

BUSINESS OUTLOOK

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01 May 2022

Forex Reserve Under Pressure



Key Points



Forex Reserve should be properly used



BB should get more independence handling Forex Reserves



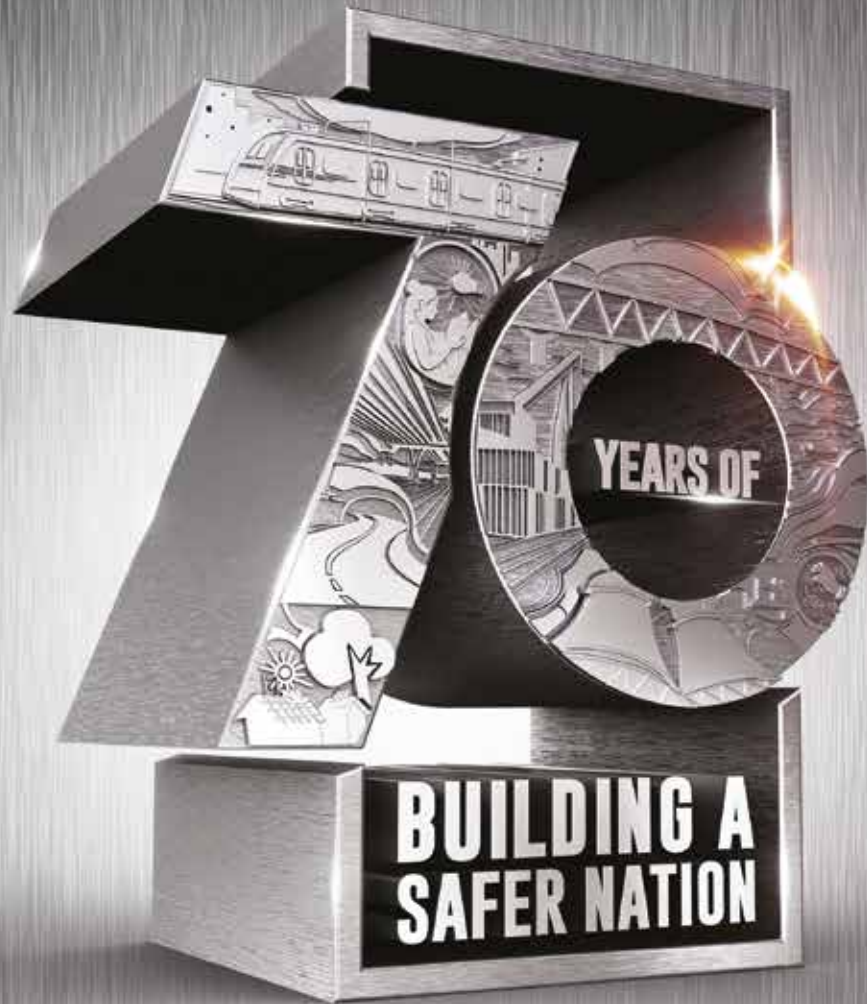
Learn form others mistakes and improve



Control import of unnecessary goods

Crops Damaged By Sudden Surge Of River Water

Iftar Items Become Dearer



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Diversifying Foreign Exchange Earnings A Must

Economists have repeatedly been urging the government to be cautious in managing the country's foreign exchange. The call mainly came following neighbouring Sri Lanka and Nepal's cases. Both countries are struggling with their lowering forex reserve positions. The situation in Sri Lanka is so bad that the country is on the brink of bankruptcy, with nearly \$7bn of its total \$25bn in foreign debt due for repayment this year. Sri Lanka and Nepal are mainly dependent on tourism for foreign exchange earnings which have been affected first by the Covid-19 pandemic and then by the Russia-Ukraine war. Our dependency is mainly on two sectors—RMG and remittance. Initially, after the emergence of Covid-19 in the first half of 2020, both the sectors were heavily hit but gradually recovered and are pretty steady. But dependency on a single export item or dependency on remittance for foreign exchange is very risky. This has prompted economists to call for greater caution and take measures before any disaster.

We already have few symptoms as forex reserves fell to \$44 billion from \$48 billion in recent months. One of the main reasons for the economists' concerns is the growing trend of foreign loans and subsequent obligations for debt servicing. According to a recent report, the country will have to spend \$2.4 billion annually in the coming years. As per the report, Bangladesh will have to deal with maximum pressure in FY27, FY28 and FY29 as its debt repayments will reach at least \$2.5 billion during the three fiscal years. Such an upward trend will continue till FY33, shows an Economic Relations Division (ERD) document. Payments of foreign debts, including principal plus interests, have been increasing with a rise in disbursements every fiscal year. Since FY13, Bangladesh has been repaying principal and interests amounting to \$1 billion or more, but the amount reached \$1.9 billion in FY21. The external debt pay-out further ticked up in the ongoing fiscal year – till March, Bangladesh repaid \$1.59 billion to different development partners. Sensing the risk, Bangladesh Bank already took some measures, including tightening the import of unnecessary or luxury items. Finance Minister AHM Mustafa Kamal also said more actions would be taken in this regard. We also support the steps. But at the same time, we suggest taking measures to stop being dependent on a single export product or single sector like remittance for foreign exchange incomes to minimise our risk. ■



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Stocks Regulator Asks Brokers To Suspend 15 Traders

The Bangladesh Securities and Exchange Commission (BSEC) has ordered nine stock brokerage companies to suspend 15 traders for placing share sell orders at zero price. "Placing sell orders at zero price is a breach of securities rules," said Mohammad Rezaul Karim, spokesperson of the stock market regulator. Suppose a stock price is Tk 150 but the traders place an order to sell it at zero price, then it causes a panic among investors who own such scrips and thereby affects the overall market. Almost all the sell orders placed at zero prices were executed at their lowest value on the day. "We sent letters to the managing directors of brokerage firms to listen to the explanations from traders and subsequently suspend them if they don't feel satisfied," Karim said. The authorised representatives (traders) sold shares in bulk and most stocks were of big-capital based companies, so their influence on the index was high, he added. The stockbrokers are Parkway Securities, Quayum



