by a mass uprising on August 5.

Salman is alleged to have weaponised his political influence to take loans from banks, most of which have soured.

This led its main lender, Janata Bank, to stop disbursing fresh funds to the conglomerate.

Of the Tk 23,000 crore that Beximco borrowed from Janata Bank, Tk 19,000 crore turned sour in the July-September quarter.

Shafiquzzaman said they received a prayer for a loan from Beximco yesterday afternoon, adding that they would need some time to complete formalities.

"There are some procedures. We need to know about their collateral. Besides, an agreement is required between Beximco and the finance ministry," he said.

"Required time to process papers must be given."

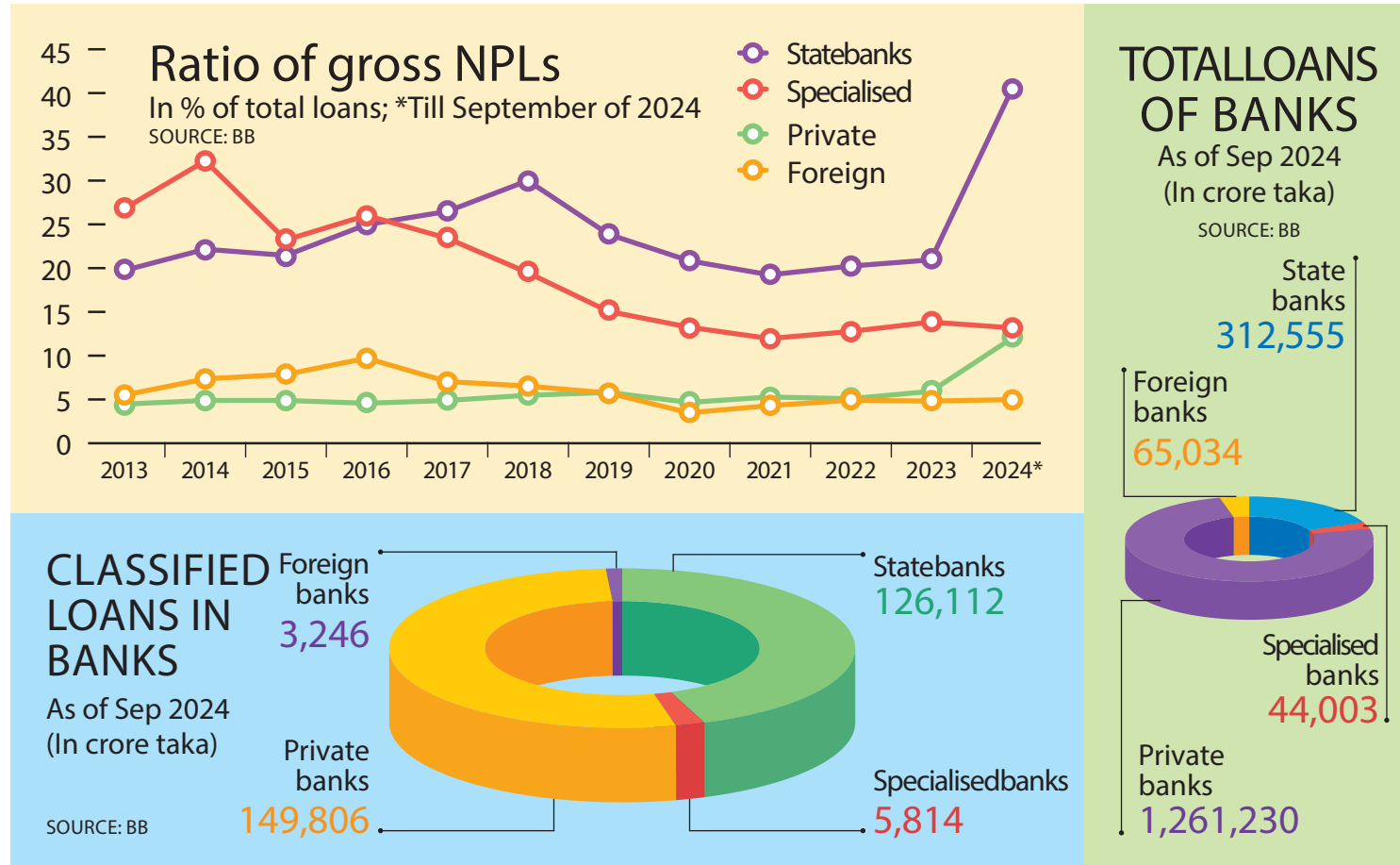
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STOCKS	
DSEX ▲	CASPI ▼
0.04%	0.12%
5,245.26	14,672.11

COMMODITIES	
Gold ▼	Oil ▲
\$2,623.02	\$69.75
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
Closed	▼ 0.16%	▼ 0.38%	▲ 0.66%
	38,352.34	3,743.64	3,367.99

Moody's downgrades Bangladesh banking rating to 'very weak'



AM JAHID

Moody's has downgraded Bangladesh's banking sector to "very weak" from "weak", citing worsening client confidence, limited transparency and inadequate financial safeguards over the past year.

The global credit rating agency, which provides financial analysis on various entities, revealed its positions on Bangladesh's banking sector on Tuesday – a day after it downgraded Bangladesh's sovereign rating to B2 from B1, shifting its outlook from stable to negative.

Top bankers translated the banking downgrade as an after-effect of the sovereign rating change and worsening operating conditions within the banking sector.

In plain terms, a weaker banking sector means a more difficult economic environment and more risks to banks.

The risks include increased financial instability, poorer growth prospects and higher default risks, all of which could negatively impact the creditworthiness and profitability of banks.

"We anticipate that the central bank's initiative to enhance asset quality recognition will cause a near-term surge in non-performing loans (NPLs) but contribute to greater systemic stability," Moody's said.

The ratings agency, however, said despite the increased risks to asset quality, the funding and liquidity of most rated banks have remained largely stable.

For the past several years, Bangladesh's banking industry has faced myriad crises

marked by rising NPLs, liquidity constraints and governance issues.

Bad loans hit a record Tk 284,977 crore as of September this year, mostly due to poor credit risk assessments, political meddling and lax regulatory enforcement under the previous Awami League regime.

Some private Shariah-based banks and a few state-owned banks were at the centre of controversy, becoming embroiled in massive loan irregularities often linked to companies

in the banking system.

"This is likely to increase the fiscal cost of banking sector reforms, which the government is currently reviewing with the IMF."

According to Moody's, banking governance challenges have in part contributed to asset quality issues in the banking sector. Besides, a deteriorating monetary policy framework undermines macroeconomic stability while challenging fiscal prudence.

Long-term ratings of six banks downgraded

Aside from the overall banking sector, Moody's also took a negative view of the six Bangladeshi banks it reviewed.

They are: BRAC Bank, City Bank, Dutch-Bangla Bank, Eastern Bank, Mercantile Bank and Premier Bank.

The agency said it downgraded BRAC Bank's long-term local currency and foreign currency deposit ratings from B1 to B2.

Besides, Mercantile Bank and Premier Bank's long-term local currency and foreign currency deposit ratings were demoted from B2 to B3.

