

# Star BUSINESS

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## Is cooling red-hot inflation to 7% by June possible?

**AM JAHID**

The central bank governor projects cooling the red-hot inflation, which has hovered above 9 percent since March last year, to 7 percent by June next year.

His optimism mainly stems from monetary tightening and duty cuts on essential commodities.

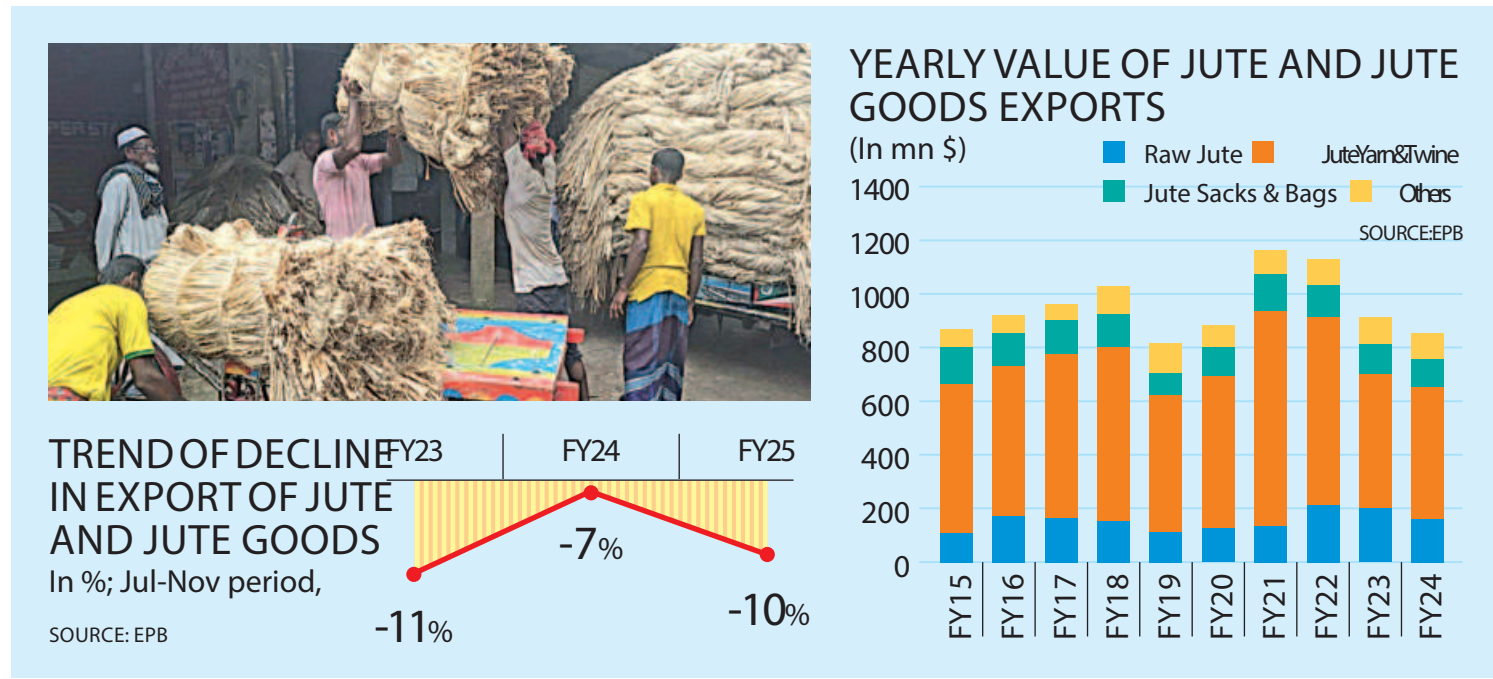
But the problem is that neither multilateral lenders nor local economists are in support of his projection -- at least not by the June 2025 deadline.

Bangladesh Bank Governor Ahsan H Mansur, an economist who has served the International Monetary Fund (IMF), is presumably well aware of the disagreements.

He also knows that any delay in easing price pressures will only be met with disbelief, disgust and frustration from the people.

Speaking of exhaustion, take the case of Abul Hasan, a 32-year-old private jobholder, who was about to buy a slice of cake to enjoy with his tea at a roadside stall at Farmgate in Dhaka.

## Jute millers struggling amid export slump



**SOHEL PARVEZ**

Jute millers are struggling as exports show no sign of recovery and demand in the domestic market remains lukewarm amid slack implementation of the mandatory jute packaging act.

Industry operators say falling demand for jute -- once dubbed the golden fibre of Bangladesh -- has forced jute yarn makers to slash production by up to 40 percent, with only two dozen of a total of 77 spinners under the Bangladesh Jute Spinners Association (BJS) operating at full capacity.

"The health of the sector is dire. We are struggling too much. Only a few mills are solvent now," said BJS Chairman Tapash Pramanik.

Jute yarn is the main export item within the sector, and shipments of jute yarn and twine have been falling since their peak of around \$800 million recorded in 2020-21 fiscal year.

Many foreign buyers have switched to

cotton yarn and polypropylene (PP) due to the high prices of jute yarn caused by increases in raw jute prices.

Overall earnings from the natural fibre-based yarn slumped to \$492 million at the end of FY24, according to the Export Promotion Bureau (EPB).

Shipments of jute sacks and bags also declined during these years, bringing total receipts to \$855 million in FY24 -- a 6 percent year-on-year decrease.

During the July-November period of the current FY25, exports of jute and jute goods slipped 10 percent year-on-year to \$341 million.

"The situation of composite mills is not good either," Pramanik said.

"We are gradually losing competitiveness in the global market. We used to export to India, but exports there have declined after the imposition of anti-dumping duty by the Indian authorities."

The sector has not received the same level of policy support as it did in the past, while the cost of production has surged due

to increased raw jute prices, according to Pramanik.

"We could have navigated this turbulent time had the mandatory jute packaging act been implemented effectively in the local market," he said.

The government enacted a law in 2010 making jute sacks mandatory for packaging 19 essential products, including rice, wheat, maize, pulses and flour.