Securities, Rashid Investment Services, Shyamol Equity Management, Mercantile Bank Securities, TA Khan Securities, JKC Securities, and Kazi Equities. A stockbroker preferring anonymity said the authorised representatives trade shares in favour of brokerage firms. ■

Double Bandwidth At 25pc Higher Investment



Bangladesh Submarine Cable Company will increase its planned investment to connect to a third submarine cable by 25 per cent to avail double the bandwidth. With Tk 870 crore, the company will now get 13,200 Gbps from the South East Asia–Middle East–Western Europe 6 (SEA-ME-WE 6) consortium. Currently the state-run venture avails 2600 Gbps from SEA-ME-WE 4 and SEA-ME-WE 5. Another 1,000 Gbps or so of the bandwidth comes from India through six international terrestrial cable service providers based in Bangladesh. Demand for bandwidth in the country now stands at 3,400 Gbps. The third cable's addition will take the company's capacity to 15,800 Gbps. "This is big news for Bangladesh and it will meet our bandwidth demand until 2030," Telecom Minister Mustafa Jabbar said. ■

BB Fixes Interest Rates For NBFIs

Bangladesh Bank (BB) has asked all non-bank financial institutions (NBFIs) to fix maximum 7 percent interest rate on deposit and maximum 9 percent interest rate on loan. The instruction will come into effect from July 1 this year, according to a BB circular issued today. Some NBFIs have recently offered high interest to clients for mobilising deposits, playing a role in increasing their cost of fund, the BB said. The high interest rate on deposits quoted by NBFIs has also fuelled the lending rate, leaving an adverse impact on the borrowers. Against the backdrop, the repayment capability of the borrowers has eroded which has pushed default loans and left a negative impact on the entire economy. The BB, however, said the instruction would not be applicable for deposits, which were collected before implementing the notice. ■



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Khulna Jute Mill Workers Demonstrate For Arrears, Reopening Mills

Jute mill workers of Khulna today demonstrated, demanding reopening of state-owned closed jute mills and payment of all arrears. The demonstration was held under the banner of Sramik-krishak-chhatra-janata Oikya around 11 am in Shiv Bari area of Khulna, reports our local correspondent. A few hundred jute mill workers, civil society leaders and Khulna citizens participated in the human chain to press home their demands. ■



Govt To Place National Budget For FY-23 On June 9: Kamal

Finance Minister AHM Mustafa Kamal today informed that the budget of the upcoming fiscal year (FY23) would be placed in parliament on June 9. The minister said this in a press briefing after a meeting of the Cabinet Committee of Government Purchase (CCGP). The initial size of the budget is set at Taka 6,77,864 crore and the target for revenue income is Taka 431,657 crore. When asked about the possibility of increasing the tax-free income limit from Taka 3 lakh, the minister said the details of the issue are yet to be set. But the government will surely take step, which will bring comfort to the lives of the general people, he added. ■

Govt's Purchase Committee Approves 10 Proposals

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Faruque Hassan said updating and simplifying business procedures in line with changing trade situation are important to retain competitiveness of the RMG industry. He urged the National Board of Revenue (NBR) to ease business procedures including customs and bonds to support the export-oriented garment industry in realizing its potential. He made the call during a meeting with Hossain Ahmed, NBR Member (Customs Export, Bond and IT) at NBR office in Dhaka on Thursday, said a press release. BGMEA Vice President Shahidullah Azim and Kazi Mustafizur Rahman, Commissioner, Customs Bond Commissionerate were also present at the meeting. The BGMEA leaders requested NBR to remove various customs and bond-related difficulties, especially HS code related complexities being faced by the garment exporters. They urged NBR to take necessary steps for addressing the issues like adding new



raw materials and other related materials with their harmonized system (HS) code in the bond licences. The BGMEA leaders also requested for identifying the frauds who are involved in illegally importing raw materials through forgery of the Business Identification Number (BIN) of export-oriented garment factories and bring them to punishment. ■



BNP's 'Movement Rhetoric' Gets Louder Ahead Of Eid

MS Hasan

When BNP Standing Committee member Mirza Abbas threatened to launch an intense movement after this Eid-ul-Fitr, many wondered at the possibility and some even considered it an empty threat, typical political rhetoric. Party insiders say the BNP is not actually planning an anti-government movement at this point in time when the general election is scheduled to be held at the end of 2023. Rather, the BNP is trying to restructure its party rank and file by forming new committees in a democratic way so that genuine activists can come to the forefront of the party leadership during any movement in the near future.

At the same time, BNP is trying to form greater political unity to initiate an effective anti-government movement taking all other political parties on a single platform. As part of the move, it has already thrown a new idea of a national government during the general election and also after the election. It has been holding a series of negotiation meetings with other political parties, especially, those known as leftist parties, but not supporting the Awami League government. BNP wants to launch an anti-government movement, if possible, through a greater unity, or at least, a simultaneous movement from different platforms for a single cause—ousting the Awami League government to establish what it calls a "the rule of democracy".

On the other hand, the ruling Awami League is not sitting idle. The government is under severe pressure from the United States and its European allies for holding a free and fair election in due time. Protecting human rights, ensuring press freedom, freedom of speech, the opposition's political rights are among issues that are coming up in different meetings with western powers. A recent US human rights report and Foreign Minister Abdul Momen's meeting with his counterpart, US Secretary of State Antony Blinken, are good examples of such pressure. But Awami League is trying to neutralise the pressure through diplomatic efforts.

Dhaka north BNP announces

620 unit committees

BNP's Dhaka north city unit recently announced committees of its 620 units as part of a move to overhaul the party. "The committees of 620 units at 71 wards in 26 thanas have been approved," a press release signed by its office secretary Zaiur Rahman on April 25 announced. It said Dhaka north BNP convener Amanullah Aman and member

are telling the opposition that there is no strong opposition in the country," Abbas said. "Remember, BNP is still there and will continue to exist."

He said their movement was going on. "Maybe there is a break. Our acting chairman Tareq Rahman will lead the movement," he noted.

