

# star BUSINESS



## A year of firefighting for businesses

### 2024 THE YEAR THAT WAS

JAGARAN CHAKMA

The year began with a national election, saw a mass uprising midway and subsequently progressed through a deteriorated law and order situation. These all had adverse implications for businesses.

Similar to previous occasions, the heated political atmosphere surrounding the national elections put business expansion plans on hold for months, both before and after the polls.

Then came the nationwide student-led protests in July, culminating in a fierce anti-government campaign, violence, army deployment, curfew and government ouster in early August.

The political changeover left a huge vacuum in law and order, exposing manufacturing lines to arson, vandalism and ransacking.

Apart from these challenges, the turbulent business climate throughout the year struggled with inconsistent gas and power supplies, red-hot inflation, a US dollar crisis in raw material imports and weakening of the local currency Taka.

Lately, labour unrest and high-interest rates on bank loans further

complicated the business environment.

In 2024, there were also external shocks on the global supply chain, such as the prolonged Russia-Ukraine war, conflict in the Middle East and the Red Sea crisis. On the home front, multiple floods submerged vast swathes of the southern and north-eastern regions.

"If compared, the year 2024 was no less difficult than the coronavirus pandemic," said Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group.

Echoing similar sentiments, Zaved Akhtar, managing director of Unilever Bangladesh, said that 2024 has been a very difficult year for business communities.

The key cause for that was soaring prices of food and non-food essentials, according to Akhtar, who is also president of the Foreign Investors' Chamber of Commerce and Industry (FICCI).

#### STUBBORNLY HIGH INFLATION

Not only among the business communities, but also among the general public, stubbornly high inflation made it almost impossible to turn a corner without bumping into woes due to price pressures.

The inflation rate hovered around the double-digit mark all year round in 2024. It increased to 11.38 percent in November, registering its highest rise in four months.

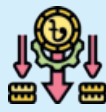
Business communities translated the price pressures into eroded purchasing power of people and a severe blow to demand.

For instance, megapacks of fast-moving consumer goods (FMCG) took up less space on grocery shelves as

### MAJOR CHALLENGES



Political turmoil



Taka depreciation



High inflation

Delayed business expansion plans

Increased import costs, reduced margins

Eroded purchasing power, demand



High interest rates



LC opening challenges



Inconsistent utilities

Discouraged investment, slowed credit growth

Caused losses in export, production

Disrupted production, increased costs

### WHAT'S NEXT

Int'l communities get positive signals after political changeover

Ongoing reforms may heal economic fault lines, boost confidence

Bangladesh may see new investments from FY2025-26



## Broiler chicken prices rise in Dhaka

SUKANTA HALDER

Broiler chicken prices have increased in the capital's kitchen markets amidst an alleged supply shortage, which traders attributed to a rise in consumption at different events and festivities marking the winter season.

Yesterday's prices were 5.41 percent higher than those last week.

Each kilogramme (kg) was selling for Tk 180 to Tk 200, according to the Trading Corporation of Bangladesh (TCB) and sources at retail markets.



A week ago, it was Tk 170 to Tk 200. Compared to that last year, it was an increase of 2.70 percent.

There is a supply shortage, said Mohammad Suman, a retailer at Karwan Bazar, one of the largest kitchen markets in the capital.

The rise also forced Alamgir Hossain, a private company employee, to shell out an extra Tk 100 on his purchase of five kilogrammes of broiler chicken, one of the most common sources of protein for low and middle-income groups.

This will force him to cut back on some other grocery purchase, he told The Daily Star.

He said he has not been able to buy all that he needed due to high prices of daily necessities.

Inflation hit a four-month-high of 11.38 percent in November, despite

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## Labour leaders demand emergency fund for laid-off apparel workers

STAR BUSINESS REPORT

A group of labour leaders of the local garment sector yesterday urged the government to form an emergency fund to provide financial benefits to the laid-off workers, as many are still deprived.

The union leaders made the demand at a meeting with the members of the Labour Reform Commission at the Department of Labour in Dhaka.

To press home their multiple demands, the leaders gave the example of over 40,000 laid-off workers at 16 textile and garment factories of Beximco Group.

They said the Beximco workers will now face trouble in obtaining the service benefits as the group has been struggling to pay the workers since the arrest of its vice-chairman Salman F Rahman.

The Beximco management announced the termination of workers recently, citing a lack of work orders.

Many other factories may also lay off workers amid the current economic situation, the leaders said.

Uncertainty about accessing service benefits increases when workers are laid off in such circumstances, and an emergency fund could be of great help in ensuring these workers receive their due service benefits, they said.

The leaders emphasised that neither the government nor the owners alone can fully cover the service benefits; instead, a fund jointly formed by the government and the owners can serve this purpose.