This was aimed at stabilising the sector amid fluctuating international demand and promoting the use of biodegradable bags.

However, it took five years for the rice millers to start complying with the law, and many have since switched to plastic bags.

"We are facing competition from plastics in the domestic market," Pramanik said.

An industry insider said most mills have significantly scaled down production to maintain minimal operations because of bank loans.

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"How much is the cake?" he asked the vendor while taking it from a dangling polythene bag.

"Tk 20," the shopkeeper replied.

"Tk 20 for this slim slice?" Hasan thought he had heard wrong. "I couldn't even hold the piece of cake for a while," he joked, before turning serious and asking, "How long can I bear the extra burden of expenses for my family? I am already tired and disgusted with the unusually high commodity prices."

READ MORE ON B3

## Food distribution falls despite persistent inflation

**MD ASADUZ ZAMAN**

Despite the fact that the population has been reeling from heightened inflationary pressures over the past two years, public food distribution under various social protection schemes fell by about 6 percent year-on-year in the first half of the current fiscal year.

Public agencies, including the Directorate General of Food and the Ministry of Disaster Management and Relief, only distributed about 13.78 lakh tonnes of rice and wheat through food distribution programmes until December 5, according to data from the food ministry.

This was a marked decrease from the 14.63 lakh tonnes distributed by state agencies between July 1 and December 14 of the previous fiscal year.

The Awami League government, which was ousted by a mass uprising on August 5, had cut food distribution plans this fiscal year, lowering its target from 33.56 lakh tonnes in FY24 to 30.3 lakh tonnes in FY25. Economists said it was an illogical decision, especially in light of soaring food inflation.

Inflation hit a four-month-high of 11.38 percent in November, while food inflation soared to 13.80 percent from 12.66 percent in October, according to data from the Bangladesh Bureau of Statistics.

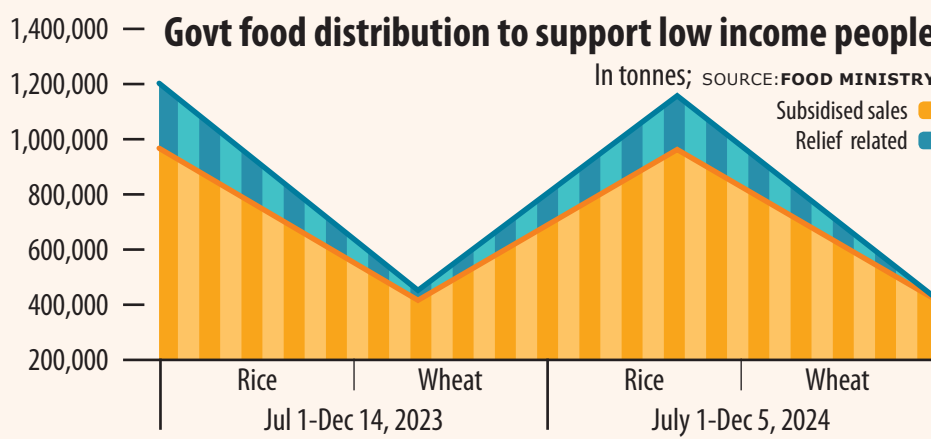
Given the cost of living crisis, scaling up public food distribution programmes for the poor and the vulnerable is the need of the hour. But the government appears to be shying away from this task, according to experts.

"Low distribution is not logical as this year's economic situation is more dire than that last year," said M Asaduzzaman, former research director at the Bangladesh Institute of Development Studies (BIDS).

"Inflation is severely hurting low-income people," he said, urging the government to increase the target.

Asaduzzaman also raised questions about government data on food distribution.

"How can we believe the food distribution data when everything else was based on falsehoods?" he asked, referring to the recent



white paper on the state of the economy, which revealed that the immediate past government had been fudging the numbers to prop up a false narrative of economic growth.

"It is clear that the prices of food grains have increased. People from all walks of life are suffering now," he said.

Data shows that the decline in food distribution was mostly linked to reduced grain transfers under the Food for Work (FFW) programme.

The relief and disaster management ministry distributed 52,742 tonnes under the FFW programme last year. This year, it has managed to provide only 68 tonnes.

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## A depressing week for stock investors

**STAR BUSINESS REPORT**

Stock investors saw further declines in major indices as many listed companies presented lacklustre earnings disclosures for the first quarter of the current fiscal year of 2024-25.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 91 points, or 1.76 percent, to 5,105 in the span

of one week.

The index had been falling in the previous week too.

The DS30, the blue-chip index, fell 30 points, or 1.57 percent, to 1,881 last week.

At the same time, the DSES, the index for Shariah-based companies, declined 24 points, or 2.06 percent, to 1,140.

Stock market analysts attributed the

READ MORE ON B3

**C-SUITE AWARDS 2024**

**Md. Mohsin Habib Chowdhury**  
Chief Operating Officer and Director  
Berger Paints Bangladesh Limited

He has been honored with the prestigious COO of the Year 2024 Award at the Bangladesh C-Suite Awards held at Le Meridien Dhaka on December 12, 2024. Heartfelt congratulations from Berger Family on this great achievement.

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# BSRM declares 35% cash dividend

STAR BUSINESS DESK

Bangladesh Steel Re-Rolling Mills Limited (BSRM) declared a 35 percent cash dividend for the financial year 2023-2024.

The announcement came at the company's 62nd annual general meeting (AGM) held virtually yesterday, according to a press release.

Alihussain Akberali, chairman of the company, presided over the meeting. In the welcome speech, the chairman discussed the present economic scenario and the company's future growth projections.

Besides, he highlighted various important aspects of the company's financial report.

Audited accounts for the financial year 2023-24 along with the report of the board of directors were approved in the meeting.

The company's shareholders from across the country joined the event and cast their valuable votes using their respective beneficiary owner identification numbers.

They passed some agendas, including the appointment of directors and auditors for the year 2024-25.

The shareholders expressed their confidence, trust and reliance on the board of directors of the company.