Dhaka seeks Delhi's support over



Peter Haas, US Ambassador to Bangladesh

secretary Aminul Haque approved the committees. On April 17, the committees of 70 wards under BNP's Dhaka south city unit were announced.

BNP has recently formed committees of its different units and associate bodies as part of its plan to wage a movement ahead of the next general election demanding the polls be held under a non-party neutral government.

'Movement after Eid'

Warning the government, BNP standing committee member Mirza Abbas said, "If you go on a fast, you will understand what a movement is. I want to tell those who say that the BNP's movement is not a movement after any Eid. It is done in a hurry." At a prayer and iftar mahfil organised by Ziaur Rahman Foundation at Ladies Club in the capital on April 22, he also took a swipe at the prime minister's remark about the lack of strong opposition. "You

US sanctions

Foreign Minister AK Abdul Momen said Bangladesh sought India's support to withdraw the US sanctions imposed on RAB and some individuals. "We sought their



help after the US imposed sanctions on RAB. They've been very nice to us. They (Indian side) said they would raise it," Momen told report-

ers at his office on April 26. He said the Indian community of around 45 lakh members in the US also requested the government. "They (Indian community in US) are very influential."

No scope to repeal sanctions without concrete actions: Haas

We want to see a RAB which is capable of combatting terrorism but which is also capable of respecting basic human rights

There is no scope for repealing the sanctions on RAB without concrete actions and accountability, US

Ambassador to Bangladesh Peter Haas said on April 24. He was speaking at a seminar organised at the Bangladesh Institute of International

and Strategic Studies on US-Bangladesh relations. "We want to see a RAB which is capable of combatting terrorism but which is also capable of respecting basic human rights," said Haas. Just before his remark, RAB Director-General Chowdhury Abdullah Al-Mamun spoke about how RAB had established an

ment security cooperation. "We will continue to work with Bangladesh to combat violent terrorism, combat transnational crime and enhance security. We will continue our support to the transnational crime police and to the anti-terrorism unit and the specialised police units in Chattogram, Sylhet and Rajshahi.

In Bangladesh, the elections have already started," said Haas. He welcomed the law minister's commitment to reform the DSA to prevent abuse of the law.

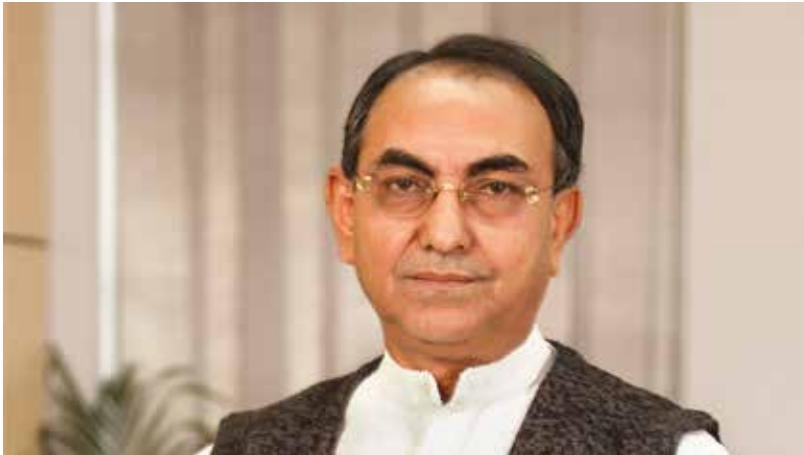
Momen responded to Haas' comment about holding impartial elections by saying, "You are most welcome to come with your observers. We want to see and improve."

Labour issues

The US ambassador also spoke about the need for signing two defence treaties called ACSA and GSOMIA that are foundational agreements for defence trade and cooperation. He called the treaties "building blocks". GSOMIA would set the ground rule for exchanging sensitive data about military operations, said Haas, while ACSA will allow the exchange of fuel and food.

He said that they are not like the "broad vague defence agreement that Bangladesh signed with China in 2002", referring to the "China-Bangladesh Defence Cooperation Agreement" which covers military training and defence production. Haas also said that Bangladesh is not being able to capitalise on US relations because of labour rights violations.

"The DFC (US International Development Finance Corporation) has a \$4 billion active portfolio in South Asia across multiple sectors including clean energy, healthcare, agriculture. The DFC cannot operate in Bangladesh because of a lack of labour rights," he said. ■



Mirza Abbas, BNP National Standing Committee Member

internal inquiry cell to ensure accountability of RAB personnel in 2011, with US cooperation.

He said that under the International Criminal Investigative Training Assistance Program, 147 RAB personnel had been trained on basic interviewing skills and human rights. "The trained personnel have been distributed across RAB to ensure transparency and uphold human rights credentials," said the RAB DG. Foreign Minister Momen, also present at the event, said that it was the former US Ambassador James F Moriarty who had called RAB the FBI of Bangladesh. "RAB has since then done an excellent job at combatting terrorism. Maybe we have to look at it more closely to see how to increase accountability...but this is a great institution," said Momen.

"Let us have a road – you tell me where the gap is and we will try to work with you," he said. Haas also said that the RAB sanctions do not mean that US and Bangladesh will not continue strong law enforce-

The signing of a proposed memorandum of agreement would facilitate our assistance training programme and to donate new equipment to the police," said Haas.

"USA is not perfect. We have embarked on our own democratic renewal. This journey ensures tackling our own issues with police accountability. We are inviting other countries in the world to make similar commitments," he said. The ambassador also announced that the US would remain impartial observers in the upcoming parliamentary elections. "The USA will not pick a side in the elections – our view is simple, that the Bangladeshi people have a democratic process that allows them to choose their government."

"Holding an election consistent with international standards is not just about ballot day – truly fair elections involve creating a space where civic discourse can take place, where journalists can investigate without fear, and the ability of the civil society institutions to advocate.



Closing event of Chevron funded Jibika Project

Business Outlook Report

A closing event of the Jibika project, a collaboration between Chevron and BRAC, was held recently at BRAC Centre in Dhaka. Representatives of the Bangladesh government, BRAC, Chevron, BRAC USA, IDEA, IDE and Sharbik Gram Unnoyon Shomobay Shomiti Ltd were present on the occasion. The project has been operating since October 2015 in areas adjacent to Chevron-operated gas fields in Sylhet, Moulvibazar, and Habiganj districts, Chevron said in a release.