The Labour Reform Commission has been holding a series of meetings with the workers and stakeholders. Some 12 meetings have so far been held, said Syed Sultan Uddin Ahmed, chairman of the commission.

The commission will hold 60



### CONCERNS RAISED

Lack of financial support for laid-off workers

Potential for widespread layoffs

Existing support mechanisms inadequate

### DEMANDS

Form an emergency fund for RMG workers facing layoffs

Ensure safety of workers' lives and jobs

Improve industrial relations

Formulate labour law of international standard

Establish better working environment

Introduce rationing system for workers

meetings with different sectors to receive recommendations for the legal protection of workers and setting a national minimum wage, he said.

In yesterday's meeting, the union leaders said the workers are not properly getting help from the central fund, which was set up for garment workers' welfare in 2016 where the country's apparel makers contribute 0.03 percent of their export proceeds in each fiscal year.

The leaders also spoke about establishing a better working environment and introducing a rationing system for the workers, said the chief of the commission, the tenure of which will end in mid-February next year.

The labour law should be reformed to

ensure that workers receive justice, he said.

Closing factories is not a solution, and established factories need assistance to remain operational, he also stated.

The government should also be aware that many may close factories and terminate workers in order to receive bank loan waivers, Ahmed said.

The government should identify whether the owners are laying off the workers willfully or there is any valid reason, he said.

In the meeting, Montu Ghosh, president of Garments Workers' Trade Union Centre, suggested introducing strong provisions in the labour law so that the workers get payments in time.

## Realtors optimistic about sales at REHAB Fair

STAR BUSINESS REPORT

Real estate developers in Bangladesh participating in the REHAB Fair-2024 are optimistic about securing sales at the event even though the demand for apartments is low due to persistent higher inflation and other economic concerns.

They said the demand for apartments has fallen as the main buyers – business executives, senior bureaucrats and politicians – have almost completely stopped purchasing.



People visit a stall at the real estate fair in Dhaka yesterday.

PHOTO: COLLECTED

And although demand for apartments in the high and low-end categories remains somewhat good, there is practically no demand for the mid-range units, they added.

Currently, only the people who consider homeownership as an absolute necessity are buying apartments, that too for personal use rather than renting to others, according to Mehedi Hasan, chief design coordinator of Credence Housing Limited.

He said the demand for apartments typically rises when there are more buyers looking to rent out their purchased units.

READ MORE ON B3





## Oil gains

“Risk assets, including US equity futures and crude oil, have started the week on a firmer footing,” IG markets analyst Tony Sycamore said, adding that cooler inflation data helped alleviate concerns following the Federal Reserve’s hawkish rate cut.



Other senior officials from both organisations were also present.

In a report headlined “ICB declares 5% dividends”, published yesterday, we mistakenly mentioned that ICB declared 5% dividends, including a 2.5 percent cash dividend, for 2024. Actually, ICB announced a 2% cash dividend for 2024. We regret the error.

PHOTO: BAPLC


As executive committee members,

PHOTO: EASTERN BANK

"It's only a matter of time," said Andrei.

PHOTO: PAPERLESS LIMITED

Among others, Md Shoeb Ahamed, former chairman of City Bank, and Nazrul Islam, managing director of Paperless Limited, and Arnob Aditya Mamun, head of business, were also present.



পাওয়ার গ্রিড বাংলাদেশ পিএলসি

POWER GRID BANGLADESH PLC

(An Enterprise of Bangladesh Power Development Board)

Grid Bhaban, Avenue-3, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212

www.powergrid.gov.bd

INVITATION FOR TENDERS

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

1

Ministry/Division

Power Division, Ministry of Power, Energy & Mineral Resources.

2

Agency

Power Grid Bangladesh PLC.

3

Procuring Entity Name

Power Grid Bangladesh PLC. represented by Deputy General Manager (Service), P&A Department, Power Grid.

4

Procuring Entity Code

Not used at present.

5

Procuring Entity District

Dhaka.

6

Invitation for

Procurement of Cleaning Service for Power Grid Head Office (Grid Bhaban).

7

Invitation Ref. No.

27.21.0000.213.55.001.24.6494

8

Date

22.12.2024

KEY INFORMATION

9

Procurement Method

Open Tendering Method (OTM)

FUNDING INFORMATION

10

Budget and Source of Funds

Power Grid Own Fund.

11

Development Partners (if applicable)

Not Applicable.

PARTICULAR INFORMATION

12

Project/Program Code (if applicable)

Not Applicable.

13

Project Name (if applicable)

Not Applicable.

14

Tender Package No.

PSN-1

15

Tender Package Name

Procurement of Cleaning Service for Power Grid Head Office (Grid Bhaban).