However, the ratings agency affirmed the B2 long-term local currency and foreign currency deposit ratings of City Bank, Eastern Bank and Dutch-Bangla Bank.

"At the same time, we have changed the outlook on the long-term deposit ratings of all six banks from stable to negative," Moody's said.

Md Mahbubur Rahman, additional managing director and chief financial

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How some non-banks tamed bad loans

AM JAHID

When most non-bank financial institutions (NBFI) in Bangladesh are in hot water with high ratios of non-performing loan (NPL), a handful have been successfully able to keep the rate low.

Good governance, selection of diligent borrowers and proper risk management have helped secure the low ratio, according to top executives of the NBFIs.

While the average NPL ratio of the country's 35 NBFIs rose to over 33 percent as of June this year, it was around or less than 10 percent for eight, according to Bangladesh Bank data.

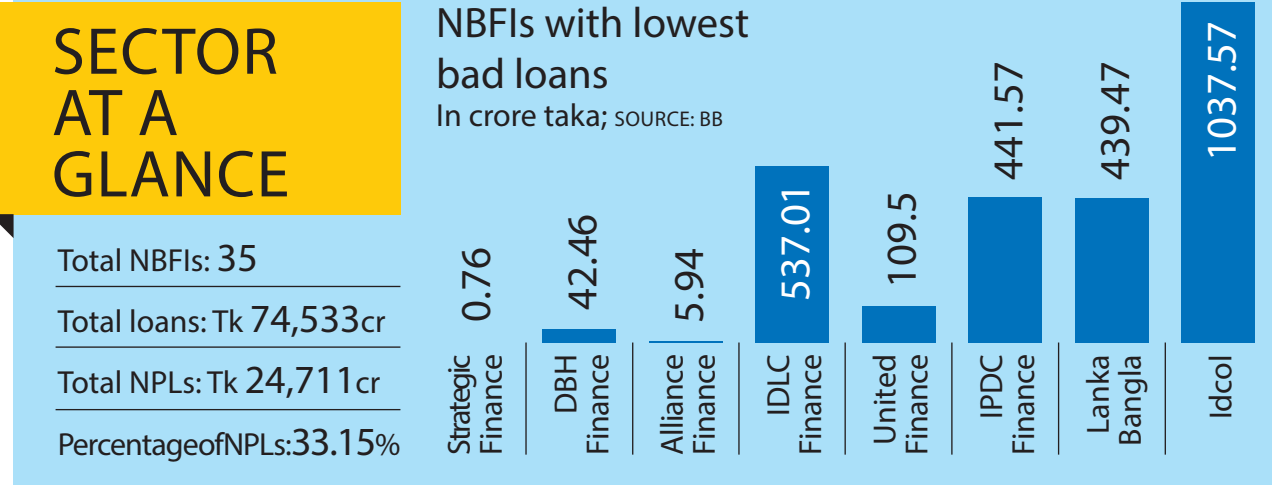
Furthermore, five of these NBFIs registered NPL ratios of around or less than 5 percent.

For example, the NPL ratio of Strategic Finance was 0.67 percent.

Besides, the NPL ratio of DBH Finance and Alliance Finance, which was previously known as Lankan Alliance, stood at 0.96 percent and 1.22 percent respectively.

Alliance Finance's loan portfolio was to the tune of Tk 488 crore while that of DBH Finance was Tk 4,443 crore.

Meanwhile, IDLC Finance and United Finance had NPL ratios of 4.71 percent and 5.13 percent respectively.



The IDLC and United's loan portfolios amounted to Tk 11,403.83 crore and Tk 2,133.75 crore respectively. IPDC Finance registered an NPL ratio of 6.41 percent with a total outstanding loan of Tk 6,893.21 crore.

Lanka Bangla had an NPL ratio of 7.42 percent with outstanding loans of Tk 5,926.7 crore.

The NPL ratio of Infrastructure Development Company Limited was 10.55 percent while its loan portfolio stood at Tk 10,176.98 crore.

The important factors are the

selection of diligent borrowers, proper risk management, adequate industry knowledge, robust compliance culture and, most importantly, well-trained employees, said Kanti Kumar Saha, vice chairman of the Bangladesh Leasing and Finance Companies Association (BLFCA).

For example, Alliance Finance, a joint venture finance company between Bangladesh and Sri Lanka, hired professional people in the top management, he said.

These people have experience

working in multinational organisations, and they try to bring the global best practices in their work culture, he said.

In addition, the company continuously arranges trainings for employees to improve their skill sets in order to cope with the ever-changing challenges of businesses as well as the financial sector, Saha said.

Besides, the directors are highly educated and financial sector specialists at home and abroad.

They put the highest priority on

good governance and refrained from interfering in the management process in order to build up a premier and sustainable finance company with the help of innovation and technology, he added.

Talking to The Daily Star, Anis A Khan, a distinguished banker and financial professional, reflected on his experience as managing director and CEO of IDLC for six years and chairman of the BLFCA.

He highlighted the importance of good governance.

"In those days, NBFIs such as IDLC and IPDC demonstrated strong governance practices," he said.

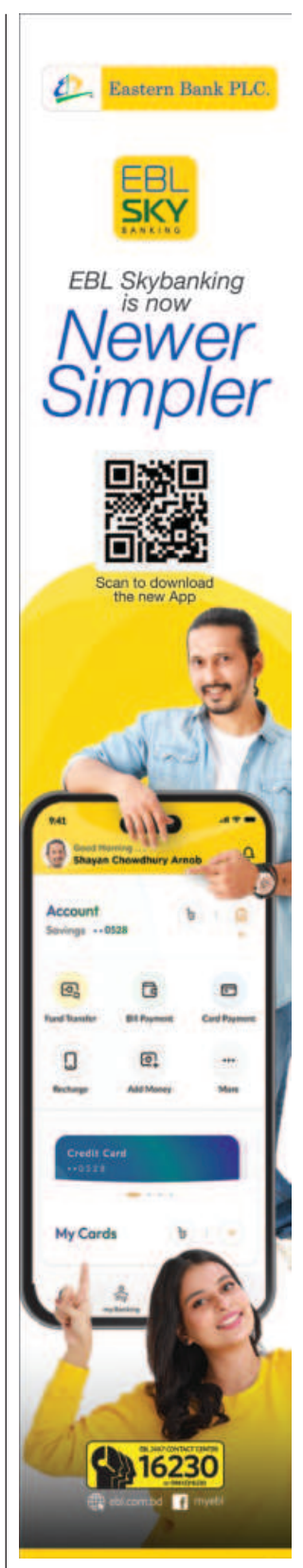
Khan, also a former chairman of the Association of Bankers Bangladesh, emphasised that effective corporate governance was the cornerstone of their success.

First and foremost, the board members must avoid issues that lead to a conflict of interest, such as taking loans under their names or supporting dubious business proposals, he said.

Secondly, Khan stressed on the significance of a robust credit administration, drawing from his experience at Standard Chartered Bank in Dubai.