Jibika worked to achieve the long-term sustainability of the community-based organisations by enhancing organisational capacity through strengthening cooperative governance and building leadership abilities. Jibika facilitated the registration of 110 groups, enhanced their socio-economic status and

overall supported more than 22,470 people (around 4,216 households) in the surroundings of gas field communities. Rear Admiral M Makbul Hossain, director (operations), BRAC, gave closing remarks. Md Ahsan Kabir, additional registrar, department of co-operatives, Ministry of LGRD & Co-operatives, Eric M Walker, president of Chevron Bangladesh, Md Imrul Kabir, director, corporate affairs, Chevron Bangladesh, and Lauren Godfrey, senior manager of education, BRAC USA, attended as the event as guests of honour.

Shyam Sundar Saha, programme head, Integrated Development Programme (IDP) BRAC and representatives of the community-based organisations presided over the event. The event highlighted the achievements of the Jibika project, followed by an outline of Jibika's journey and learn-

ing so far and it was presented by the programme coordinator of Jibika, ASM Sofrul Islam. Md Ahsan Kabir lauded the partnership between BRAC, the world's largest development organisation, and Chevron, Bangladesh's largest international oil company, in bolstering the socio-economic development of vulnerable communities, residing near Chevron-operated gas fields in Greater Sylhet.

Muhammad Imrul Kabir And Eric M. Walker on behalf of Chevron thanked the Jibika project and the government cooperative department for their contribution to socio-economic development through the institutionalisation of community organisations and expressed their experience while working on this project. Eric M Walker emphasised that Jibika is one of the key projects under Chevron's Bangladesh Partnership Initiative

or BPI, which is their signature economic development program. Jibika project participant, Laila Sultana, secretary, Donokandi Shoboj Sharbik Sharbik Gram Unnayan Shomobay Shamit Ltd, and Md Rubel Ahmed, chairperson, Tukergao Surma Sharbik Gram Unnayan Shomobay Shamit Ltd, said that the training and knowledge gathered from the BRAC-Chevron and IDEA's Jibika project has helped them to learn how to operate a village development organisation, how to improve enterprise through new technology, market system, and linkage with service providers.

A documentary showed two community-based organization leaders, depicting their journey and the impact Jibika created over the years. ■



Middlemen Eating Into Salt Farmers' Profits

Business Outlook Report

While salt production has been growing steadily over the years, the farmers in the coastal districts of Chattogram and Cox's Bazar are apprehensive over whether their meagre profits would get any better. Their primary concern is the presence of middlemen or brokers who purchase crude salt from them and then sell it to mill owners and wholesale traders.

The mills refine the salt and add iodine before selling it either as branded or non-brands items. Wholesalers also enable other uses such as for the preservation of raw hide during Eid-ul-Azha. Demand for salt is estimated to have been 19.38 lakh tonnes in the last fiscal year of 2021-22, including 8.76 lakh tonnes of the edible variety, according to the National Salt Policy 2022, which was issued by the industries ministry. By 2026, overall demand is projected to reach 25.30 lakh tonnes. The

production of the chemical sodium chloride, an important item for human and animal health, through the evaporation of salt water in large expanses of land mainly runs for five months from November to May. This season, farmers are using 63,291 acres of land in Cox's Bazar district and Bashkhali upazila of Chattogram, according to the Bangladesh Small and Cottage Industries Corporation (BSCIC). To date in the ongoing fiscal year, crude salt production stands at around 11 lakh tonnes. Farmers produced 16.5 lakh tonnes of crude salt in FY21.

"Salt production has increased by 25 per cent to 30 per cent this year. The production will go up gradually if the weather remains favourable," said Md Zafar Iqbal, deputy general manager of the BSCIC's Cox's Bazar office. "We are getting bumper production this year due to favourable weather. Farmers are passing busy days," said Mohammad

Sharif, a salt farmer in the Bharuakhali area of Cox's Bazar sadar upazila. "But we are at the mercy of the factory owners and wholesale traders." He says they can make a profit of Tk 20 to Tk 30 per maund (about 37 kilogrammes). "If we can get rid of brokers, we will surely be able to make more profit." Farmers in this area have got a bumper production of salt. But prices are very low. That is why many farmers are in fear of incurring losses, said Abdul Hamid, a salt farmer in Shah Porir

involved in the trade. The salt policy aims to ensure a minimum of 100,000 tonnes of buffer stock of salt. The previous policies also spoke of keeping such stocks but that had been limited to paper only. There are 37,231 salt farmers in the country, while around 5 lakh people are directly and indirectly involved in the salt industry for its management, transportation and trading, according to the policy. Manzur Alam Dada, general secretary of the Islampur Salt Mill Owners' Association in Cox's Bazar,



Dwip in Teknaf upazila. Currently, farmers are selling each maund of salt at Tk 210 to Tk 220. But the production cost is higher than that, says another farmer Zahed Ullah. Brokers buy salt at a low price and sell it to wholesalers and factory owners at a high price. This allows them to make a profit of around Tk 50 to Tk 70 per maund, said Mohammad Kalu, a farmer in Lemshikhali in Kutubdia upazila.

Officials of the BSCIC opined that profits of the salt farmers were indeed low. "A huge amount of salt has been produced in Teknaf. But farmers are frustrated," said Mohammad Mizanur Rahman, an official of the BSCIC in Teknaf. Mohammad Shahidullah, president of the Bangladesh Salt Farmers Association, alleges that there is a syndicate formed by mill owners and wholesale traders.

"We don't have any other option. That is why, farmers are compelled to sell their salt at a low price," he said. He demanded measures such as government purchases for buffer stocks and fixing of prices by the authorities to ensure a fair share for salt producers and all those

said mill owners in the district purchase salt from middlemen, traders and brokers, not directly from marginal farmers at the field level. At present, salt mill owners are buying the commodity from middlemen at Tk 60 per 60kg bag for the distribution around the country. On being refined, each 75kg of iodine-infused salt is being sold at Tk 840, he said.

