

Bepza invites Chinese investors to Bangladesh

STAR BUSINESS DESK

The Bangladesh Export Processing Zones Authority (Bepza) urged Chinese investors to come and explore the golden opportunity to invest in Bangladesh.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, made the request at a seminar in Ningbo, China yesterday, according to a press release.

Bepza and the Ningbo Daxie Chamber of Commerce (NDCC) jointly organised the seminar, styled “Investment Opportunities in the EPZs and EZ of Bepza”. It was attended by around 120 people, including prospective investors, local media, investment analysts, and business lawyers.

“Come and explore a golden opportunity to invest in Bangladesh, a nation where potential meets performance, and partnerships lead to prosperity,” Rahman said.

Highlighting the country’s strategic location and dynamic economy, the Bepza executive chairman said, “Bangladesh is located strategically at the crossroads of South Asia and Southeast Asia, offering seamless access to regional and international markets.”

“Our vibrant population of over 180 million, predominantly young, educated, and highly skilled individuals, ensures a robust workforce that can drive businesses to new heights.”

The main attraction for investing in Bangladesh is that it is inexpensive and has an easily trainable workforce, he emphasised, adding that the minimum wage is the lowest in Asia.

The country’s investment policies have been consistently liberalised to ensure a favorable environment for foreign investors.

Moreover, Bepza has been providing a “One Stop Service” to its investors, making it easier for them to set up and operate industries in EPZs.



Maj Gen Abul Kalam Mohammad Ziaur Rahman, executive chairman of the Bangladesh Export Processing Zones Authority (Bepza), poses for photographs with participants and organisers of a seminar, styled “Investment Opportunities in the EPZs and EZ of BEPZA”, organised by the Bepza and the Ningbo Daxie Chamber of Commerce in Ningbo, China yesterday.

PHOTO: BEPZA

Rahman also outlined Bepza’s future plans, including the development of the Bepza Economic Zone at Mirsharai in Chattogram, which has attracted 41 enterprises.

The establishment of three new EPZs in Jashore, Patuakhali, and Gaibandha is also underway. They are expected to be ready for investors by the end of 2025.

In addition, investors from 38 countries have invested in the EPZs and Bepza Economic Zone, with 449 enterprises in operation, cumulative investment of \$ 6.8

billion.

Over half a million Bangladeshi nationals work directly for these enterprises.

Among them, 107 industrial units have been established by the Chinese at a cost of \$ 1.6 billion, creating job opportunities for 133,000 Bangladeshis.

Cao Jun, executive director of the NDCC, and Md Tanvir Hossain, executive director (investment promotion) of the Bepza, Tarek Hossain, director (investment promotion) and Ali Istiak Chowdhury, director, were also present.

Gold inches higher on softer dollar as attention turns to Fed meet

REUTERS

Gold prices gained on Monday on a softer dollar, while investor caution set in ahead of the US Federal Reserve’s policy meeting where the central bank is expected to deliver a third rate cut this year and provide hints regarding its 2025 outlook.

Spot gold was up 0.4 percent at \$2,658.64 per ounce as of 0918 GMT. US gold futures rose 0.1 percent to \$2,677.70.

The dollar index fell 0.2 percent, retreating from more than a two-week high reached on Friday, making dollar-priced bullion more affordable for holders of other currencies.

“Market participants are awaiting the FOMC meeting and any guidance on future rate cuts,” said UBS analyst Giovanni Staunovo. “We continue to expect a 25-bps cut this week and four more cuts next year.”

The Fed is anticipated to lower interest rates by a quarter point at its two-day policy meeting, which starts on Tuesday

The Fed is anticipated to lower interest rates by a quarter point at its two-day policy meeting, which starts on Tuesday. It will also offer updated projections on potential rate cuts for 2025 and possibly 2026.

“This (rate cuts) should support further investment demand and lift the gold price to \$2,900/oz by mid next year,” Staunovo said.

Non-yielding bullion tends to shine in a lower interest rate environment and during economic or geopolitical uncertainty.

Israel said on Sunday it plans to double its population on the occupied Golan Heights, citing Syrian threats despite the moderate tone of rebels who ousted Assad last week.