16

Tender Publication Date

24/12/2024

17

Tender Last Selling Date

07/01/2025

18

Tender Closing Date and Time

08/01/2025, 12:00 Noon (BST)

19

Tender Opening Date and Time

08/01/2025, 03.00 pm

20

Name & Address of the office(s)  
- Selling Tender Document (Principal)  
- Selling Tender Document (Others)

1. Manager (Head Office Accounts), F&A Department, Power Grid Head Office (Grid Bhaban), Holding No.01 (Level-3), Avenue-3, Jahurul Islam city, Aftabnagar, Badda, Dhaka-1212.  
2. Office Room of Executive Engineer, GMD, Dhaka (Central), Gulshan GIS Bhaban (4<sup>th</sup> Floor), Plot No. 47, Road No. 134, Gulshan-1, Dhaka-1212.

NO CONDITIONS APPLY FOR SALE, PURCHASE OR DISTRIBUTION OF TENDER DOCUMENTS

21

Name & Address of the office(s)  
- Receiving Tender Document

1. Office Room of Deputy General Manager (Service), P&A Department, Power Grid Head Office (Grid Bhaban), Holding No. 01 (Level-3), Avenue-3, Jahurul Islam city, Aftabnagar, Badda, Dhaka-1212.  
2. Office Room of Executive Engineer, GMD, Dhaka (Central), Gulshan GIS Bhaban (4<sup>th</sup> Floor), Plot No. 47, Road No. 134, Gulshan-1, Dhaka-1212.

- Opening Tender Document

Office Room of Deputy General Manager (Service), P&A Department, Power Grid Head Office (Grid Bhaban), Holding No. 01 (Level-3), Avenue-3, Jahurul Islam city, Aftabnagar, Badda, Dhaka-1212.

22

Eligibility of Tenderer

•

Tenderers shall have the Valid Trade License, "Thikader Sangsta License" from Department of Inspection for Factories and Establishments, Tax Identification Number (TIN) Certificate & VAT Registration Certificate.

•

Tenderers shall have minimum 05 (five) years of general experience in contracting non-consulting services in the national/international public/private sector organizations as Prime Contractor/Sub Contractor/Management Contractor.

•

Tenderers shall have specific experience as a Prime Contractor in providing Cleaning Service of at least ONE contract completed over a period of 03 (three) years with a value of at least Tk. 70 (Seventy) lac in the national/international public/private sector organizations.

•

The required average annual turnover of the Tenderer shall be at least of the amount of Tk. 40 (Forty) lac over the last three years.

•

The minimum amount of liquid assets i.e. working capital or credit line(s) of the Tenderer shall be Tk. 20 (twenty) Lac.

23

Brief Description of Services

Providing cleaning services in the Power Grid Head Office (Grid Bhaban), Holding No.01, Avenue-3, Jahurul Islam city, Aftabnagar, Badda, Dhaka-1212. [All Floor areas of Ground Floor to 19<sup>th</sup> Floor (Except Bank area of 1<sup>st</sup> Floor), Basement 1 & Basement 2, Outside Entrance gates, Outside areas & surroundings of the Building (Grid Bhaban), Rooftop garden, Reception, Common Toilets of Toilet Block of all floors, Lift Lobby, Main Stair, Emergency Stair, VIP Area (Chairman office, Board Room, MD office & ED's office) at 2<sup>nd</sup> floor/19<sup>th</sup> floor, Entire Hall Area of Ground floor, Prayer Room, Common passages/Corridors of all floors with assigning required no/s of cleaning crew & supervisors including supplying of approved quality cleaning solutions & chemicals, cleaning materials & equipment.]

24

Price of Tender Document (Tk.)

1,000.00 (One Thousand)

25

Package No.

Identification of Package

Location

Tender Security Amount (Tk.)

Completion Time in Weeks/ Months

PSN-1

Procurement of Cleaning Service for Power Grid Head Office

Dhaka

1,00,000.00 (One Lac)

12 months  
(Tentatively from 1<sup>st</sup> February 2025 to 31<sup>st</sup> January 2026).

PROCURING ENTITY DETAILS

26

Name of Official Inviting Tender

Rayhan Mahmud

27

Designation of Official Inviting Tender

Deputy General Manager (Service)

28

Address of Official Inviting Tender

Power Grid Head Office (Grid Bhaban), Holding No.01, Avenue-3, Jahurul Islam city, Aftabnagar, Badda, Dhaka-1212.

29

Contact details of Official Inviting Tender

Telephone No. 02226600936-02226600939, Ext- 165.