The company's directors, company secretary, auditor and independent scrutiniser along with a large number of shareholders joined the meeting.



Alihussain Akberali, chairman of Bangladesh Steel Re-Rolling Mills (BSRM), presides over the company's 62nd annual general meeting, which was held virtually yesterday. The meeting declared a 35 percent cash dividend for 2023-2024.

PHOTO: BSRM

# UK economy unexpectedly shrinks again in October

AFP, London

Britain's economy shrank for the second consecutive month in October, official data showed Friday, dealing a blow to the Labour government that has made economic growth a priority.

Gross domestic product fell 0.1 percent in October compared with September, when output declined by the same amount, the Office for National Statistics (ONS) said.

The decline was unexpected by analysts, who had estimated that the economy would grow slightly.

"The figures this month are disappointing," said finance minister Rachel Reeves, whose first budget in October featured big tax increases on businesses.

**In November, the central bank trimmed borrowing costs by 25 basis points to 4.75 percent**

"We have put in place policies to deliver long-term economic growth," she added.

Analysts have attributed part of the decline to uncertainty after the Labour government warned of "tough" measures in its budget at the end of October.

ONS director of economic statistics Liz McKeown said that "oil and gas extraction, pubs and restaurants and retail all had weak months".

Despite this, "the economy still grew a little over the last three months as a whole", she said.

Alongside tax increases in the budget, Prime Minister Keir Starmer's government announced plans for higher borrowing that it said would be invested in infrastructure projects to help drive economic growth.

Against the backdrop of weak growth, the Bank of England is set to decide next week whether it will cut interest rates again.

In November, the central bank trimmed borrowing costs by 25 basis points to 4.75 percent.

# BRAC Bank celebrates Tk 12,000cr deposit growth

STAR BUSINESS DESK

BRAC Bank's branch network recently celebrated a record achievement of a net deposit growth of Tk 12,000 crore in 2024 amid the deposit crisis in the banking industry.

The bank's branch distribution network has acquired a remarkable capability of making monthly Tk 1,000 crore net deposit growth on a consistent basis over the year.

The bank organised a programme to mark this accomplishment at its head office in the capital's Gulshan, the bank said in a press release. Selim RF Hussain, managing director and CEO, and Sheikh Mohammad Ashfaque, deputy managing director and head of branch distribution network, joined the leaders of branch network in celebrating the deposit milestone.

Commenting on the record deposit growth, 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 and provide cutting-edge digital banking solutions have driven this growth." "We are confident this momentum will propel us towards greater success in 2025 and beyond," he added.

AKM Tareq, senior zonal head for North, and Taher Hasan Al Mamun, senior zonal head for South, along with regional heads, cluster heads, and branch managers from across the network were also present.



Selim RF Hussain, managing director and CEO of BRAC Bank, and Sheikh Mohammad Ashfaque, deputy managing director and head of branch distribution network, join the leaders of branch network in celebrating the deposit milestone at the bank's head office in the capital's Gulshan recently.

PHOTO: BRAC BANK

# Prime Bank customers to enjoy special offers at Simpletree

STAR BUSINESS DESK

Prime Bank PLC recently signed an agreement with Simpletree, a brand of local real estate developer Spacezero Limited.

Md Ziaur Rahman, deputy managing director and chief risk officer of the bank, and Gazi Zahidul Islam, head of business development and customer management of Spacezero Ltd, penned the deal at the bank's corporate office in the capital, said a press release.

Under this agreement, the bank's customers will enjoy attractive offers and discounts at the developer, enhancing their lifestyle experiences.

Additionally, individuals referred by Spacezero Ltd will receive special privileges from the bank. This collaboration reflects the bank's commitment to delivering added value to its customers while fostering partnerships with leading brands like Simpletree.

Md Asif Bin Idrish, senior executive vice-president and commercial banking division of the bank, and Mesbah Uddin Ahmed, head of corporate affairs of Spacezero, along with other senior officials from both the organisations were also present.



Md Ziaur Rahman, deputy managing director and chief risk officer of Prime Bank, and Gazi Zahidul Islam, head of business development and customer management of Spacezero Limited, pose for photographs after signing an agreement at the bank's corporate office in the capital recently.

PHOTO: PRIME BANK

STOCKS		WEEK-ON WEEK
DSEX ▲	CASPI ▼	
1.76%	1.9%	
5,196.82	14,304.00	

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▲	
\$2,648.95	\$70.78	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 1.04%	▼ 0.95%	▲ 0.03%	▼ 2.01%	
82,133.12	39,470.44	3,810.35	3,391.88	

# Eastern Bank MD wins 'C-Suite CEO of the Year Award'



Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, receives an award at the "Bangladesh C-Suite Awards 2024" organised by Bangladesh Brand Forum at Le Meridien Dhaka recently.

PHOTO: EASTERN BANK

STAR BUSINESS DESK

Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, has been awarded the "C-Suite CEO of the Year 2024" in the Financial Institutions category at the Bangladesh C-Suite Awards 2024 at Le Meridien Dhaka.

The award was presented to Iftekhar in recognition of his exceptional leadership and contributions to the financial sector, the bank said in a press release.

As a visionary leader, he has been instrumental in steering Eastern Bank towards unprecedented growth and success. His strategic foresight and commitment to excellence have significantly contributed to the bank's robust performance and reputation in the industry.

The Bangladesh C-Suite Awards, an initiative of the Bangladesh Brand Forum, aims to recognise and celebrate the success of outstanding business leaders and honour C-Suite executives and directors of Bangladeshi businesses who demonstrate exemplary integrity and excellence.

Recipients of this accolade are chosen by a distinguished advisory board composed of eminent business leaders, alongside a professional audit board, based on a wide array of criteria, including management achievement, business performance, people centricity and innovation.



MA Kashem, chairman of Southeast Bank, poses for photographs with representatives of the leading hajj agencies at an engagement programme at the bank's head office in Dhaka recently.

PHOTO: SOUTHEAST BANK

# Boeing invests \$1b to boost 787 production

AFP, New York

US aerospace firm Boeing will invest \$1 billion to ramp up production of its 787 Dreamliner aircraft in South Carolina, the company said in a statement.