Gold and silver demand should remain strong until the US and global growth puts in a floor, with buying as a hedge against equity downside, that is until US interest rates get to neutral, Citi said in a note, adding that it sees “gold and silver peaking around.”

bKash holds anti-money laundering seminar

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Mobile financial service (MFS) provider bKash organised an annual seminar in Dhaka recently to boost the skills of employees engaged in anti-money laundering and combating financing of terrorism (AML&CFT) activities.

The two-day long seminar brought together employees from the AML&CFT department to address challenges to regulatory compliance, explore new products and services, and discuss the latest developments.

Kamal Quadir, chief executive officer of bKash, attended the seminar, according to a press release.

The seminar also outlined organisational and compliance priorities for the upcoming year.

During the seminar, various aspects of AML&CFT compliance programme were analysed and discussed, keeping the compliance officers updated with recent developments in systems and solutions.

In its reporting, bKash has developed dedicated compliance teams deployed in various regions of the country in line with the recommendations of the regulator.

The MFS provider is also playing a pioneering role among the Bangladeshi MFS providers in deploying customised compliance tools like “AML360 Financial Crime Investigation Solution” and “Screening Intelligence System”.



Maj Gen (retd) Sheikh Md Monirul Islam, chief external and corporate affairs officer and chief anti-money laundering and compliance officer of bKash, poses for group photographs with participants of an annual seminar on anti money laundering and combating the financing of terrorism in Dhaka recently.

PHOTO: BKASH

Laggard European markets may be 2025’s top recovery trade

REUTERS, London

The year ahead is shaping up badly for Europe with its financial markets already hit hard by US tariff fears and political turmoil in France and Germany, yet some investors are calling peak pessimism and hunting for bargains amid the gloom.

European stocks are set to underperform the US by the most in at least 25 years, MSCI data showed, while the euro has slumped more than 5 percent against the dollar and some forecasters expect sustained bad news to drag it below \$1.

But as the region’s markets get cheaper, investors are increasingly interested in hunting for bargains, arguing that assets are fully priced for more disappointment and could rally strongly if the geopolitical and economic backdrop brightens.

“We believe Europe could be a positive surprise for underexposed investors,” said Edmond de Rothschild co-head of equities Caroline Gauthier. “We are close to reaching a peak in negativity and that is good news.”

A broad MSCI index of continental European stocks has gained 4.6 percent this year, while a comparable US index surged 29 percent as artificial intelligence fever powered stunning gains for the tech titans that dominate Wall Street equity markets.

US stocks gained 25 percentage points more than European stocks this year, a record gap between the two regions on data going back to 2004.

“Valuation levels in Europe are (now) far more attractive,” said Sonja Laud, CIO of Britain’s biggest asset manager Legal & General Investment Management.

The manager of \$1.5 trillion of investments was not yet broadly raising exposure to Europe, she

added, but warming to stock market sectors like car makers and luxury goods that would benefit if China’s slowdown eased and US tariffs were less punitive than feared.

Euro zone productivity is weak, the European Central Bank downgraded its growth forecasts on Thursday alongside its fourth rate cut of the year, and cautious households are hanging onto their savings.

Yet, in one sign traders see market pricing as extreme, German stocks have started to soar. Germany’s DAX index is up 4 percent so far in December and set for its best month since March.

Europe’s biggest asset manager Amundi forecasts strong gains for the euro next year while other major European investors are warming to beaten-down French stocks.

A line chart showing the relative performance of German large-cap, mid-cap and small-cap stocks so far in 2024.



A double decker bus passes by the imposing skyline of the banking district in Frankfurt, Germany on November 8, 2023.

PHOTO: REUTERS

Germany is expected to hold snap elections in February after Olaf Scholz’s fractious coalition collapsed and while top leadership contender Friedrich Merz backs stimulus spending, that would also require unusually strong cross-party unity.

“We’re trying to make the most of the pessimism we see in Europe,” said Kevin Thozet, investment committee member at European asset manager Carmignac, adding he was building positions in European multi-nationals that have similar businesses to US peers but trade on lower valuations.