30

The Procuring Entity reserves the right to reject all the Tenders or annul the Tender proceedings

Rayhan Mahmud

Deputy General Manager (Service)





Anisha Biswas drains water out of a nursery for saplings of Boro season paddy. Planting of the crop runs from November to February whereas harvests continue from April to June. Boro accounts for nearly 55 percent of the country's yearly rice production. An estimated 2.07 crore tonnes were cultivated in fiscal year 2022-23, according to the Bangladesh Bureau of Statistics. The photo was taken at the Bil Abad village in Khulna's Dumuria upazila recently.

PHOTO: HABIBUR RAHMAN

# Not revenue, tobacco tax should mind public health: economists

## STAR BUSINESS REPORT

Higher tobacco taxation should not be a key tool of the government for boosting overall revenue collection, as this could compromise the overall status of public health, according to economists.

Historically, Bangladesh has allocated a meagre one percent of its total budget to the health sector, while tobacco was responsible for around 22 percent of all deaths in 2021.

The economists contended that the health and economic costs associated with tobacco use outweigh the revenue generated from cigarettes and other harmful tobacco products.

They raised these points at a seminar, titled "Effective Cigarette Taxation in FY2025-26", organised by non-governmental think-tank Unnayan Shamannay at the National Military Museum in Dhaka yesterday.

"Prioritising tobacco taxation as a key revenue driver could have detrimental

consequences," said MA Razzaque, a renowned economist.

He said that the National Board of Revenue (NBR) might achieve its revenue targets, but the revenue administration could hesitate to increase tobacco taxes for fear of revenue declines.

"While increased taxation is currently acceptable, the long-term focus should not be solely on revenue generation," Razzaque added.

He said tobacco taxes will have to be increased for the sake of public health and it is the responsibility of the state.

The economist suggested that the government should invest in awareness campaigns to reduce tobacco consumption.

Currently, cigarette companies pay roughly around 47 percent tax on their products.

During his presentation, Abdullah Nadvi, research director of Unnayan Shamannay, called for cigarette price increases in the next budget, exceeding

the annual average inflation rate.

He said current price hikes have been insufficient to deter tobacco consumption.

Over the past five fiscal years, annual cigarette sales have increased from Tk 35,167 crore to Tk 47,307 crore, according to the presentation, which claimed that ineffective cigarette taxation is costing the government Tk 6,600 crore annually.

At the event, Mirza Mohammad Mamun Sadat, first secretary of Tax Policy at the NBR, called for modernising the existing cigarette tax structure to effectively reduce smoking rates in Bangladesh.

Md Mashiur Rahman, first secretary of VAT Policy at the NBR, urged anti-tobacco activists to submit specific cigarette taxation proposals well in advance of the next fiscal year's budget finalisation.

MA Sattar Mandal, an emeritus professor, elaborated on the harm

caused by the tobacco industry and urged policymakers to implement stringent tobacco taxes.

"Currently, 66,000 acres of land are used for tobacco cultivation. Discouraging tobacco cultivation would allow for more profitable crops like potatoes or maize," he said. "Besides, tobacco cultivation depletes soil fertility."

SM Zulfiqar Ali, research director of the Bangladesh Institute of Development Studies, called for strong policy measures to reduce tobacco consumption.

"The NBR must remain vigilant against manipulative proposals from tobacco companies and consumers should be wary of their deceptive advertising," he commented.

Among others, Md Sahidul Islam, former member of the NBR and Md Mostafizur Rahman, lead policy advisor for Campaign for Tobacco-Free Kids (CTFK) - Bangladesh also spoke at the event.

## Govt plans to offer revised budget by Feb

Wahiduddin says

UNB, Dhaka

Planning Adviser Dr Wahiduddin Mahmud yesterday said the interim government would announce the revised budget, although in this case more of an emergency budget for the abrupt change in government, for fiscal year 2024-25 by February.

"It would be better to announce it by the end of January. Time has come to prepare a revised budget in line with the monetary policy, budgetary policy and annual development budget," he said.

"We are trying to do that by end of January or in February so that everyone can be benefitted," he said while briefing reporters after a meeting of the Executive Committee of the National Economic Council at the ministry.

Mahmud said once the revised budget was passed, Bangladesh Bank would be able to implement its monetary policy, the finance ministry would know how to manage the budget deficit or how much foreign aid would be needed.

The planning ministry will be able to formulate plans quickly to complete projects at hand.

He commented that people's suffering cannot be alleviated without employment generation.

Mahmud mentioned that usually the revised budget is prepared by the end of March, that is by the end of the third quarter in terms of a fiscal year.

"We did not prepare this budget (current budget for fiscal year 2024-25), the previous government formulated it. We want to revise this budget ahead of that time (March)," he said, signalling what may be more of an emergency budget.