He pointed out that strong credit risk management, strict loan appraisal

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Limit raised for forex endorsement by money changers

STAR BUSINESS REPORT

Bangladesh Bank (BB) has doubled the limit for the endorsement of foreign currencies at money exchange houses for travels abroad.

From now, a traveller can endorse a maximum of \$2,000, or an equivalent amount in other foreign currencies, at money changers, the central bank said in a circular on Tuesday.

The limit was previously \$1,000.

Earlier, a traveller could purchase a maximum of \$1,000 from money changers in a year, while the rest had to be bought from banks.

"We have increased the endorsement amount for the convenience of Bangladeshis going abroad," said a senior official of the BB.

"Now, one person will be able to buy up to \$2,000 in cash from a money changer," he said.

Officials said a Bangladeshi can take a total of \$12,000 abroad in a calendar year for travels.

Earlier, a traveller could purchase a maximum of \$1,000 from money changers in a year, while the rest had to be bought from banks.

In its circular, the BB said the limit on US dollar sales would not be applicable for Hajj pilgrims. Money exchange houses can offer foreign currencies as per the Hajj policy of the government.

BRAC Bank achieves Tk 10,000cr deposit growth in Jan-Oct

STAR BUSINESS DESK

BRAC Bank's branch network has achieved a milestone by making a net deposit growth of Tk 10,000 crore within the first ten months of 2024.

Despite a challenging economic environment, the bank obtained this impressive growth driven by the lender's strong market presence and customer trust, said a press release.

The bank organised a special event, styled "10 on 10", at its head office in the capital's Gulshan to celebrate this achievement. Selim RF Hussain, managing director and CEO of the bank, inaugurated it.

Commenting on the achievement, Hussain said, "Strong customer engagement and relationships have been at the heart of our success in mobilising customer deposits."

"Continuous efforts to expand our branch network, enhanced customer services, and cutting-edge digital banking solutions have driven this growth."

"We are confident this momentum will propel us towards greater success in the coming years," he added.

BRAC Bank remains committed to sustaining its growth trajectory by leveraging its strong branch network, customer trust, and digital innovations.

The bank will continue to prioritise enhancing customer satisfaction as it looks forward to achieving new milestones.



Selim RF Hussain, managing director and CEO of BRAC Bank PLC, and Sheikh Mohammad Ashfaque, deputy managing director and head of branch distribution network, attend a special event, styled "10 on 10", to celebrate a deposit growth achievement of the bank at its head office in the capital's Gulshan recently. PHOTO: BRAC BANK

Jashim made Bangladesh Development Bank MD

STAR BUSINESS DESK



Md Jashim Uddin was appointed as managing director and CEO of Bangladesh Development Bank PLC yesterday.

Prior to joining his new assignment, Jashim Uddin had been working at Janata Bank PLC as deputy managing director, the bank said in a press release.

He started his professional banking career at Janata Bank as a senior officer in 1988 and worked in different capacities.

He served as the manager of various branches of the bank, zonal head, head of divisional offices and general manager of various departments at the head office.

He previously served in Karmasangsthan Bank as deputy managing director.

He obtained his bachelor's and master's degrees in economics from the University of Dhaka and did an MBA from the Ahsanullah University of Science and Technology.

Gold prices ease

REUTERS

Gold prices eased from a one-week high on Wednesday as the dollar strengthened, though safe-haven demand linked to Russia-Ukraine tensions helped cap further losses.

Spot gold was down 0.3 percent at 2,623.48 per ounce, as of 1047 GMT, after hitting its highest levels since Nov. 11 earlier in the session. US gold futures dropped 0.2 percent to \$2,626.80.

The US dollar rebounded after hitting a one-week low. A stronger US currency makes bullion more expensive for overseas buyers.

Bank Asia wins SAFA award for best-presented annual report

STAR BUSINESS DESK

Bank Asia PLC recently won "SAFA Best Presented Annual Report Award 2023" for integrated reporting among all the participating institutions.

Rume A Hossain, director and chairman of the executive committee of the bank, and ANM Mahfuz, additional managing director, received the award and certificate from Nandalal Weerasinghe, governor of the

Central Bank of Sri Lanka, at a ceremony in Colombo.

In addition, the bank achieved "Certificate of Merit" among private sector banks and "SAARC Anniversary Award" for corporate governance, the bank said in a press release.

Winning such accolades is a testament of Bank Asia's commitment for greater transparency and accountability towards its stakeholders, it added.



Rume A Hossain, director and chairman of the executive committee of Bank Asia PLC, and ANM Mahfuz, additional managing director, receive awards and certificate from Nandalal Weerasinghe, governor of the central bank of Sri Lanka, at a ceremony in Colombo recently. PHOTO: BANK ASIA

Prime Bank signs deal with Concord Architects & Interior Decor

STAR BUSINESS DESK

Prime Bank PLC recently signed an agreement with Concord Architects & Interior Decor Limited, an interior design firm in Bangladesh.

Md Nazeem A Choudhury, deputy managing director of the bank, and Anup Kumar Sarkar, chief marketing officer of Concord Group, penned the deal at the bank's corporate office in the capital, said a press release.

Under this agreement, the bank's cardholders will enjoy exclusive benefits on

design consultancy services and execution from the interior design firm.

Besides, cardholders can experience special discounts on stays at Fantasy Kingdom and Foy's Lake Resort, perfect for family vacations and relaxing getaways.

Mamur Ahmed, head of liability of the bank, Hossani Mohammad Zakaria, head of customer proposition, and Md Nazmul Islam (Tanim), manager for sales and marketing of the interior design firm, Md Majher Ali Hemu, senior executive for brand marketing, along with other senior officials from both the organisations were also present.



Md Nazeem A Choudhury, deputy managing director of Prime Bank PLC, and Anup Kumar Sarkar, chief marketing officer of Concord Group, pose for photographs after signing an agreement at the bank's corporate office in the capital recently. PHOTO: PRIME BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (NOV 20, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 68-Tk 80	2.78 ↑	8.03 ↑
Coarse rice (kg)	Tk 52-Tk 55	1.90 ↑	4.90 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	4.88 ↑	0
Soybean (litre)	Tk 170-Tk 172	10.68 ↑	12.13 ↑
Potato (kg)	Tk 65-Tk 75	21.74 ↑	47.37 ↑
Onion (kg)	Tk 130-Tk 140	12.05 ↑	14.89 ↑
Egg (4 pcs)	Tk 48-Tk 50	-2.00 ↓	18.07 ↑

SOURCE: TCB

Pubali Bank receives accolades at Mastercard Excellence Awards

STAR BUSINESS DESK

Pubali Bank PLC recently won two awards in different categories at the Mastercard Excellence Awards in recognition of the bank's contributions to fostering financial inclusion and building a robust digital economy.

Mastercard, the US-based payment solutions provider, awarded the commercial lender in "Excellence in Mastercard Debit Business (International) 2023-24" and "Excellence in Mastercard Business Growth (Acquiring) 2023-24" categories.

Mohammad Ali, managing director and CEO of the bank, received the awards from Ahsan H Mansur, governor of the Bangladesh Bank, at the Radisson Blu Dhaka Water Garden in the capital, the bank said in a press release.