For sure, euro zone economic trends remain woeful. Citi’s economic surprise index for the bloc is below the zero level, showing data is widely missing expectations.

But it has stopped falling sharply, indicating that the severity of negative data shocks for markets has reduced.

Euro zone economic data is generally worse than market expectations while the level of positive surprises in the US economy has fallen.

“Bearish positioning (in Europe) has reached extremes,” Citi strategists said on December 10, recommending clients buy into the region because monetary and government stimulus would benefit economically cyclical businesses in sectors like manufacturing and travel.

Columbia Threadneedle chief European economist Steven Bell said European assets were cheap “for good reasons,” citing the region’s economic struggles.

But, he added, the asset manager was investigating opportunities among cheaply valued French stocks that could rally if the nation’s budget stresses abated.

WALL STREET BUBBLE?

Measure of the ‘effective’ number of companies on an index that move stock markets showing rising concentration risk on Wall Street.

Bank of America strategist Michael Hartnett said in a note to clients that potential US tariffs will push US inflation and interest rates higher by the spring of 2025, sparking a rush of investment into “cheap” international alternatives to US stocks.

US equity markets are heavily dependent on the fate of big tech stocks, whose runaway gains have taken so-called concentration risk, which rises as the number of stocks that dominate a market declines, to record levels, data from investment group Simcorp showed.

Hartnett predicts a “major correction” in US stocks in the first half of 2025 and expects European companies to attract more investment for this reason.

US case against Adani

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The US Justice Department declined to comment on whether the United States had asked India to extradite Gautam Adani.

Both Adani Group and Adani himself have recently made public statements emphasizing that the conglomerate’s executives had not been charged with violating the FCPA.

Conspiracy to violate the FCPA is punishable by up to five years behind bars. The fraud charges Gautam Adani and the other Adani Group defendants face are each punishable by up to 20 years in prison.

Drew Rolle, the deputy chief of the business and securities fraud section at the Brooklyn US Attorney’s office, said his office had a responsibility to protect

the integrity of US capital markets.

The office has secured a number of convictions in foreign bribery cases with US connections. In August, jurors found Mozambique’s former finance minister guilty on fraud and money laundering conspiracy charges for embezzling loan proceeds he had told banks were destined for economic development projects.

Rolle said honest companies are harmed when firms like Adani’s allegedly mislead investors.

“It’s not only a bribery case, it’s an important securities enforcement case,” he said at a Dec. 6 conference in New York hosted by the Practising Law Institute. “If you’re going to access our capital markets, you’re going to play by the rules.”

Made in Bangladesh

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Islam urged the government to reconsider the aromatic rice export ban, arguing that the product, being a premium variety, does not pose a threat to national food security.

Faria Yasmin, chief business officer of the ACI Foods & Commodity Brands, pointed to a reduction in the last budget on cash incentives on exporting agricultural products from 15 percent to 10 percent,

negatively impacting their pricing and profitability.

She also called for ensuring punitive measures against incentive misuse.

According to Iqtadul Hoque, general secretary of the BAPA, while new markets are emerging, they have yet to become top export destinations.

“Exporters are actively working to expand their reach,” he added.

India sugar output

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and below annual consumption of around 29.6 million tons, the federation estimates.

BETTER RETURNS

But ample water is not the only reason behind the farmers’ drive for higher cane planting. Many farmers shifted to cane after receiving poor returns from alternative crops such as soybeans and cotton.

“Farmers shifted to other crops from sugarcane last year due to water scarcity, but they ended up incurring losses. Now they are seeking a crop that will provide assured returns,” said BB Thombare, managing director

of Maharashtra-based sugar mill Natural Sugar & Allied Industries.

Increased cane planting will enable India to export 3 million to 5 million tons of sugar in the next season, provided the weather remains favourable and there are no major pest infestations, said Ashwini Bansod, vice president for commodities research at Phillip Capital India.

India, whose sugar export markets include Indonesia, Bangladesh and the United Arab Emirates, was the world’s No 2 exporter during the five years to 2022/23, with volumes averaging 6.8 million tons annually.