But for that, the interim government needs some estimations like figures of revenue collection from the National Board of Revenue (NBR) and foreign aid flows, he said.

"This will be needed to put the budget deficit at a tolerable level and revise the development budget," said Mahmud.

STOCKS		
DSEX ▼	CASPI ▼	
0.49%	0.09%	
5,170.79	14,454.64	

COMMODITIES		
Gold ▼	Oil ▼	
\$2,615.26	\$69.12	
(per ounce)	(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.64%	▲ 1.19%	▲ 0.87%	▼ 0.50%	
78,540.17	39,161.34	3,752.33	3,351.26	

## Realtors optimistic

FROM PAGE B1

Now though, most apartment purchases are being made by people who feel an acute need for personal housing and those who can afford luxury units.

Credence is displaying a total 54 projects, 18 of which are ongoing, at the fair.

The projects are mainly located in the Dhanmondi, Lalmatia, Uttara, Elephant Road, Mohammadpur, Gulshan and Banani areas of Dhaka city.

Hasan informed that their apartment sizes range from 1,200 square feet to 3,500 square feet.

KM Shapnik Mahmud, assistant general manager and cluster head of sales at Rangs Properties Limited, said sales of high-end apartments are sustaining the market, which would have otherwise completely collapsed. He informed that while Rangs Properties is not offering discounts on occasion of the fair, they are open to negotiating with clients to find the best prices for both parties.

The company is showcasing 28 projects at its stall, with most located in the more affluent areas of the capital.

The size of the apartments under these projects is between 2,200 and 8,000 square feet while their prices range from Tk 20,000 to Tk 35,000 per square feet, Mahmud said.

Md Sharif Hossain Bhuiyan, executive director of operations at Sheltech (Pvt.) Limited, said they are offering discounts of up to Tk 25 lakh and an Apple smartphone for clients that book units at the fair.

"Basically, the demand for apartments has declined since August 5, and the sector has been suffering a lot," he added.

Bhuiyan further said that they are participating in the fair despite the low demand as a means of attracting clients.

"We are not sure about how many clients we could get through the fair

but still, we are optimistic about the potential results," he added.

Bhuiyan informed that of the 24 projects being showcased at Sheltech's stall, two are commercial while the rest are residential.

Apartments under these projects with sizes between 971 to 1,173 square feet are available at the price of Tk 10,750 per square feet, he said.

Md Siddiqur Rahman Sarkar, chairman of Rajdhani Unnayan Katiripakka (RAJUK), inaugurated this year's REHAB fair as the chief guest.

The five-day event kicked off at the Bangabandhu International Conference Center in Agargaon, Dhaka yesterday.

**Currently, only the people who consider homeownership as an absolute necessity are buying apartments, that too for personal use rather than renting to others, said an official of a company**

With 220 stalls set up at this edition, the Real Estate and Housing Association of Bangladesh (REHAB) has allowed building material suppliers and financial investment companies to participate alongside realtors.

During the inauguration ceremony, Sarkar said that measures will be taken to amend the Detailed Area Plan and relevant rules within the next two weeks.

"RAJUK is already undertaking activities to make Dhaka a beautiful place for living," he added.

The RAJUK chairman also lauded REHAB's significant contributions toward fulfilling housing dreams in the country.

Md Wahiduzzaman, president of REHAB, presided over the inaugural ceremony.

## Broiler chicken prices rise

FROM PAGE B1

The challenge in opening LCs in 2024 has caused businesses to face considerable losses, said Pran-RFL Group Chairman Ahsan Khan Chowdhury.

"If investors cannot open LCs properly, it has a huge impact on exports and production levels," he added.

In such a situation, the attention of businessmen is impaired and production fails, which impacts exports and the economy, he said.

However, he said the government should not be blamed for this, rather businessmen also have a responsibility here as they can also supply the required US dollars using export earnings.

**INCONSISTENT POWER, GAS SUPPLIES**

Throughout 2024, production was severely affected by the gas and electricity crisis, said Muhammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"We were only getting three to five PSI [pounds per square inch] of gas during the day whereas we needed 15 to 40 PSI," he added.

Hatem further said that the government's decision to increase gas prices from Tk 11.95 to Tk 31.50 per cubic metre led to higher production costs.

However, he noted that the recent political shift is encouraging and a significant conquest for the business community.

According to the business leader, the new chairman of the National Board of Revenue is showing positive approaches to improve the business climate.

**LABOUR UNREST EXPOSED LAW AND ORDER VACUUM**

Soon after the formation of the interim government, major industrial belts on Dhaka's outskirts heated up with agitating labourers.