Boeing has been plagued by production quality problems and recently endured a strike that lasted more than 50 days and paralyzed two crucial factories.

In October, Boeing unveiled plans to reduce its global workforce by 10 percent over the coming months, without giving further details.

In a statement late Thursday, the company announced the \$1 billion investment in its non-union facilities in North Charleston, where it said 500 jobs would be created over the next five years.

The aim is to increase production of the 787 Dreamliner to 10 every month by 2026, Boeing said.

About 33,000 Boeing workers in the US Pacific Northwest walked off the job in September, sparking the costliest strike in the United States this century. Production of the 737 MAX - Boeing's best-selling plane - as well as the 777 jumbo jet, the 767 and several military programs were frozen.

# Southeast Bank holds programme for hajj agencies

STAR BUSINESS DESK

Southeast Bank PLC recently organised an engagement programme for representatives of the leading hajj agencies at the bank's head office in Dhaka.

While inaugurating the event, MA Kashem, chairman of the bank, reaffirmed its commitment to fostering strong partnerships and providing tailored financial solutions to support the noble mission of serving hajj pilgrims.

The programme brought together representatives from leading hajj agencies across the country, the bank said in a press release.

Kashem emphasised the importance of collaboration and innovation in enhancing the hajj experience for pilgrims.

He highlighted the bank's dedication to offering seamless banking services, ensuring that agencies and hajj pilgrims can focus on their spiritual journey with peace of mind.

The bank has been performing Hajj Money Collection at the convenience of the Hajj Agencies Association of Bangladesh (HAAB) with a very good reputation since 2010.

The bank also provides SEBL's hajj remittance services to the pilgrims for convenient, secure and reliable money transfer facility during their pilgrimage ensuring a worry-free hajj experience in addition to hajj credit cards, travel cards and other financial facilities.

These services are provided not merely for profit but with a deeper purpose - to honour and assist hajj pilgrims.

Most of the past and present members of the HAAB have client relationships with Southeast Bank PLC.

Nuruddin Md Sadeque Hossain, managing director of the bank, and Md Masum Uddin Khan and Abidur Rahman Chowdhury, deputy managing directors, along with representatives of different hajj agencies were also present.

# National Bank holds regional business conference in Barishal

STAR BUSINESS DESK

National Bank Limited organised a "Regional Business Conference" for its Barishal zone officials at Hotel Grand Park in the city yesterday.

Abdul Awal Mintoo, chairman of the bank, attended it as the chief guest, the bank said in a press release.

During the event, Mintoo encouraged the employees to commit themselves with renewed enthusiasm to revive the bank's esteemed legacy.

He emphasised the importance of expanding business activities, improving customer service standards, recovering classified loans, and aligning with the bank's business strategies to ensure steady progress and long-term success.



Abdul Awal Mintoo, chairman of National Bank, attends a "Regional Business Conference" for officials of Barishal zone of the bank at Hotel Grand Park in Barishal yesterday.

PHOTO: NATIONAL BANK

# Prices of garments exported to the US fall

REFAYET ULLAH MIRDHA

The prices of major garment items exported to the US declined year-on-year in the January-October period this year as American consumers are yet to recover from heightened inflationary pressures.

During the 10 months, the price of men's cotton woven trousers declined by 7.7 percent, according to data from the US Office of Textiles and Apparel (OETA).

Meanwhile, prices of women's cotton woven trousers declined by 4.4 percent, men's cotton woven shirt by 3.8 percent, cotton knitted sweater by 7 percent and cotton knitted t-shirt by 3.9 percent.

This resulted in a 3.33 percent decline in garment shipments from Bangladesh to the US, hitting \$6.14 billion.

The US's overall global apparel imports fell 0.33 percent to \$67.04 billion in the same period.

China ranked first in apparel shipments to the US while Vietnam took second place.

Bangladesh retained its position as the third-largest garment exporter to the US.

Both the prices and volume of garment export to the US, Bangladesh's single largest export destination, declined as the world's largest economy slowly recovers from persistent inflation, with retail sales growth increasing gradually.

Additionally, due to some domestic problems, the export prices of the



The US's overall apparel imports from the world fell by 0.33 percent year-on-year to \$67.04 billion in the January-October period this year. China ranked first in apparel shipments to the US, with Vietnam in second place. Bangladesh retained its position as the third-largest garment exporter to the US.

PHOTO: STAR/FILE

garment items declined.

For instance, the garment sector faced massive spates of labour unrest in recent months, meaning many factories could not ship goods on time. So, they had to

provide big discounts, reduce prices, or face work order cancellations.

Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association, added that the

negative import growth of clothing items by US retailers and brands also impacted the volume and value of Bangladeshi garments.

"But on the bright side, the US market is rebounding gradually. Shipments have been showing a bit of an upward trend," Hassan told The Daily Star over the phone.

The garment and textile sectors must be supplied with adequate gas and power so that those can run at full capacity, recover their exports and ensure timely shipments, he added.

The taka's sharp depreciation against the US dollar is another reason, with the per unit price of local garment items falling. The taka has lost 36 percent of its value against the greenback since January 2022.

Another reason outlined by the former BGMEA chief is that local manufacturers are now booking work orders at lower prices to keep factories running since they have to incur big losses if machines remain idle.

Local garment factories have been facing challenges such as massive labour unrest and factory closures following the deferral in timely production and shipment.

Very often, factories were shut down in major industrial zones like Ashulia, Savar, Zirani and Zirabo because of the labour unrest, which affected the production and shipment of goods, exporters said.

# Dollar set for best week in a month on cautious Fed outlook for 2025

REUTERS, New York

The dollar headed for its best weekly performance in a month on Friday, as investors priced in the possibility of the Federal Reserve cutting rates more slowly next year, while sterling fell after a surprise contraction in UK economic activity.

The US currency also rose against the yen after reports that the Bank of Japan could forgo a rate hike at its meeting next week. The dollar index, which measures the currency against six others, was up 0.037 percent at 107, set for a weekly gain of nearly 1 percent, its biggest in a month.