On why Cox's Bazar-based mill owners were buying salt from brokers or middlemen instead of purchasing directly from farmers, Dada said, adding that it was difficult to do business "outside the system".

"Here, it is customary to get salt from the middlemen. It is better to let them do their job," he said.

He denied the existence of a syndicate of brokers, middlemen and mill owners. ■

Manipuri Weavers Get Busy Before Eid

Business Outlook Report

Manipuri clothing weavers in Moulvibazar and Sylhet are passing busy days ahead of the upcoming Eid-ul-Fitr, which will be celebrated in colour for the first time in two years thanks to the easing of coronavirus restrictions.

village are having busy days," he said. Around 90-95 per cent of the people living in Manipuri communities are engaged in the weaving business, however, between 10 per cent and 20 per cent of them have left the profession due to a lack of capital, Rajesh added.

Kamalganj upazila of Moulvibazar, said during the coronavirus pandemic, the government gave incentives to people of different professions.

"But this was not in our destiny as other industries were given support while we are struggling to make ends meet as the prices of yarn, dye and



Sales of manipuri garment items typically peak during festival seasons and so, weavers usually target the Eid and Puja markets. The Sreemangal and Kamalganj upazilas of Moulvibazar, and Mirjajangal and Machimpur areas of Sylhet city are famous for Manipuri clothing.

Here, weavers stitch together saris, bedsheets, panjabis and other traditional apparel items to cater to the demand of hundreds of tourists and traders who visit each day, said Rabi Singha Rajesh, member secretary of the Manipuri Cultural Academy. "As Eid-ul-Fitr is approaching, the weavers of Manipuri weaving

Sadek Mia, a trader in Sreemangal, said each house in the Manipuri community can be likened to a factory. Thousands of people in the local Manipuri community are involved in the weaving industry. "Manipuri women in particular weave clothes while men market and procure raw materials," he added.

Sabita Sinha, a weaver from Ramnagar Manipuripara in Sreemangal, said she did not have much business for the last two years due to Covid-19. "Although saris were made, buyers did not come. In a word, it is a collapse in our profession," she added. Popi Singha, a weaver of Adampur in

other accessories have gone up," Popi said. Ananda Mohan Singh, leader of the Manipuri community in Moulvibazar, said that the entrepreneurs involved in the Manipuri weaving industry are working to keep this traditional industry alive in spite of various adversities.

"They are the ones who have contributed to the survival of the industry, especially in the last two years, despite many threats from Covid-19," added Singh, who is also a decorated freedom fighter. He went on to say that the training centre of Lalit Kala Academy is closed and needs to be reopened. "Apart from

that, training activities have not started yet in the modern training centre built in Madhapur. Demand for this specialty has grown significantly as a result of recent corporate scandals. Especially Manipuri Jamdani can be more enterprising in making saris," he said. Entrepreneur Bhuvan Singh said that it is now important for the government to

alive otherwise. Jaya Sharma, another leader of the Manipuri community, said that with a little help, her people can survive with this industry while the government would also get revenue. Sharma further said that the cost of collecting raw material for a simple sari is Tk 1,000. And if it is made with improved yarn, the cost will be more than Tk 20,000 while a

Nazrul Islam said the Manipuri weaving industry is widespread in the region. The traditional garment items are in demand in different parts of the country and so, the government is working to keep this industry alive. "In the meantime, a training centre has been set up in Kamalganj," Islam added.



Contacted, Barkat Ullah, liaison officer of the Bangladesh Handloom Board in Kamalganj, said people of the Manipuri community live in different villages. This includes Ramnagar Manipuripara, and Tikriya Manipuripara of Sreemangal upazila, Madhabpur, Adampur, Tetigaon, Ghoramara, and Tilakpur of Kamalganj upazila, and Lamabazar, Machimpur and Zindabazar of Sylhet city. At one time, 90 per cent of the households in these areas had Manipuri looms. "So far we have facilitated loans for about 1,265 Manipuri weavers. According to our list, the total number of Manipuri weavers in Sylhet stands at 3,000," Ullah added. ■

provide interest free incentives or financial assistance as it will be difficult to keep the weaving industry

Manipuri Jamdani would cost about Tk 4,000 to make. In this regard, Sreemangal upazila Nirbahi Officer



Gold Climbs To 1-Month High

Business Outlook Report

Gold prices jumped about 1 per cent to a more than one-month high on April 25 as concerns over the economic fallout from the Russia-Ukraine war and surging inflation drove investors to the safe-haven asset. Spot gold was trading at \$1,993.28 per ounce as of 0947 GMT, its highest level since March 11. US gold futures jumped 1.2 per cent to \$1,997.70 per ounce. "Bullion's upward momentum is set to continue as long as markets are fed with a steady stream of negative headlines pertaining to a darkening global outlook," said Han Tan, chief market analyst at Exinity. The war in Ukraine has so far showed no signs of easing and has added to

soaring inflation and dampened global growth outlook. Several big Wall Street banks have raised concerns the US Federal Reserve's aggressive policy tightening measures could bring about a recession as they work their way through the economy. China's economy slowed in March as consumption, real estate and exports were hit hard, as sweeping Covid-19 curbs and the Ukraine war took a toll in the world's top gold consumer. "From a technical perspective, spot gold may face little resistance once it goes north of \$2,000... However, gold's ability to keep its head above \$2000 may be strained once real yields break into positive territory," Tan added. Bullion is considered a safe store of value during times of political and economic crisis.

Restraining advances in zero-yield gold on Monday, yields on the benchmark 10-year US Treasury note jumped to their highest since December 2018, while the dollar stood strong near recent highs. ■

World Bank Readies Sri Lanka Aid Package, IMF Calls Loan Talks 'Fruitful'



Business Outlook Report

The International Monetary Fund said on 23rd April it held "fruitful technical discussions" with Sri Lanka on its loan request, while the World Bank said it was preparing an emergency aid package for the crisis-stricken country, Reuters reports.