## A year of firefighting

FROM PAGE B1

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**LABOUR UNREST EXPOSED LAW AND ORDER VACUUM**

Soon after the formation of the interim government, major industrial belts on Dhaka's outskirts heated up with agitating labourers.

They abandoned the production lines, took to the streets and chanted slogans for pay hikes and other benefits.

This impacted apparel exports and the pharmaceutical industry in particular.

According to Pran-RFL Group Chairman Chowdhury, about 10 percent of business and trade were lost in 2024 due to political instability and labour agitation.

Meanwhile, FICCI President Akhtar said improving law and order and energy security remain the biggest concerns in the immediate term for existing investors.

"Unless we have a full grip on the situation, existing investors will be jittery," Akhtar said.

This issue needs to be addressed quickly as existing investors act as the country's ambassadors and have a strong impact on the confidence of incoming investors, he added.

According to central bank data, during the January-June period of 2024, Bangladesh received just \$712.44 million in foreign direct investment compared to \$728.63 million during the corresponding months of 2023.

Akhtar also said investors are taking a wait-and-see approach before making investment decisions.

The footfall of foreign guests, a proxy of foreign investment and exports, also speaks of a topsy-turvy business climate in 2024.

Md Shakawat Hossain, chief executive officer of Unique Hotel and Resorts PLC, said the hotel business was dull throughout the outgoing year.

After sluggish booking for months, he said the presence of foreigners at their two luxury hotels slightly improved in October but saw a fresh downturn in November.

"Business recovery totally depends on the current political and economic situation in the country," Hossain

said.

## HIGH INTEREST RATES ELEVATED COST OF BUSINESS

Contractionary measures, like raising interest rates, were adopted to curb inflation, but the long-term project financing interest rate from banks rose to about 14 percent, which resulted in a slowdown in the growth of private sector credit, said former DCCI president Ibrahim.

According to him, the private sector credit growth rate had already dropped by 9.8 percent by mid-year.

Pran-RFL Group Chairman Chowdhury said that anyone wishing to invest in or conduct a business should bear in mind the high bank interest.

"I think we will get rid of the current difficult situation with time," he commented.

Ferdous Ara Begum, chief executive officer of Business Initiative Leading Development (BUILT), said high loan interest rates, a lack of established law and order and unclear guidelines have made investors hesitant and foreign investors have chosen to wait-and-see.

She said the government is also giving projects under the Annual Development Programme higher priority than others, and that some projects have been shelved. This indicates that there might be a wait for fresh investment until the budget for fiscal year 2025-26 is placed.

However, she said Bangladesh has been able to send a signal to the international world that the country has fought against oligarchies, and transparency and accountability will be the main thrust of the government.

"Several reform commissions and committees have been formed, and they are currently turning in their reports that expose the real facts, which can be viewed as encouraging," she added.



## Govt declares 9% raise in minimum RMG wage

### STAR BUSINESS REPORT

The government has raised the minimum wage of garment workers by 9 percent, according to a circular from the Ministry of Labour and Employment.

In previous years, the increment was fixed at 5 percent.

The latest increment will come into effect from December 1 and the workers will receive revised salaries based on the increment in January, said the circular issued on Sunday.

The other service benefits of the workers will not be cut for the annual increment, it said.

Earlier this month, a state-run annual increment and wage review committee made the recommendation for 9 percent to the government.

Amidst massive labour unrest in August and September, the government had assured meeting the workers' 18-point demand, including reviewing the annual increment.

The workers had been seeking 10 percent to address yearly inflation in the country.

However, the garment factory owners had offered 8 percent during recent tripartite meetings organised by the Ministry of Labour and Employment.

Afterwards, all sides settled on 9 percent.

# Garment exports to EU rise slightly



Although garment exports from Bangladesh to the European Union were 1.43 percent higher year-on-year in the January-October period, prices declined by 4.92 percent.

PHOTO: STAR/FILE

### STAR BUSINESS REPORT

The revenue generated from Bangladesh's garment sales to the European Union (EU) in the January-October period was 1.43 percent higher than that in the same period last year.

However, a larger amount of goods was exported, specifically 6.68 percent more year-on-year.

This indicates that prices had declined by 4.92 percent.

Unit prices declined for most suppliers this year, reflecting competitive pressure within the global apparel industry.

In case of imports from China, the EU had

availed 8.63 percent lower prices, according to Eurostat, the country group's statistical office.

The data suggests that while the EU's overall demand for apparel remains strong, the competitive landscape is shifting, with some suppliers gaining ground while others, including Bangladesh, are experiencing challenges.

The EU's apparel imports in the 10 months showed mixed trend, including signs of recovery, despite price pressures.

It totalled \$77.78 billion, which was 0.58 percent higher year-on-year.

This brings EU's clothing imports since

January this year till date in the positive, from a negative 2.02 percent growth in the January-September period.