US data on Thursday showed the job market is gradually cooling in line with expectations, while producer price inflation helped reinforce the market's current scenario of a Fed cut on Dec. 18, but a slower pace of reductions in 2025.

Markets fully expect a cut at the upcoming meeting, but only price a roughly 24 percent chance of another one in January, with March the most likely point for another move, according to CME's FedWatch tool.

"I think there will likely be a long pause, perhaps for all of the first quarter of the year from the Fed and then maybe just an incremental interest rate cut here and there as the central bank tries to refine its policy," said Matt Weller, head of market research at StoneX.

San Francisco Fed President Mary Daly, for example, said this month that she was comfortable cutting rates in December, but advocated "a more thoughtful and cautious approach" on further reductions.

# Is cooling red-hot inflation to 7% by June possible?

FROM PAGE B1

Hasan's frustration mirrors the sentiments of millions of Bangladeshis as inflation remains stubbornly high, with food inflation crossing into double digits.

Inflation hit a four-month-high of 11.38 percent in November, while food inflation soared to 13.80 percent from 12.66 percent in October, according to data from the Bangladesh Bureau of Statistics.

The 12-month average inflation stood at 10.22 percent in November, up from 10.05 percent in October.

This leaves the Bangladesh Bank and economists disputing where to target to blunt the price curve: the supply side or the demand.

In its latest outlook, the World Bank stated that inflation might moderate by fiscal year 2024-25, but it is expected to remain near 9 percent, far above the target of 7 percent by mid-2025.

The IMF has projected average inflation of 10.7 percent for this fiscal year owing to political turbulence and major floods in August and September.

Besides, the multilateral lender also noted supply chain disruption and rising input costs due to currency depreciation as factors contributing to elevated inflation.

The Asian Development Bank (ADB) also projects double-digit inflation in the fiscal year 2024-25, citing similar reasons to the IMF.

However, the Bangladesh Bank, in its mission to cool inflation, has largely targeted the demand side.

**IS DAMPING DEMAND THE SOLUTION?**

In recent months, what the central bank has been trying to accomplish is to limit the flow of money in the market and thus control demand.

After assuming office in the second week of August this year, Mansur raised the policy rate three times, taking the total number of tightening measures to five this year, to 10 percent.

The policy rate is the rate at which commercial banks borrow from the

central bank.

Recently, a high-powered committee of the Bangladesh Bank, chaired by the central bank governor, decided to maintain the rate until the desired level of inflation is achieved.

If that doesn't work, Mansur hinted at further tightening at a programme last week.

Apart from the tightening measures, other issues such as the country's dollar stock and bringing discipline to the financial sector have come under the spotlight as economists argue over the course of the battle against inflation.

**WHAT ABOUT SUPPLY-SIDE CAUSES?**

The Bangladesh Bank has raised policy rates in an attempt to curb inflation, but this monetary tightening has its limitations, said Mustafa K Mujeri, a former chief economist of the central bank.

To battle inflation, he called for addressing supply-side deficiencies.

"It is not possible to reduce inflation solely by increasing the policy rate," said the economist.

"Other policies, such as market management, monitoring and eliminating unnecessary manipulation of commodity prices, are critical.

"Without these, there is no possibility of controlling inflation," he added.

Besides, the former chief economist of the central bank reminded that higher borrowing costs raise production costs for businesses, deter new investment and consumption, and potentially stall economic growth.

He said rising input costs, particularly for energy and raw materials, have constrained industrial output, especially for small and medium enterprises.

Many businesses are operating below capacity, reducing supply and ultimately driving up prices, the economist said.

This means over-tightening can harm the fight against price pressure, but determining the right point is not

an easy task.

**DOLLAR STOCK MATTERS TOO**

Monzur Hossain, a research director at the Bangladesh Institute of Development Studies, said: "I don't think inflation will come down to 7 percent in the next five to six months. Key indicators - such as forex reserves and the exchange rate - do not support such an optimistic projection."

He said if foreign exchange reserves remain low, the financial sector does not function properly and the exchange rate is unstable, it will be difficult to reduce inflation soon.

In recent months, remittance inflows have continued to rise, providing a breather for a country facing multiple challenges.

Despite that, the US dollar has recently jumped further to Tk 125 against the taka after remaining stable at Tk 120 for months.

A pricier dollar makes imports more expensive, while dollar rate volatility complicates the inflationary outlook.

**INFLATION COOLING NEEDS MORE TIME**

At a programme on Thursday last week, Mansur admitted that inflation has not yet come down, although monetary policies have been tightened and fiscal measures implemented to control domestic borrowing.

"I think all the medications that could be applied have been applied in order to reduce inflation. We are waiting for the body to react to the medication. We are waiting for the economy to react to the doses of economic policy tightening," Mansur said.

Apart from tightening the monetary policy, Mansur said the government has also removed import duties on essential food items like onions, vegetable oil, and sugar to help ease inflationary pressures.

# A depressing week

FROM PAGE B1

falling trend to political uncertainty. Nationwide unrest in the July-August period and internet blackouts led to prolonged disruption of business activities, impacting listed companies.

According to data compiled by Sandhani Asset Management, listed companies saw their collective profit drop by more than 3 percent year-on-year in the July-September quarter.

Companies have been publishing earnings disclosures over the last couple of weeks, but there is a lack of buyers of their stocks as their performance was down. The DSE's daily average turnover dropped 27 percent to Tk 322 crore last week.

Among the scrips that changed hands, 76 advanced, 23 remained unchanged, 293 declined and 21 were not traded.

Among all major sectors, paper & printing, financial institutions and mutual funds dropped over 4 percent on average while banking sector declined around 3 percent.

Miracle Industries rose around 28 percent followed by HR Textiles and Associated Oxygen Ltd, which both increased 17 percent.

# Jute millers struggling

FROM PAGE B1

"We have fixed costs despite the decline in exports. Our current income is barely enough to cover interest payments on bank loans," said Abdul Barik Khan, secretary-general of the Bangladesh Jute Mills Association.