Sri Lanka, an island country of 22 million people, is struggling to pay for imports amid a crushing debt crisis and sharp drop in foreign exchange reserves that has fueled soaring inflation. Prolonged power cuts and shortages of fuel, food and medicines have sparked nationwide protests. Sri Lankan Finance Minister Ali Sabry has been in Washington this week

talking to the IMF, the World Bank, India and others about financing help for his country, which has suspended payments on portions of its \$51 billion in external debt.

The World Bank's emergency response package includes \$10 million to be made immediately available for the purchase of essential medicines, funds shifted from its ongoing COVID-19 health preparedness project, a World Bank spokesperson said. The global lender, which along with the IMF held its spring meetings this week, did not provide a total value for its package, but Sabry said on 22 April that about \$500 million in aid was being considered.

The World Bank spokesperson said the package would leverage existing bank-financed projects and repurpose funds to quickly provide medicines, meals for school children and cash transfers for poor and vulnerable households.

Support to provide cooking gas, basic food supplies, seeds and fertilisers and other essentials is also under discussion, the spokesperson said, adding that the World Bank was "deeply concerned" about the situation in Sri Lanka. The IMF said in a statement on April 23 that talks between its staff focused on the need for Sri Lanka to implement "a credible and coherent strategy" to restore

macroeconomic stability, and to strengthen its social safety net and protect the poor and vulnerable during the current crisis. "The IMF team welcomed the authorities' plan to engage in a collaborative dialogue with their creditors," IMF Sri Lanka mission chief Masahiro Nozaki said in a statement after the country took steps to explore a restructuring of some \$12 billion in sovereign bonds.

Sabry told reporters on 22nd April that the talks with the IMF were focused on a more traditional Extended Fund Facility program, but that \$3 billion to \$4 billion in bridge financing was needed while this could be finalised. The IMF has said that Sri Lanka's debt needs to be put on a sustainable path before it could make new loans to Colombo - a process that could require lengthy negotiations with China and the country's other creditors.

Sabry said on 22 April that in addition to the IMF loan and World Bank assistance, Sri Lanka is discussing with India some \$1.5 billion in bridge financing to help continue essential imports, and added that he has also approached China, Japan and the Asian Development Bank for help. ■

Edible Oil Market Turns More Volatile



Business Outlook Report

The edible oil market has become more volatile after wholesalers and millers cut supplies in anticipation of increased prices of the essential cooking ingredient in the wake of the export ban by Indonesia, the world's biggest supplier of vegetable oil. On 23rd April, the wholesale prices of palm oil rose by Tk 150 per maund overnight to Tk 6,250 at Chattogram's Khatunganj, one of the largest wholesale markets in Bangladesh, a day after the Southeast Asian nation slapped restrictions on the shipment from its country.

Indonesia announced plans to ban exports of the most widely used vegetable oil on 22nd April, in a shock move that could further inflame surging global food inflation, reports Reuters. The halting of shipments of the cooking oil and its raw material, widely used in products ranging from cakes to cosmetics, could raise costs for packaged

food producers globally and force governments to choose between using vegetable oils in food or for biofuel. Indonesia accounts for more than half of the global palm oil supply. Alternative vegetable oil prices spiked in response to the measure, which will take effect on April 28. Soybean oil, the second most used vegetable oil, rose 4.5 per cent to a record high of 83.21 US cents per pound on the Chicago Board of Trade, reports Reuters. At Khatunganj, soybean oil was sold at Tk 7,200 per maund in the wholesale market.

In the retail market in Dhaka, prices of loose palm oil stood at Tk 145-Tk 148 per litre On 23rd April, up from Tk 142-Tk 145 a week ago. Prices of loose soybean declined marginally, according to data compiled by the Trading Corporation of Bangladesh. Abdul Alim, a wholesaler in Chattogram, said dealers and mill owners cut the supply of the product over the last one month on



the news that Indonesia may stop exporting. At the same time, unscrupulous dealers and brokers are making an extra profit by reducing the supply against demand, he said. "We are now selling edible oil at the price fixed by the government. However, dealers have not been supplying any oil. Dealers say they are not getting oil from millers against demand," said Monwar Hossain, owner of Yasin General Store in the capital's Karwan Bazar kitchen market.

Abul Kashem, a wholesaler and retailer in the same market, said they got a small amount of edible oil in the last one week from dealers. When he inquired about the reasons, the dealers had replied that the supply was low. Bangladesh imported 21 lakh tonnes of palm and soybean oil in 2021, including around 13.5 lakh tonnes of palm oil. It buys palm oil from Indonesia and Malaysia. Around 900,000 tonnes of palm was brought in from

Indonesia in 2021. In the first three months of 2022, palm oil and soybean oil imports were 10.22 lakh tonnes. Abul Hashem, general secretary of the Bangladesh Edible oil Wholesalers Association, says there is an acute crisis of edible oil in the market, especially for loose soybean. As a result, prices of loose edible oil increased further in the wholesale market. On 23rd April, a maund (37.32 kg) of soybean oil was selling at Tk 6,600-Tk 6,700 in Moulvibazar, a wholesale hub, up from Tk 6,500-Tk 6,600 a couple of days ago. Palm oil prices also edged up at the wholesale level, he said.

"Besides, the supply of bottled oil is low. People are not getting oil as much as they want," said Hashem. Md Shaful Ather Taslim, director of TK Group's finance and operations, said his firm did not cut the supply. "There is no shortage. We are supplying the same amount we usually provide." ■

Bangladesh Not At Risk Of Sri-Lanka Like Crisis

Business Outlook Report

Bangladesh is not at risk of the crisis that Sri Lanka is currently facing, but the country needs to be cautious and learn from the experiences of the island nation, said Hans Timmer, chief economist of the World Bank for South Asia. "The balance of payment crisis that we are seeing in Sri Lanka is not the main risk for Bangladesh at the moment," he said in an online interview. "Bangladesh still can learn from this experience."