Pubali Bank remains steadfast in its commitment to promoting ethical and sustainable banking practices.

The bank is advancing its services in the digital banking sector with innovative initiatives.

Trishita Maula, acting deputy chief of mission at the US Embassy in Dhaka, and Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, attended the event as special guests.



Mohammad Ali, managing director and CEO of Pubali Bank PLC, receives an award from Ahsan H Mansur, governor of the Bangladesh Bank, at the Mastercard Excellence Awards at the Radisson Blu Dhaka Water Garden in the capital recently. PHOTO: PUBALI BANK

Inditex boosts fast fashion

FROM PAGE B4

Transport accounted for 12.1 percent of its total emissions in 2023, up from 8.4 percent in 2022, though Inditex said changes in its reporting methodology made the 2023 figures not comparable with 2022.

Inditex's target is to halve Scope 3 emissions - which includes transport - by 2030 compared with their 2018 level. Last year, however, such emissions totalled 16,418,450 metric tons of CO2 equivalent - a 0.2 percent increase on the 2018 figure.

An Inditex spokesperson said the company is working hard to reduce emissions through measures like alternative fuels, optimising routes, and occupancy levels.

Rising transport emissions would force Inditex to seek greater reductions in other parts of its supply chain, such as material production and processing, to meet its goal.

At its annual shareholder meeting in July, a group of investors in the "Shareholders for Change" network called on the management to provide detailed figures on its air freight emissions and present strategies to cut them.

But other investors told Reuters they supported Inditex's use of air freight to avoid shipping-related delays that could force it to resort to costly discounts to clear excess stocks.

"In the short term, we would rather Inditex do what's necessary to continue to support the profitability of the business and their ability to continue to generate cash, as long as they're still able to bring down their overall greenhouse gas emissions," said Nick Clay, portfolio manager of the Redwheel Income Strategy in London, which owns Inditex shares.

Trump may unleash

FROM PAGE B4

"Consumption will remain lacklustre due to wealth effects from falling property prices and rising unemployment. Infrastructure investment will drive a moderate fixed asset investment recovery, though private investment lags."

A strong majority of economists, or 19 of 23 who responded in the poll, said the recent fiscal and monetary stimulus measures announced by the Chinese government have had little impact on the economy and more stimulus is needed. Only four said that these measures would boost economic growth.

Chinese authorities hope the burst of stimulus unveiled since late September would help the economy reach a government growth target of around 5 percent this year.

China is likely to unveil fresh stimulus measures in the coming weeks to help cushion the economy

from any trade tensions with the United States, say analysts, who expect the economy's slowing trajectory will continue despite policy support.

"We think the Chinese government still has time to monitor and react to the US policy and its effect on China growth and then introduce policy responses at a later stage," said Jian Chang, chief China economist at Barclays.

Economists polled by Reuters have also lowered their consumer price inflation forecasts to 1.1 percent for next year and 1.4 percent for 2026, down from the previously expected 1.4 percent and 1.6 percent in the October survey.

The People's Bank of China is expected to cut its key policy rate - the seven-day reverse repo rate - by 20 basis points to 1.30 percent early next year, with an additional 10 basis point reduction in the second half, according to the poll.

House Building offers Islamic finance for rural housing

STAR BUSINESS DESK

Bangladesh House Building Finance Corporation (BHBFC) recently launched the second phase of the "Rural and Peri-Urban Housing Finance Project" at the InterContinental Dhaka.

The project is expected to be completed by fiscal year 2028-29. Finance Adviser Salehuddin Ahmed inaugurated the project as the chief guest, the corporation said in a press release.

The BHBFC recently signed an agreement with IsDB in Jeddah, Saudi Arabia under which the BHBFC secured a funding equivalent to 270 million euros (Tk 3,171 crore).

Of this amount, 67 million euros have already been disbursed to the BHBFC.

The finance adviser expressed his gratitude to the authorities of BHBFC and IsDB for taking the initiative to provide Shariah-compliant investment in rural and peri-urban areas for housing construction. Salehuddin emphasised the importance of reducing the rural-to-urban migration trend by narrowing the gap between villages and cities.

He urged the relevant stakeholders to take initiatives to ensure balanced development of

the country by enhancing civic amenities in rural areas alongside urban centres.

The BHBFC's Shariah-based housing investment project is funded by the Islamic Development Bank (IsDB), an international

development partner.

The first phase of the project, which began in the FY 2018-19, was successfully completed and the second phase officially commenced with this inaugural event.



Finance Adviser Salehuddin Ahmed cuts a ribbon to inaugurate the second phase of the Rural and Peri-Urban Housing Finance Project of the Bangladesh House Building Finance Corporation at the InterContinental Dhaka recently. PHOTO: BHBFC



Minhaz Mannan Emon

Minhaz made DSE director

STAR BUSINESS REPORT

Minhaz Mannan Emon, managing director of BLI Securities, has been elected as a shareholder director of the Dhaka Stock Exchange (DSE) for a three-year term.

Emon will be replacing Sharif Anwar Hossain, managing director of Sahidullah Securities, who is retiring from the DSE board in line with the demutualisation scheme, the DSE said in a press release.

The newly elected director will join the 13-member board at the DSE's 63rd annual general meeting scheduled to be held on December 19 this year.