Besides, jute hoarders are driving up raw jute prices, making the situation complicated further.

Industry operators previously blamed a poor jute yield for higher prices.

Bangladesh's jute production fell 18 percent year-on-year to 75.65 lakh bales (one bale is around 182

kilogrammes) in FY25, according to the Department of Agricultural Extension (DAE).

Jute millers and spinners process nearly 80 percent of the natural fibre to produce sacks, bags, yarn and twine, mainly for export markets.

Helal Ahmed, chief operating officer of leading jute exporter Janata Sadat Jute Mills, said raw jute used for yarn production is selling for around Tk 4,000 per maund.

"However, export prices are declining. Demand for yarn from Turkey and Uzbekistan has decreased, as carpet makers there are exploring alternatives to jute yarn," he said.

"The overall jute industry is not in good shape," Ahmed said.

Helal said the demand for jute bags has increased in the domestic market recently following the government's move to discourage the use of plastic bags in shopping. But the government should come up with a solid plan to restrict the use of plastic bags, enabling local mills to be ready to meet the local demand.

"Many factories that once operated three shifts a day have reduced production to a single shift. We expect a positive outlook after the next harvest in August, as production is expected to increase," he added.

# Food distribution falls

FROM PAGE B1

"The government is probably facing a stock crisis," Asaduzzaman said.

Echoing those sentiments, Mohammad Yunus, a research director at the BIDS, said there is a close relationship between food procurement and distribution in Bangladesh.

"The government needs to emphasise the procurement process as well as timely imports," he said.

Usually, the authorities concerned cannot procure food grain timely, leading to low stocks.

"It seems officials cannot get the prices that they decide upon in procurement meetings," Yunus said.

He added that changing market dynamics also had an impact. "The market pattern has changed now. Earlier, farmers used to sell their grains immediately. Now they take time."

The government should take accurate and timely decisions to avoid any untoward situation, he added.

"To boost stocks, the government should focus on importing food grains when global prices are supposed to reduce," he said.

Claiming that the data was incomplete, Md Abdus Salam, director of Supply, Distribution and Marketing Department (Current Charge) at the Directorate of Food, said overall food distribution may increase when data is completely updated.

Following the mass uprising in July, many dealers of the Open Market Sales (OMS) programme went into hiding, hampering the initiative, he said.

About the FFW programme, Salam said it may have been hindered due to the disruption of local government protocols.

However, he claimed they had increased distribution programmes while focusing on flood-affected districts. "No channels were left out of operation. The distribution will increase this year," he said.



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Shari'ah Based Islamic Bank

## JOIN OUR FAMILY AND GROW TOGETHER

Standard Bank PLC. (SBPLC.), a third-generation progressive private Islamic Bank in Bangladesh, is committed to delivering exceptional banking services & solutions to individuals, businesses and communities across the country. Having a strong foundation built on trust, integrity and customer-centricity, we offer a comprehensive range of products and services designed to meet the evolving financial needs of our clients. The Bank is driven by benchmark leadership and a vastly skilled & experienced workforce along with a pleasant work environment.

Standard Bank PLC. is looking for young, energetic, self-motivated & proactive individuals and inviting application from Bangladeshi citizens for the following positions:

**MANAGEMENT TRAINEE OFFICER**

- Candidates must have post graduation/ 04 years graduation with a minimum CGPA-3.30 out of 4.00 in any discipline from any reputed UGC approved university, however candidates having MBA, MBM, BBA, post graduation/ 04 years graduation in Economics, Accounting, Management, Marketing, Banking, Finance, English and B.Sc in Engineering will get preference
- Minimum CGPA-4.50 out of 5.00 in both SSC & HSC or Minimum 3 'A' & 2 'B' in O Level and 1 'A' & 1 'B' in A Level
- Age should not exceed 30 years as on 01.12.2024

**TRAINEE ASSISTANT OFFICER (GENERAL)**

- Candidates must have post graduation/ 04 years graduation with a minimum CGPA-3.00 out of 4.00 in any discipline from any reputed UGC approved university
- Minimum CGPA-4.00 out of 5.00 in both SSC & HSC or Minimum 5 'B' in O Level and 2 'B' in A Level
- Age should not exceed 30 years as on 01.12.2024

**We offer:** Selected candidates will be on probation for a period of one (01) year with an attractive compensation package of BDT 60,000/- for Management Trainee Officers and BDT 33,000/- for Trainee Assistant Officers (General).

After completion of the probation period, he/she will be absorbed as Senior Officer from Management Trainee Officer with a compensation package of BDT 72,160/- and Assistant Officer (General) from Trainee Assistant Officer (General) with a compensation package of BDT 47,800/-

**Job Location:** Anywhere in Bangladesh

**Selection procedure:** Only shortlisted candidates will be communicated for the written test. Based on merit, selective candidates will be asked to face interview.

**Application procedure:** Candidates can apply\* online through <https://bdjobs.com/standardbank> and are advised to apply before 31 December 2024 to avoid any inconvenience due to server cramming. Candidature of an applicant shall be cancelled, if any discrepancy is found between online resume and original documents.

\* Each applicant can apply for one (01) position only.

We are an equal opportunity employer, however the bank reserves the right to accept/reject any/all applications. Any persuasion and falsification shall be treated as disqualification.

**Application Deadline: 31 December 2024**

www.standardbankbd.com



## ECB cuts rates again

AFP, Frankfurt

The European Central Bank cut interest rates again Thursday and hinted at more to come, with President Christine Lagarde saying the beleaguered eurozone economy was "losing momentum" as EU and US politics fuelled uncertainty.

The central bank for the 20 countries that use the euro reduced its key deposit rate by a quarter point to three percent, as widely expected.

It was the ECB's third cut in a row and fourth since June, when it kicked off its current easing cycle.

After hiking borrowing costs from mid-2022 to combat runaway energy and food costs, policymakers have turned their attention to lowering rates as inflation eases and the eurozone economic outlook darkens.