Sri Lanka has descended into its worst financial crisis since independence for fast-depleting foreign currency reserves, caused by the dragging pandemic and the Russia-Ukraine war. As a result, the country can't afford to pay for imports of staple foods and fuel, leading to acute shortages and very high prices. And it has already said it

would temporarily default on its foreign debts. Timmer considers Sri Lanka as a special case where it has a lot of foreign debts that it can't service. "It is a case where the country had to use central bank reserves to service the debts and buy essential imports. As a result, the reserves are decreasing. It is a difficult balance of payment crisis." The situation in Bangladesh is very different, says the economist.

This is because the foreign debts of Bangladesh account for only 17 per cent of the country's gross domestic product, which is low in international comparison. And most of the external debts are with bilateral or multilateral institutions such as the WB and are concessional or carry low-interest rates. "Although there has been some increase in the debt for Bangladesh, this is still at a very low level," Timmer said. Foreign

currency reserves in Bangladesh can cover more than six months of imports, which is very solid, he said. But every country can learn from Sri Lanka's experience. "Every country has to be careful in spending a lot more than they earn. You have to be careful how you use your foreign exchange reserves." "Bangladesh should be careful about the monetary use of the reserves to finance domestic investments and to support the exchange rate."

Timmer, who joined the WB in 2000, assumed his current role in January 2019 after serving as the chief economist for the Europe and Central Asia region of the Washington-based lender. Bangladesh is, however, feeling the impacts of the Russia-Ukraine war as the conflict is causing a food crisis around the world and has sent inflation to a higher level. "Inflation is a matter of





concern for Bangladesh," Timmer said. The economist also talked about the possible impact of the war on the budget. There could be an increase in fiscal deficits if the government reacts to higher prices, which require subsidies or support measures for the population. When asked about the policy measures the government should take to tackle the challenges, Timmer stressed the need to give importance to both the pandemic and the recent rise in oil prices in the international markets as these are negative supply shocks.

In such an environment, general fiscal stimulus is not the way to go because that would end up flaring inflation, he said. He suggested the government be careful of the price subsidies because they are inefficient and go to richer people, not just the poor. "Ultimately, it makes the fiscal situation unsustainable." Timmer,

who previously worked at the European Commission, the Intergovernmental Panel on Climate Change, and the Organisation for Economic Co-operation and Development, thinks the current situation might be an opportunity for Bangladesh to accelerate its transition towards renewable energy. Throughout the region, countries are vulnerable because of their reliance on fossil fuel imports. "When these markets are very volatile and the prices go up, it creates all kinds of problems," he said, calling on the country to be very careful in subsidising energy prices.

He hinted at the vulnerability in the domestic financial sector and the banking sector stemming from the continued support measures from the government in response to the coronavirus outbreak. Bangladesh has allowed businesses not to service

their debts fully or immediately and not to be declared defaulters through the repayment of a small portion of loans. At the same time, the government has allowed banks to report the interest payments as being paid. "Those are forbearance support measures that we have seen in all countries in the region at the beginning of the pandemic just to make sure that the private sector survives. In Bangladesh, these measures have continued longer than in other countries," Timmer observed.

"That creates vulnerability because you don't know about the health of the companies that are being supported and you don't know what the health of the banking sector is." "Extended support to private firms is also dangerous because then you are not creating a level playing field and you are not having the right mechanism in the private sector to create a competitive environment." The macro-economist praised Bangladesh's current economic condition. "GDP growth is strong and you are at the top of the region."

However, there is still a lot to wish for Bangladesh because export is concentrated in the garment industry. "The country needs to diversify as well as explore opportunities in the services sector and the large informal sector." Timmer is optimistic about the opportunities for Bangladesh as a middle-income country as long as the country has prudent policies. "There is an opportunity to attract more foreign direct investments and access international financial markets to borrow."

"Conditions can be better to make the country attractive in the competitive international market," he said, emphasising the need for more outward policies. ■

Forex Reserve Under Pressure

Apu Ahmed

Bangladesh Bank has imposed a 25 per cent margin on opening letters of credit (LCs) for importing items deemed 'unnecessary'.

LC Margin

In a directive on April 11, the central bank asked all commercial banks to comply with the directive. According to banking sector experts, BB has made a mandatory margin on LCs for the first time in more than one and half decades. The central bank, in its directive, admitted that the global trade situation had prompted it to take the initiative for proper money and credit management in the country. It has been clear that the BB is in an uncomfort-

able situation with the country's foreign currency reserves. Although contrary to a liberalised policy, the LC margin has been practised by central banks in many countries to contain unnecessary imports to protect foreign currency reserves. While commenting on the BB move, Finance Minister AHM Mustafa Kamal said it was part of the monetary policy. He hinted at more restrictions on imports in the future.

2001-02

The last time BB imposed LC margin across the board was in 2001-02, according to banking sector experts. It was in an urgent need to do so against the backdrop of severe foreign currency shortage during the period. The shortage was

attributed in Point 6 of the National Budget Speech 2002-03. The point read that the Awami League Government took recourse to Suppliers' Credit with a high interest rate as an alternative to declining foreign aid flow. The accumulated liability of this credit stood at US\$ 50 crore as of June 2001. The Bangladesh Nationalist Party-led government before its exit in 1996, left an external reserve to the tune of US\$ 224 crore which was sufficient to meet the import bills for about four months at that time. In comparison, the foreign exchange reserve of the country stood at a paltry US\$ 109 crore which was not sufficient to meet the import bills even for one and a half months. This alarmingly low level of foreign exchange





Key Points



Forex Reserve should be properly used



Learn from others mistakes and improve



BB should get more independence handling Forex Reserves



Control import of unnecessary goods

reserve created grave uncertainty and a crisis in the economy's external sector.

Rising Import

The current situation that forced BB to put the LC margin is not so acute compared to 2001-02. The country's forex reserve was adequate to meet the import bill of more than 8 months in 2021. But in 2020, the country's foreign reserve became equivalent to meeting the import bill for six months. The reason is price hikes of commodities in the world market. In July-February in the current financial year, the country's imports skyrocketed by \$17.31 billion to \$54.38 billion from \$37.07 billion in the same period of the previous FY. The foreign reserve

exceeded \$48 billion in August 2021, but dropped to \$44.05 billion on April 13, 2021.