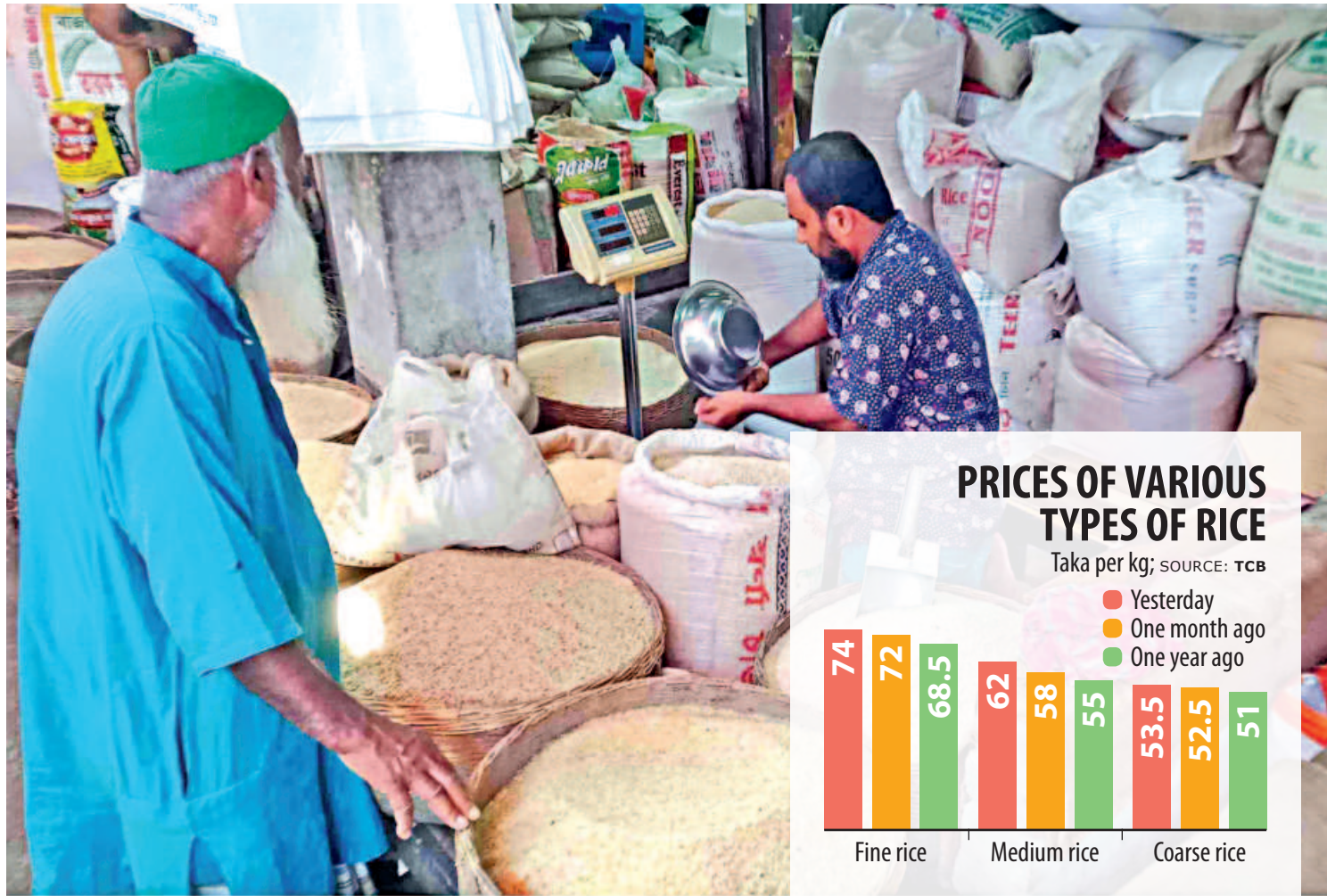
Emon was first elected as a director in March 2012 and served until June 2014. Later, he was re-elected in March 2018 and served until September 2020.

He is currently serving as the proprietor and managing director of Platinum Securities Limited, a corporate member of the Chittagong Stock Exchange, the press release added.

Bitcoin breaches \$94,000 for first time

REUTERS, Singapore

Bitcoin rose to a record high above \$94,000 as a report that Donald Trump's social media company was in talks to buy crypto trading firm Bakkt added to hopes of a cryptocurrency-friendly regime under the incoming Trump administration.



277 firms allowed to import 14.81 lakh tonnes of rice

SUKANTA HALDER

The interim government of Bangladesh has allowed 277 private entities to import 14.81 lakh tonnes of rice as it looks to contain domestic prices of the staple grain by increasing stocks.

Of the total, 10.65 lakh tonnes will be boiled rice while the rest will be sunned rice, according to documents of the food ministry. Sunned rice, called "Atap chal" in Bangla, refers to grains that have been derived from paddy dried under the sun instead of being boiled.

The import permission was granted over the past couple of weeks.

Lutfur Rohman, joint secretary to the food ministry, told The Daily Star that the deadline for applying to import rice ended on November 17.

"Now, the government will let these 277 entities import rice in four phases. If necessary, permission will be given to import more rice based on the market situation," he said.

The retail price of rice has been rising ever since severe flooding across the country's northeastern region impacted Aman paddy cultivation in August.

So, to prevent further hikes in prices due to reduced yields of the country's second-largest rice crop, the interim government is trying to encourage imports and boost local stocks.

As per data of the Department of Agricultural Extension, two recent floods between August 16 to October 15 have disrupted the production of 8.39 lakh tonnes of rice.

At markets in Dhaka yesterday, fine rice was selling for Tk 68 to Tk 80 per kilogramme (kg) while medium grade rice was priced at Tk 59 to Tk 65 per kg.

Meanwhile, the cost of coarse rice was Tk 52 to Tk 55 per kg, according to data of the state-run Trading Corporation of Bangladesh (TCB).

The price of fine rice has increased by 2.78 percent over the past month, while that of medium grade rice by 6.90 percent and coarse rice by 1.90 percent.

In terms of annual growth, the price of fine rice has increased by 8.03 percent since 2023 while that of medium grade rice edged up by 12.73 percent and coarse rice by 4.90 percent.

Chitta Majumder, managing director of the Majumder Group of Industries, which imports rice from India apart from purchasing it from domestic sources for milling, said they got permission to import 80,000 tonnes of rice.

The food ministry's directive regarding rice imports in the current phase requires the importers to market the rice all over the country by December 22.

In addition, information on the quantity of rice being imported and its storage and marketing must be conveyed to the district

food controller. Furthermore, the importer cannot use the related import permit to import more rice than that allocated.

Lastly, the imported rice cannot be repackaged under the name of any other organisation, and it must be sold in imported sacks.

On October 29, the Bangladesh Trade and Tariff Commission (BTTC) requested the government to temporarily withdraw the import duty on rice to increase the supply and thereby contain prices.

Then on November 1, the National Board of Revenue decided to withdraw all import duties and issue a statutory regulatory order to this end.

According to the Bangladesh Bureau of Statistics (BBS), food inflation has remained above 10 percent for six consecutive months since April this year.

Low and middle income earners in the country have been bearing the brunt of persistent inflation since March 2023, with overall inflation hovering above 9 percent.

In October this year, inflation hit a three-month high of 10.87 percent, driven by soaring food prices, particularly for rice and vegetables, the BBS data showed.

Bangladesh annually needs about 3.7 to 3.9 crore tonnes of rice, most of which are met through domestic production. Bangladesh did not import any rice in fiscal year 2023-24.

Mansur attending central bank policy confce in India

STAR BUSINESS REPORT



Bangladesh Bank (BB) Governor Ahsan H Mansur went on a visit to India yesterday to attend a high-level policy conference of central banks from the Global South.

Two other members of the central bank are accompanying Mansur during the visit. They are Deputy Governor Md Habibur Rahman and Executive Director Md Ezazul Islam.

The Reserve Bank of India (RBI), the central bank of India, organised the three-day conference, which began yesterday.

High level officials of central banks from different countries are attending the RBI conference. They will discuss various issues, including balancing growth and inflation in the Global South, monetary policy communication and expanding digital payment and its impacts on the economy.

Sharing experience and policy perspective, reserve management for the new global financial order and best practices in regulation and emerging challenges are also on cards.

The BB governor is expected to attend a panel discussion tomorrow.

He will leave India for Bangladesh on November 23, said officials of the central bank.

Gree Global's assistant president to visit Bangladesh

STAR BUSINESS DESK



Kevin Bai, assistant president of Gree Global, will begin a visit to Bangladesh on November 22.

Bai will stay in Bangladesh for four days, accompanied by other delegates from the Gree headquarters in China, according to a press release.

Bai will be engaged in different activities and visit Gree's manufacturing plant in Narayanganj district's Sonargaon upazila.