While there had been speculation the ECB could opt for a bigger move, particularly after a surprise bumper cut by the Swiss central bank hours earlier, it decided to continue at the same pace, with a quarter-point reduction.

**"The latest information suggests (the eurozone) is losing momentum,"**

But Lagarde was clear that the Frankfurt-based institution's concerns now centred on the weakening outlook in the eurozone, following a string of worse-than-expected data.

"The latest information suggests (the eurozone) is losing momentum," she told a press conference after the rate decision.

The ECB's updated forecasts highlighted the problem, with the central bank cutting its growth estimates slightly for 2024 and the following two years – to 0.7 percent, 1.1 percent and 1.4 percent respectively.

Observers seized on the ECB dropping language from its statement on keeping rates "sufficiently restrictive for as long as necessary", saying it showed policymakers laying the ground for further cuts.

When pressed on the change, Lagarde would not be confirm future reductions, although she did add that "the direction of travel currently is very clear".

Analysts were confident more rate cuts were coming.

"The door has been opened more clearly to further cuts," said Mark Wall, chief European economist at Deutsche Bank, adding the statement signalled an "easing bias".



Flower farmers and buyers are seen recently at Gadhali, the heart of the country's flower industry, which is bustling with activity with stalls lining both sides of the Jashore-Benapole highway, showcasing a variety of blooms.

PHOTO: MOHSIN MILON

# Flower farmers expect bonanza as peak season starts

MOHSIN MILON

Flower farmers expect a bonanza in December as the peak season for flowers has begun, which will continue until April next year.

Multiple national holidays will be observed in between the period, when the demand for flowers rises.

Farmers plan their cultivation to peak during occasions such as Victory Day, New Year's celebrations, the Spring Festival, Valentine's Day, International Mother Language Day, Independence Day, and the Bengali New Year.

The major portion of the flowers will come from Jashore's Gadhali, the heart of the country's flower cultivation.

Gadhali is now bustling with activity, with stalls lining both sides of the Jashore-Benapole highway showcasing a variety of blooms.

Growers in the region expect to sell flowers worth Tk 100 crore in the December to April period.

Around 6,000 families in Jashore are involved in flower cultivation, growing 11 varieties of flowers on at least 1,200 hectares of land, according to data of the Bangladesh Flower Society.

The region produces flowers worth Tk 150 crore annually, meeting 70 percent of the country's total demand.

Flowers are cultivated year-round not only in Jashore but also in other parts of the country, including Dhaka's Savar, Chattogram and Panchagarh.

Flowers are grown in Bangladesh on around 6,000 hectares of land and local production meets around 70 percent of the domestic requirement.

The rest is met through flowers imported

mainly from China, India and Thailand, according to a paper presented at an event at the Bangladesh Agricultural Research Council last month.

Annually around \$179 million or over Tk 2,100 crore worth of flowers are sold in Bangladesh and the market is expanding at a rate of 10-15 percent, according to a paper of the Netherlands-Bangladesh Seed Scoping Mission.

This year, farmers in Bangladesh battled extreme temperatures and untimely heavy rains, but they are still optimistic about reaching their Tk 100 crore sales goal.

**The major portion of the flowers will come from Jashore's Gadhali, the heart of the country's flower cultivation**

Among many varieties of flowers, some notable ones are roses sold at Tk 6-7 apiece, rajnigandha Tk 8 per stick, gladiolus Tk 14-16 each and gerbera Tk 13-14 each.

Major flower producing areas include Gadhali, Panisara, Navaran, Nirbaskhola, and Haria in Jhikargacha upazila.

The rainy season sees thin activity in the flower market when flowers are often used as cattle fodder due to low demand and stable labour costs.

The flower farmers said they faced significant challenges this year as unseasonal rains during the monsoon damaged crops, adding to the difficulties posed by the summer's heat and drought.

"Despite untimely monsoon rains, I've been giving extra care to my two bighas of rose

fields. If prices are good during the upcoming events, I'll make a profit," said Bablur Rahman, a rose farmer from Patuapara village.

Rubel Hossain, who grows gladiolus on 1.5 bighas of land, said, "Many plants died in the rain. I invested Tk 1.5 lakh per bigha. If prices don't improve, we'll face losses."

Sohrab Hossain, a gerbera farmer, said, "I've spent around Tk 2.25 lakh on two bighas of land and expect to sell gerberas worth Tk 7-8 lakh this year."

"All flower farmers in the area have been affected by the unseasonal rains. Prices are usually highest in January and February," he said. Despite the challenges, farmers are hopeful for a successful season.

Abdur Rahim, president of the Jashore Flower Producers and Marketing Cooperative Society Ltd, said the farmers have applied fertilisers and pesticides on the fields, and irrigation is ongoing.

"If the market conditions remain favourable, profits will be high this year."

The agriculture department is also stepping forward to support farmers by organising training sessions and workshops on producing perfume and fragrance oil from flowers, he said.

Farmers are being advised to work on proper transportation and storage methods to minimise losses, he added.

"Flower farmers were affected by heat and drought in the summer and heavy rains during the monsoon," said Md Jahangir Alam, Jhikargacha upazila agriculture officer.

"However, the current weather is favourable, and farmers are busy in maintaining their fields. If the weather and market remain supportive, flower sales could reach hundreds of crores of taka this season," he added.

## Corporate governance failure in Bangladesh

A F NESARUDDIN

With the economic development of Bangladesh, the number of corporate bodies, especially led by the private sector, has increased significantly over the years. Incidentally, many of the businesses are sponsored, managed and controlled by families. Irrespective of its ownership structures, the governance of these business groups is of paramount importance, especially when the entities have been using public money by way of shares subscriptions, bank loans and public deposits.

The "Pillars of Corporate Governance" is like the backbone of an organisation, and it provides structure, accountability, and a roadmap for ethical decision-making. It is usually built on four pillars that we like to call the 4 Ps: people, processes, performance, and purpose.