While overall value and quantity of the imports increased slightly, a closer look reveals a complex picture across different sourcing countries.

China, a major supplier, saw a slight increase in the value of apparel exports to the EU in the mentioned period, 1.14 percent to be precise, suggesting a potential shift in the global apparel market.

Other major suppliers like Vietnam and Cambodia experienced growths of 3.31 percent and 20.66 percent respectively.

## How people analytics optimises return on investment

### FAISAL IMTIAZ

Imagine you own a small coffee shop in a bustling area. Each morning, you observe patterns in how your employees interact with customers. One barista thrives during the morning rush, handling high-pressure situations with ease, while another brings a sense of calm during quieter post-lunch hours, boosting customer satisfaction.

You also notice that certain team members excel at upselling during specific times of the day, resulting in higher sales. These observations may seem anecdotal, but they reveal the potential of understanding human behaviour in driving business outcomes.

Now, scale this scenario to a larger organisation. What if you could harness data to make strategic decisions about hiring, training or leadership development? This is the promise of people analytics: a transformative approach to aligning workforce insights with business objectives to optimise performance and return on investment (ROI).

I have seen first-hand the transformative potential of people analytics, even with limited human capital and resources. In a previous role as chief human resources officer of a digital company, I faced the challenge of high employee turnover and inconsistent revenue per employee. Armed with minimal tools, I began consolidating employee data, tracking metrics like attendance, performance ratings, and training participation. Through analysis, I discovered that employees who engaged in targeted learning programs consistently outperformed their peers.

Armed with this insight, I restructured the training programs to focus on high-impact areas and advocated for increased investment in employee development. The results were remarkable. Within a year,

revenue per employee rose by 12 percent and just the next year it was 26 percent consolidated.

Beyond these metrics, the organisation experienced a cultural shift as employees felt more valued and motivated by the company's commitment to their growth.

People analytics, at its core, involves collecting, analysing and applying data about employees to improve organisational outcomes.

By connecting workforce behaviours to key performance indicators, organisations gain insights that lead to better decision-making. Strong people analytics can guide the hiring process by identifying candidates most likely to succeed and reducing costly turnover. It can enhance engagement by revealing what motivates employees and align roles to their strengths, maximising productivity.

An often-overlooked advantage of people analytics is its role in ethical decision-making. Organisations frequently face dilemmas when trying to balance profitability with fairness. Here, AI-driven analytics can play a vital role, removing bias from decisions and ensuring equity in opportunities. By relying on objective data rather than subjective judgments, businesses can make decisions that are both profitable and principled. For instance, salesforce uses analytics to monitor diversity metrics and ensure inclusivity in hiring and promotions. This ethical application of data not only strengthens trust within the workforce but also enhances long-term ROI by fostering a culture of engagement and loyalty.

The future of people analytics is expansive, with AI amplifying its potential. In today's dynamic business landscape, relying solely on intuition is no longer an option. People analytics is not just a tool for HR departments; it is a strategic asset that drives meaningful outcomes. People analytics does not merely measure performance; it paves the way for creating environments where employees thrive, and businesses flourish.

As I've experienced, even small steps in leveraging people analytics can lead to transformative results. It is not just about improving revenue or reducing costs – it is about building a sustainable, resilient organisation. The future belongs to those who embrace this mindset, leading with data, investing in their workforce, and shaping a legacy of excellence.

The author is a professor of organisational behaviour at Centennial College in Toronto



# Weather woes to crush India's sugar production, export hopes

### REUTERS, Mumbai

Sugarcane yields in India are declining due to last year's drought and this year's excessive rains, which could reduce the country's sugar production below consumption levels for the first time in eight years, farmers and industry officials said on Monday.

Lower-than-expected output by the world's second-largest sugar producer could eliminate the possibility of India allowing exports in the current season ending in September 2025, supporting global sugar prices.

Maharashtra, Karnataka, and Uttar Pradesh account for more than 80 percent of the country's total sugar production, with lower cane yields in these states prompting trade houses to reduce their output estimates for the 2024/25 season.

The production could fall to around 27 million metric tons from the last year's 32 million tons and below annual consumption of more than 29 million tons, said India head of a global trade house, who declined to be named.



Vendors arrange sugarcane for sale at Machkhawa market on the banks of Brahmaputra river in Guwahati, India.

PHOTO: AFP/FILE

"During the summer months, the cane crop faced prolonged stress due to the lack of water," B.B. Thombare, president of the West Indian Sugar Mills Association told Reuters.

"When the monsoon season began,

there was excessive rainfall and limited sunshine, which also adversely affected the crop's growth." The adverse weather curtailed cane yields by 10 to 15 tons per hectare, Thombare said.