He is also expected to attend the "Gree Business Meet 2025" event in Dhaka as well as different meetings and seminars to exchange his views and share upcoming state-of-the-art technologies for the Bangladesh market.

At present, there are more than 75 flagship showrooms and sales centres and more than 2,000 partner outlets and showrooms across the country, with above 50 after-sales service centres and more than 5,000 well-trained technicians.

Gree started its journey in Bangladesh in 1999. Electro Mart Group is the sole partner of Gree Global.

Stocks rise marginally after 3-day fall

STAR BUSINESS REPORT

Major indexes of the stock markets in Bangladesh rose marginally yesterday, snapping a three-day losing streak, as investors cautiously traded shares amidst intense political and economic uncertainties.

Recent news over the downgrading of the country's sovereign rating by Moody's and the banking sector's non-performing loans reaching record highs further heightened apprehensions among investors.

As a result, the market witnessed a thin participation of the investors, who cautiously traded on selective shares to pocket short-term gains amidst price fluctuations.

Both the bourses of Dhaka and Chattogram witnessed massive sales requests as the investment climate has remained unresponsive amidst the downward trend.

The DSEX, the broad index of Dhaka Stock Exchange (DSE), the country's premier bourse, went up by 2.60 points, or 0.05 percent, from that on the previous day before closing at 5,245.

The other two indices of the DSE experienced a mixed performance.

The DSES, the Shariah based index, rose by 8.59 points, or 0.74 percent, to 1,162.

However, the DS30 index for the blue-chip firms fell by 8.26 points, or 0.42 percent, to 1,934.

At Chittagong Stock Exchange, the CSE All-Share Price Index (CASPI) saw a similar falling trend as the prime index of the port city bourse edged down by 18.93 points, or 0.13 percent, to settle at 14,672.

Out of the 379 scrips that changed hands at the DSE, 113 saw a rise in prices, 183 closed lower and the remaining 83 did not see any price movement.

Turnover, which measures the cumulative value of the shares traded, decreased by 23.65 percent at the DSE to stand at Tk 393 crore.

The market witnessed a thin participation of the investors, who cautiously traded on selective shares to pocket short-term gains amidst price fluctuations

The banking sector dominated the turnover chart, accounting for 17.14 percent of the total.

Block trades, meaning high-volume transactions in securities that are privately negotiated and executed outside the open market, contributed another 4.8 percent.

Taufika Foods and Lovello Ice-cream PLC emerged as the most traded share, with a turnover of Tk 13.4 crore. Sector-wise, non-bank financial institutions (NBFIs),

banking and telecom were the top three to close in the positive, according to the daily market update by UCB Stock Brokerage.

Jute, general insurance and food and allied became the top three to close in the negative.

Large-cap sectors, which comprising companies with high market capitalisation, which refers to the value of their outstanding shares, posted a mixed performance, according to BRAC EPL Stock Brokerage.

The NBFIs experienced the largest gain of 5.23 percent, followed by banking (0.63 percent), telecommunication (0.46 percent) and pharmaceuticals (0.02 percent).

However, engineering suffered a loss of 0.24 percent, followed by fuel and power (0.59 percent), and food & allied (2.31 percent).

LankaBangla Financial Portal said investors were largely interested in Islami Bank Bangladesh, Square Pharmaceuticals, Grameenphone, Beacon Pharmaceuticals, Al-Arafah Islami Bank, Shahjalal Islami Bank, DBH Finance, Fine Foods, Taufika Foods and Lovello Ice-cream and Prime Bank.

However, shares of BAT Bangladesh, Beximco Pharmaceuticals, Paramount Textiles BRAC Bank, Olympic Industries, IFIC Bank, Bangladesh Shipping Corporation, Delta Life Insurance, ADN Telecom and Navana Pharma suffered losses.

Govt to lend Tk 60cr

FROM PAGE B1

Workers should not demonstrate after the government has assured them that their dues will be cleared," he added. "If they don't have confidence in the government, I have nothing to say."

Shafiquzzaman also said he was informed that two of Beximco's factories resumed production yesterday.

Osman Kaiser Chowdhury, director of finance and corporate affairs at Beximco Group, said they submitted necessary documents to the labour ministry to fast-track the release of the funds.

"We expect to receive a portion

of the funds today (Wednesday) and the rest by next Sunday," Chowdhury said, adding that they would clear arrears immediately after getting the money.

However, he said they would be unable to restart all manufacturing units unless the problems related to opening letters of credit for raw material imports can be resolved.

According to him, they are negotiating with the government and Bangladesh Bank to resume the operation of the factories.

If the government provides the necessary funds, they will resume the operation after importing the required raw materials, he said.

At a press briefing at the Foreign Service Academy yesterday, Local Government Adviser Asif Mahmud Sajeb Bhuyian said the government has already paid two-month salaries to the agitating workers of Beximco Group.

A high-powered committee will be formed to assess the Beximco factories having no capacity to deliver orders and export. In such cases, the government will announce the closure of such factories.

"The problems cannot continue endlessly. After assessment, we will provide compensation to the worker and consider closing them," he added.

How some non-banks

FROM PAGE B1

processes, and regular borrower monitoring, including site visits, are critical for ensuring proper use of loans.

Thirdly, he suggested that the NBFIs support borrowers facing genuine difficulties due to external factors, such as commodity price fluctuations or unforeseen events, helping them recover and sustain their businesses.

"These three ingredients are very important," he said.

Fourthly, Khan urged the NBFIs

to take strict measures against willful defaulters, including legal measures and asset sales.

For defaulting companies that remain operational, he proposed facilitating mergers or acquisitions with other businesses in the same industry in order to recover the NPLs.

However, he acknowledged the challenges, such as lengthy periods required, in recovering the NPLs through courts.

Still, he urged for the NBFIs to engage skilled lawyers and persistently pursue their cases.

Moody's

FROM PAGE B1

officer of City Bank, said: "We observed that Moody's is concerned about the recent political developments in Bangladesh and subsequent consequences. This concern has been reflected in the rating downgrade for the country."

He said the negative rating action against the six banks is an after-effect of the sovereign rating change.

As for City Bank, Moody's affirmed its B2 rating, the same as last year, Rahman added.

He attributed political instability, slower economic growth, liquidity concerns and deteriorating asset quality and foreign currency reserves as having an impact on the long-term outlook for the six banks.

"Such rating actions may adversely impact overall trust, investor interest and pricing of foreign funds for the banking sector as a whole. But the impact will vary from bank to bank."

"Bangladesh's sovereign rating cut contributed to the bank rating downgrade," said Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank.

He said all the six banks have been performing better over the years. It is not an issue with the commercial lenders, rather an impact stemming from the country ratings.

Focus now

FROM PAGE B4

The assessment should incorporate the deleterious effects of unwanted or excessive sound on human health, wildlife, and environmental quality, he said.

Environment conservation gets a lot of focus prior to the implementation of big projects but get forgotten afterwards, he said, citing his experience.

Kabir also suggested conducting proper feasibility studies beforehand to prevent the wastage of public money.

The environmental and social impact assessment provided an

18 point recommendation.