In fact, corporate governance is established based on fundamental documents and tools like articles of association, government rules and regulations, company policies and guidelines and so on. It is the responsibility of the board of directors and its committees to ensure good governance. In this process, the role of independent directors is critically important to ensure good governance. The basic requirement to become an independent director is that he/she must be independent by nature, appearance, character, and judgment. His/her qualifications, background, experience, and most importantly knowledge in business are very important for making the role effective and rewarding.

With the above principles, frameworks and general expectations, let us now see what has really happened in Bangladesh recently. First of all, it should be recognised that there are a number of multinational companies (MNCs), foreign companies, listed companies, banks, financial institutions, insurance companies and even a few family business groups which are practicing good corporate governance ensuring fair

return to the business partners including public shareholders, repaying loans regularly, paying taxes adequately and regularly and taking care of other stakeholders including customers and employees.

On the contrary, many companies have severely failed to establish and comply with the requirements of corporate governance, misused public money and siphoned out a huge amount of funds in a systematic

manner, ultimately at the cost of stakeholders. In some cases, complete breakdown of corporate governance is evident. As a result, the country's economic development and growth have been severely impacted. The question again comes, how did it happen? These are— a) principal owner(s) in the positions of chairman or managing director (CEO) has been overpowered, b) remaining directors have been made inactive, c) appointing loyal and incompetent independent directors, d) appointments of inefficient persons as board member on political consideration, e) appointing auditors with weak ethical standards, f) board committees have been non-functional and ineffective, g) lack of transparency, accountability and misreporting, g) somehow or other managing regulators and so on.

Further, even the management team becomes non-professional and just carry out the orders of their chief/boss. In some cases, overpowered person assigned his/her representative in top position to serve his/her interest. These overpowered chairman or CEO, in the absence of good corporate governance, have systematically misappropriated or siphoned out a huge amount of public money by way of or in the name of— 1) acquisition of land and building, 2) import of machinery and raw materials at high prices, 3) fake bank loans, 4) loan to non performing or less performing subsidiaries or group companies and 5) charging huge personal expenses into company's account and similar other ways.

The silent role and improper practices as well as unwarranted interference and intervention of regulators apart from political interference have also contributed to worsening this situation.

Finally, it is notable that there are sufficient rules, regulations, and guidelines in the country and huge sources of information as available through the internet and global market practices. The question is who are the men behind these corporates? There is no alternative to good corporate governance to protect the public interest, and there should be oversight and appropriate evaluation to avoid further damage in the future.

The writer is a senior partner at Hoda Vasi Chowdhury & Co and a former president of the Institute of Chartered Accountants of Bangladesh



## India's rice stocks surge to record high

REUTERS, New Delhi/Mumbai

Rice inventories in India surged to a record high at the start of December, reaching more than five times the government's target and potentially boosting overseas shipments from the world's biggest exporter of the staple food.

Rice reserves, including unmilled paddy, in state granaries totalled 44.1 million metric tons on Dec. 1 against a government target of 7.6 million tons, data compiled by the Food Corporation of India showed.

Wheat stocks on Dec. 1 stood at 22.3 million tons against a targeted 13.8 million tons.

Higher rice stocks would allow India to boost shipments without jeopardising domestic supplies. Last year's patchy monsoon rains led New Delhi to restrict exports of all grades.

The expectation of a bumper crop prompted India to remove export curbs on all rice grades, except for broken rice.

In the middle of overflowing grain bins, Indian farmers have gathered a record rice crop of 120 million tons from this year's summer season, which accounts for nearly 85 percent of total rice output.

As the new crop rolls in, stocks at the Food Corporation of India are set to increase further in the months to come, raising storage concerns in the world's second-biggest rice producer.

The Food Corporation of India is expected to buy 48.5 million metric tons of the new summer-sown rice in the marketing year that began on Oct. 1, up from 46.3 million tons bought from farmers in 2023-24.

This year's copious monsoon rains prompted farmers to expand planting areas.

Unlike rice, India does not allow wheat exports.

# Heavy rains to hit Malaysian palm oil output again in December

REUTERS, Kuala Lumpur/Mumbai

Malaysia's palm oil production is set to fall for the fourth consecutive month in December as heavy rainfall hit harvesting in the world's second-largest producer of the tropical oil, the industry regulator told Reuters on Friday.

Lower output in Malaysia would curb inventories in the country and further boost benchmark futures, which are already near their highest levels in about 2-1/2 years.

**In November, Malaysia's crude palm oil production declined 9.8 percent from a month ago to 1.62 million tonnes, the lowest for the month since 2020**

"We estimate a potential reduction of around 5 percent to 8 percent in crude palm oil (CPO) production under normal circumstances," Ahmad Parveez Ghulam Kadir, director general at the Malaysian Palm Oil Board (MPOB) said.

"However, if severe flooding persists,

the reduction could reach as high as 10 percent to 20 percent," he said.

Peninsular Malaysia, particularly its northeastern coast, and southern Thailand have been battered by torrential rains which caused floods that killed

dozens of people, and damaged homes, transport links, and thousands of acres of rice crops.

Malaysian Prime Minister Anwar Ibrahim said the rains were far beyond expectations, with some east coast areas

getting more than six months' worth of rainfall between November 26 and 30.

In November, Malaysia's CPO production declined 9.8 percent from a month ago to 1.62 million tonnes, the lowest for the month since 2020, the board said earlier this week.

Malaysian Meteorological Department (MET) on Friday said a few states could receive continuous rainfall from December 16 to 19.

The MPOB is closely monitoring the situation as the MET has forecast a second wave of floods due to heavy rainfall, Kadir said.

Heavy rains could further damage plantation infrastructure, such as roads and bridges, making it difficult to harvest and transport fresh fruit bunches from estates to mills, he said.

In December 2023, Malaysia harvested 1.55 million tons of CPO, but production this December could be far lower than last year, said a Malaysian palm oil producer, who did not want to be named.

Palm oil usually trades at a discount to soybean oil and sunflower oil, but is currently at a premium over these competing oils due to limited supplies.



This picture shows a worker pushing a wheelbarrow full of palm oil fruits in Ijok, in Malaysia's Selangor state.

PHOTO: AFP/FILE