The western state of Maharashtra and

neighbouring Karnataka, which together produce nearly half of India's sugar, received lower-than-average rainfall in 2023, bringing down reservoir levels.

"Usually, we harvest 120 to 130 tons of cane from one hectare of land, but this year yields have fallen to 80 tons despite all our efforts," says Shrikant Ingle, who cultivated cane on five acres of land in Maharashtra's Solapur.

Drought did not affect the crop in Uttar Pradesh, the country's leading sugar-producing state in the north. However, plantations in the state were impacted by red rot disease, which reduced sugarcane yields, said a senior state government official.

"To control the spread of the disease, we are advising farmers to adopt new cane varieties," the official said.

The downward revision in the production estimate has eliminated the possibility of any exports in the current season, the head of the trade house said.

Sugar industry seeks 2 million tons of exports, while the government says it may allow limited exports, if any surplus remains after ethanol needs are met.

## UK business morale falls to 2024 low: survey

### REUTERS, London

British business confidence fell to its lowest level of 2024 in December but employers were a bit more optimistic about the wider economy, according to a survey published on Monday, while separate data showed a pre-Christmas rise in hiring and pay.

The Lloyds Bank Business Barometer measure of confidence among companies fell by 2 points to 39 percent, still above its long-run average of 29 percent.

Hann-Ju Ho, senior economist at Lloyds Bank Commercial Banking, said the fall extended a drift down since the summer.

"The key difference in this month's results is that the fall in confidence is driven by firms' own trading prospects," he said. "There was, however, more positivity regarding the wider economy and, going into 2025, this offers some hope if companies continue to feel confident about the economy."

Britain's economy contracted in September and October – the first consecutive monthly falls in output since the Covid-19 pandemic – as employers worried about the new government's first budget which was announced on October 30.

The Bank of England last week forecast zero growth in gross domestic product in the final quarter of 2024 but it kept interest rates on hold as it awaited more clarity on the impact on inflation from the budget's tax increases for employers.

Lloyds' gauge of price intentions increased slightly in December and remained well above the long-run average.

# Luxury Western goods line Russian stores, three years into sanctions

### AFP, Moscow

Despite a barrage of Western sanctions and swathes of brands quitting Russia after the Kremlin launched its Ukraine offensive, Moscow's most well-off shoppers are still spoilt for choice when it comes to luxury Western goods.

In the Russian capital's exclusive shopping quarters, department stores and high-end Russian outlets are doing a roaring trade in Western sports cars, gold jewellery and designer clothes.

The picture is a far cry from the West's claims that its sanctions would collapse the Russian economy and cut it off from the outside world.

"I don't see any particular changes," said Natalia, a 51-year-old dentist strolling through the plush GUM shopping mall, facing the Kremlin on Moscow's Red Square.

"Maybe there were three stores – Chanel, Dior, Hermes – that I know have left. All the rest are the same as before. I see even Brunello Cucinelli is here," she said, referring to the Italian fashion house.

Many in Moscow – including Russian President Vladimir Putin – have revelled in what they call the "failure" of sanctions to isolate Russia from the global economy.

"They wanted to isolate us? Please! We are so isolated here it's even funny," scoffed 61-year-old pensioner Sergei, leaving an upmarket store.

The United States, European Union and Britain have explicitly banned the export of "luxury goods" to Russia as part of their sanction packages.



PHOTO: AFP/FILE

Customers walk past a Lacoste outlet at the GUM department store in Moscow on November 18.

Several brands and groups also voluntarily quit the market at the start of the offensive – including Chanel, Hermes, LVMH and Kering – amid a wave of corporate exits from Russia.

But almost three years later, their logos still adorn products on the shelves of Russian stores in Moscow, a bustling megalopolis of some 13 million inhabitants that was a profitable market for them before the conflict.

Sanctioned goods of all kinds are easily exported to Russia through willing middlemen in places like the Caucasus and Central Asia.

Even if they aren't selling directly to Russian shoppers anymore, many of the Western luxury brands have kept hold of their premises in central Moscow, apparently in the hope of reopening sometime in the future.

"Their announced departure is pure hypocrisy," said one French businessman selling luxury goods in the Russian capital.

"Even though their stores are officially closed, these brands continue to sell their products to Russians via 'marketplaces' and dealers," he said, speaking on condition of anonymity.

Export statistics show a huge jump in trade between Western countries and the likes of Kyrgyzstan, Kazakhstan and Azerbaijan – ex-Soviet countries that have close ties with Moscow – after sanctions were introduced.

"One way or another, everything is imported," said Elena, a 38-year-old marketing manager for a luxury lingerie designer, shopping in central Moscow.

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