They include adopting air, water and emission quality monitoring programmes, establishing a fully functional and cost-effective central effluent treatment plant and energy-efficient structures, and use of low-emission building materials.

At least 10 million people will benefit directly and indirectly from the NSEZ, on condition the recommendations are adopted, the assessment said.

Abdullah Al Mahmud Faruque, project director of the NSEZ, and Saleh Ahmed, executive member of Beza, were present.

Social Islami Bank has no 'untraceable' loans

Says new chairman of the Shariah-based lender in an interview

MD MEHEDI HASAN

Social Islami Bank PLC stands out among crisis-hit banks with no "untraceable" loans, a factor that will catalyse its swift recovery, according to M Sadiqul Islam, the new chairman of the Shariah-based lender.

Following the fall of the Sheikh Hasina-led Awami League government on August 5, the Bangladesh Bank dissolved the S Alam Group-dominated board of Social Islami Bank, along with more than ten other banks, and formed a new board. M Sadiqul Islam, a professor at the Department of Finance at the University of Dhaka, was appointed as an independent director and chairman of the new board.

In a recent interview with The Daily Star, Islam emphasised that all loans of Social Islami Bank are traceable, a significant advantage compared to other



M Sadiqul Islam

SOCIAL ISLAMI BANK: ATAGLANCE (As of Nov 17)

- Number of branches: 180
- Number of sub-branches: 236
- Number of agent outlets: 374
- Number of ATMs: 224
- Total deposit: Tk 32,272 cr
- Total investment: Tk 37,534 cr

struggling banks. Despite this, the bank is grappling with a liquidity crisis, with some branches unable to repay depositors.

"Our primary task is to address the liquidity shortfall, as it is unacceptable for branches to be unable to repay depositors," Islam stated, attributing the crisis to loan irregularities. The bank's

investment-to-deposit ratio (IDR) exceeds 100 percent, but the liquidity shortfall is gradually improving.

As of November 17, the bank's total deposits stood at Tk 32,272.45 crore, while total investments were Tk 37,534.59 crore. Islam said the bank's loan exposure to the S Alam Group is relatively low at Tk 6,400 crore, compared to other banks where the Chattogram-based conglomerate holds majority shares. The bank's exposure to the Sikder Group is Tk 2,000 crore, and efforts are underway to recover these loans.

Islam expressed confidence in recovering loans from the S Alam Group, as its units are operational. By October, the bank had recovered Tk 1,075 crore from borrowers and is in contact with large borrowers for further recovery. However, the bank has no immediate plans to file cases against borrowers, as this could hinder their ability to secure loans from other banks and potentially shutter their businesses.

"Sometimes loans cannot be recovered

even by selling mortgages. Loans must be recovered by keeping businesses running. If businesses can operate, they will create jobs and we will get our money back," Islam said.

Bringing discipline to the bank is the second priority of the reconstituted board. Last month, the bank sacked 579 employees appointed by the former board controlled by the S Alam Group. "The bank had excess manpower, almost twice what was needed, as the previous board appointed many officials without following any criteria. Those appointments were illegal," Islam said, adding that the terminations were necessary to reduce operating costs and improve the bank's financial health.

The new strategy focuses on shifting from high-cost deposits to low-cost ones and setting a lending strategy targeting SMEs and micro-financing, as their repayment attitudes are better than large businesses. The bank launched a campaign in early November to mobilise

deposits, addressing liquidity crises in around 40 branches and sub-branches. "The situation is gradually improving," Islam said.

Social Islami Bank operates 180 branches, 236 sub-branches, 374 agent banking outlets, and 224 ATM booths. The Shariah-based lender's campaign, titled "Building a Stronger Tomorrow," runs from November 3 to December 20, 2024, aiming to increase deposits and strengthen recovery initiatives.

Discussing loan irregularities during the previous board's tenure, Islam highlighted significant anomalies, such as violating the single borrower exposure limit and exceeding the investment-to-deposit ratio. "There are foreign dues related to letters of credit that must be paid now. If we do not settle these overdue payments, the bank will be blacklisted," he warned.

The bank's current account deficit with the central bank was Tk 3,400 crore, high relative to the bank's size. An internal audit revealed significant loan irregularities and anomalies, prompting the board to plan for an external audit.

Islam identified inflationary pressure as a major economic challenge, noting that the central bank has no option but to increase the policy rate. "When interest rates rise, demand for domestic credit falls. This is the reality," he said.

While the economy is slowing, it is not in recession, but a quick recovery is unlikely due to significant capital outflows. "It will take at least two years to improve the economic condition," he said.

Islam criticised the central bank for enabling banking sector irregularities and scams over the past few years, attributing these issues to political influence. He also noted that the actual amount of non-performing loans is much higher than reported.

"The country's financial sector will take three to five years to recover from the current fragile situation," he commented.

Focus now on one exemplary economic zone, not 100

Says Beza executive chairman

STAR BUSINESS REPORT

Bangladesh will focus on properly setting up one economic zone, offering all amenities and utilities and complying with environmental standards, instead of 100, according to Ashik Chowdhury, executive chairman of the Bangladesh Economic Zones Authority (Beza).

This single economic zone will set a benchmark for future developments, he said yesterday.

"We do not need to set up 100 economic zones at this moment. Rather, we will focus on an economic zone, where we will put in the effort so that we can provide all amenities for investors and workers," he added.

Chowdhury was addressing a workshop on an environmental and social impact assessment of the National Special Economic Zone (NSEZ), formerly known as Bangabandhu Sheikh Mujib Shilpa Nagar, in Chattogram.

Beza organised the event at the Pan Pacific Sonargaon Dhaka.

Employment generation was one of the biggest challenges in Bangladesh and the government cannot absorb all the human resources every year,

KEY POINTS

- Bangabandhu Shilpa Nagar has been named National Special Economic Zone after political changeover
- Total area: 33,805 acres
- Total investment proposal: \$18.5b
- Invested so far: \$768m
- FDI: \$80m
- Five factories are operational
- Under construction: 21 units

said Chowdhury, also the executive chairman of Bangladesh Investment Development Authority (Bida).

So, there is a huge gap between the absorption and generation of human resources.

This was what led to the decision of setting up economic zones, for the creation of employment opportunities, he said.

In the past, Beza failed to timely deliver on promises made to investors.

But Beza has been set up anew to deliver zones equipped with all amenities and utilities, like gas and power, to meet the needs of industries of investors.

"We are emphasising on a flagship zone, for which World Bank is giving us support, with global standard environment protection," Chowdhury said.

Lamiya Morshed, principal coordinator for SDG affairs of the Chief Adviser's Office, laid emphasis on periodic monitoring reports for ensuring the implementation of environmental protection plans for economic zones.

She stressed on the need for adopting social and environmental impact programmes and consultations within a timeframe, reasoning that it was pivotal for achieving the Sustainable Development Goals (SDG).

"We need to work together to generate jobs and safeguard the environment for the benefit of future generations," she said.

Almost everything has been incorporated in the environmental and social impact assessment, except for sound pollution, pointed out ASM Humayun Kabir, additional secretary to the environment, forest and climate change ministry.

READ MORE ON B3

Monno Ceramic's profit plunges 89% in Q1

STAR BUSINESS REPORT

Monno Ceramic Industries Ltd, one of the leading ceramic tableware manufacturers of the country, saw its profit drop significantly year-on-year in the first quarter of the current fiscal year.

The profit in the July-September period amounted to Tk 30.17 lakh, down by a significant 89 percent year-on-year.

Earnings per share for the three-month period fell to Tk 0.08, according to a recent disclosure on Dhaka Stock Exchange (DSE).

It was Tk 0.74 in the same period last year.

The decline in quarterly earnings was in tune with a sharp 86 percent decline in annual profit in fiscal year 2023-24.

The annual profit for the fiscal year ending on June 30, 2024 was Tk 1.47 crore.

The company's net operating cash flow per share was Tk 0.26 in the negative for July-September quarter.

Shares of the company declined 0.31 percent to Tk 63.8 on the DSE yesterday.

Trump may unleash 40% tariffs on China: poll

REUTERS, Bengaluru/Beijing

The United States could impose nearly 40 percent tariffs on imports from China early next year, a Reuters poll of economists showed, potentially slicing growth in the world's second-biggest economy by up to 1 percentage point.

The poll, the first on China's economy by Reuters since Donald Trump's sweeping election victory on Nov. 5, also predicts that the President-elect will resist starting off with blanket 60 percent tariffs on Chinese goods.

Trump, who is due to take office in January, pledged during campaigning to slap hefty tariffs on Chinese imports as part of a package of "America First" trade measures, causing unease in Beijing and heightening growth risks for China.

Not only are the threatened tariff rates much higher than the 7.5 percent-25 percent levied on China during his first term, the economy

is also in a much more vulnerable position given the prolonged property downturn, debt risks and weak domestic demand.

A poll of more than 50 economists by Reuters from Nov. 13-20 showed a strong majority, both in and outside mainland China, expects Trump to impose the tariffs by early next year, with a median estimate of 38 percent and projections ranging from 15 percent to 60 percent.

Most respondents said they do not expect blanket 60 percent tariffs on Chinese goods in early 2025 as this could accelerate inflation within the United States.

"We expect the new US administration to bring back the original plan of Trump 1.0," ANZ's chief economist Raymond Yeung said, estimating that the average tariff on Chinese goods could be raised by 32-37 percent.

Chinese policymakers, who have ramped up stimulus to spur growth since late September, face increased

pressure next year to spur domestic demand to offset an expected drop in exports - a key growth driver this year, analysts say.

On the potential impact on China, the poll predicted that new US tariffs would reduce China's 2025 economic growth by around 0.5-1.0 percentage point.

For now, however, most of the economists polled have maintained their median growth forecasts for this year and 2025 at 4.8 percent and 4.5 percent, respectively, consistent with projections made before the US elections. Growth is expected to slow further to 4.2 percent in 2026.

They are awaiting the Trump administration's China trade policies, which could lead to potential downgrades in their outlooks. "Exports will be a key pillar of growth as global demand holds up, though new US tariffs could shave up to 1 percentage point off GDP growth," said Mo Ji, chief China economist at DBS. READ MORE ON B2

Doreen Power posts 17% drop in profit

STAR BUSINESS REPORT

Doreen Power Generations and Systems has witnessed a year-on-year drop in its profit in the first quarter of the current fiscal year, reasoning that its power plants had been shut down and costs had soared.

Doreen Power's quarterly profit stood at Tk 26.95 crore in the July-September quarter, reflecting a year-on-year decline of over 17 percent.

The earnings per share (EPS) fell to Tk 1.48 for the July-September period of 2024 from Tk 1.80 in the same period last year, according to its unaudited financial statements.

The power producer attributed the decrease to the shutdown of three power plants since the middle of last year and losses from the sale of non-current assets of the Tangail and Feni plants.

Despite the profit drop, Doreen's revenue increased by 20 percent year-on-year to Tk 522.98 crore, which the company said was driven by high customer demand for electricity.

However, its cost of sales rose significantly, reaching Tk 431.73 crore in the July-September period from Tk 337.53 crore in the same period of the previous year, due to an increase in electricity generation.

The company's net operating cash flow per share was Tk 15.88 in the negative for the July-September period of 2024, down from Tk 6.07 in the negative in the same period last year.

This decrease is due to a reduction in the receipt of bills from customers during the quarter, Doreen said.

Inditex boosts fast fashion flights from India to avoid shipping delays

REUTERS, Madrid/London

Zara owner Inditex has sharply increased its use of air freight to bring clothes from factories in India to its logistics hub in Spain to avoid shipping delays, according to trade data, industry experts, and investors.

The shift raises questions about how the world's biggest listed fast fashion retailer is progressing towards its target of slashing by half its "Scope 3", or indirect, emissions, as air transport produces significantly higher carbon emissions than shipping.

Apparel retailers, and exporters in general, have increased their use of air freight since insecurity in the Red Sea disrupted global shipping routes.

Unpublished data and analysis shared with Reuters on Inditex's shipments from India and Bangladesh, two of its major supplier countries, offer a close-up look at such a shift and its repercussions for the fashion industry's climate goals.

Inditex sent 3,865 consignments by air from India in the 12 months to end-August this year, a 37 percent increase on the previous year, according to a Reuters analysis of shipment records from trade data provider Import Genius.

Of that number, 3,352 were sent since January 1 - after attacks on container

ships in the Red Sea ratcheted up.

The share of air freight in Inditex's shipments from India increased to 70 percent in the first eight months of this year from 44 percent last year, according to an analysis of customs data which Swiss

NGO Public Eye shared with Reuters. For Bangladesh, that share rose to 31 percent from 26 percent, its data shows.

In response to Reuters' questions about the air freight data, Inditex said it uses sea freight for the "vast majority" of

products from Asia, but in exceptional circumstances such as the Red Sea crisis, it can use other modes of transport.

Inditex says that half of its suppliers are in countries close to its core European market such as Morocco, Portugal, Spain and Turkey. Its top 10 source countries also include Bangladesh, China, Pakistan and India.

Most of Inditex's air consignments from India to Spain arrived in Zaragoza, a key logistics hub for Zara. The brand accounts for around two-thirds of the cargo activity at the local airport, according to a union source.

Airport data showed cargo movements increased by 39 percent in January-September compared with the same period last year. Its operator does not disclose company-specific data.

Signalling a broader trend, Spanish Trade Agency data showed the overall value of fashion goods brought to Spain by air increased by 28 percent in the year to September from the same period in 2023.

Increased use of air freight could drive up Inditex's transport emissions, which have jumped by 37 percent in the 12 months to Jan. 31 compared to 2022, according to Reuters calculations based on the group's annual reports.

READ MORE ON B2



PHOTO: REUTERS/FILE

People shop during the opening of a Zara store in Caracas, Venezuela. Inditex, the owning company of Zara, sent 3,865 consignments by air from India in the 12 months to end-August this year, a 37 percent increase on the previous year.