Unnecessary Goods

A closer look into the imported

consignments in January 2022 and February 2022 proves that BB should have imposed such a restriction a bit earlier. According to the monthly import update of the Bangladesh Bureau of Statistics, the



country imported goods and services worth Tk 939.87 billion in February from Tk 917.94 billion in January. Furniture, bedding and mattresses

suggested that the LC margin should be imposed 100 per cent on unnecessary goods to protect the hard-earned forex reserve. Many

chocolates and wine to raincoats and carpets to discourage unnecessary imports in the wake of the country's severe foreign exchange crisis. However, the move did not help the Islanders avoid the impending debt payment crisis. Since February, Nepal Rastra Bank (NRB) has asked importers to maintain up to 100 per cent cash margin on these items. Both the country's South Asian neighbours have been facing problems including falling incomes from foreign tourists. Both heavily relied on tourists for foreign currency income. But Bangladesh's reliance on foreigners for foreign currency income is low. It depends heavily on exports of readymade garment and inflow of remittance.



BB Needs More Independence

worth Tk 1,282.43 million or Tk 128 crore (equivalent to \$14.8 million at rate of Tk 86 for the US\$1) were imported in February 2022, up from Tk 1,278.13 million in January. Grapes worth Tk 1,374.16 million were imported in February, up from Tk 640.54 million in January. Apple worth Tk 821.81 million were imported in January and Tk 738.25 million in February. Dates worth Tk 1,477.18 million were imported in January and Tk 988.86 million in February. Electrical goods worth Tk 4,3745.65 million were imported in February 2022, up from Tk 4,1963.89 million in January 2022. Vehicles worth Tk 14,487.28 million were imported in January and Tk 1,13,077.00 million in February.

entities, including the International Monetary Fund, asked the government to use a forex fund for development projects. But the present government paid no heed as it took around \$2 billion to fund development projects, including dredging of Rabnabad channel with its own

Still, the central bank has many reasons to be worried with the country's forex reserve since it often has to compromise with its prudent policy decision. Experts have long advised that many state entities should not be treated as departments. They said the BB

Proper Use of Forex

Economists said the government had been permitting the import of many goods which hardly helped the country's real economic growth. They said there are local fruits which can substitute apples. For example, they said, guava is available throughout the year. Former Bangladesh Bank chief economist MK Mujeri welcomed the delayed move by the central bank. He



fund despite warnings from experts that dredging works were not feasible because of frequent siltation in the Bay of Bengal for frequent cyclone storms.

should work more independently while referring to high growth defaulted loans but such advice has been ignored by successive governments. ■

Sri Lanka Crisis

Economists said Sri Lanka was forced to impose 100 per cent on LCs for over 600 items ranging from



No Judgment Given Against Prime Accused: BB

Business Outlook Report

The Bangladesh Bank said that the New York County Supreme Court has not given any judgment in a case filed against the three prime accused in connection with the 2016 reserves heist.

The three accused are Rizal Commercial Banking Corporation (RCBC), Lorenzo V Tan, who was president of RCBC at the time of the cyber theft, and Raul Tan, a former treasurer of the Philippines bank.

The BB filed the case with the New York court in May 2020.

Six out of 20 defendants earlier applied to the court seeking a dismissal order on the case, according to a BB statement.

Of the six, the court dismissed the case against Bloomberry Resorts and Hotels Inc and Eastern Hawaii Casino and Resort located in the

Philippines on April 8, it said. The BB went on to hope that the court would give a positive verdict against RCBC, the prime accused of the case.

The BB statement came after several Bangladeshi media outlets reported on the case dismissal in favour of Bloomberry and Eastern Hawaii based on the news published in the Philippines media.

An official of the Bangladesh Financial Intelligence Unit, which is tasked with looking after all cases related to the heist, says the central bank will appeal against the dismissal order if its lawyers give such opinion.

He said that the central bank would continue its legal fight against the entities and individuals involved in the theft.

On February 4, 2016, hackers broke

into the central bank's system and generated 70 fake payment orders to the Federal Reserve Bank of New York amounting to \$1.94 billion.

The NY Fed's security system flagged the payment orders but only five of them fell through and \$101 million was released.

Of the amount, \$81 million was wired to an RCBC branch in Manila, from where it disappeared into the casino industry in the Philippines. The rest \$20 million made its way to Sri Lanka.

Sri Lanka sent back the entire sum immediately after the heist became public and shook the global financial industry.

Bangladesh recouped less than \$20 million of the fund that ended up in the Philippines. ■

Iftar Items Become Dearer

Apu Ahmed

Popular iftar items, from fruits to juice and mouth-watering fried meat and vegetable items, became costly following the government's failure to check price hikes of essentials during Ramadan in our Muslim-majority country.

Buying Capacity Erodes

Iftar is the breaking point at dusk after daylong fasting by the practising Muslims. Breaking the fast with an item of drink, most followers used to take puffed rice along with fried items like lentil infused chops. But nowadays, a growing number of people break their fast with fruits and



other nutritious items thanks to their growing consumption capacity. However, the usual consumption capacity of a wide range of people has eroded following the high inflation, for which blame should be put on instability in the global commodity market and lack of monitoring by the government agencies concerned.

High Inflation

The monthly inflation rate went to 6.22 per cent in March, the month before Ramadan. This was the first time in many years that the monthly inflation rate remained more than 6 per cent for successive months. Bangladesh Bureau Statistics



recorded monthly inflation rate at 6.17 per cent in February this year, a 16-month high after the rate had risen to 6.44 per cent in October 2020. The high inflation rates reminded everyone of double-digit food inflation during the 2008-09 fiscal following price hikes of fuel, fertiliser and food in the global market. Inflation known as the 'Hydra Headed Monster' began with the wrong decision by the government through raising prices of diesel and kerosene by Tk 15 per litre in November 2021.

Old Dhaka Items

Iftar lovers who crowd the city's oldest market-

Chawk Bazaar- established during the 17th century by the Mughals said the price of iftar items had gone up. It is reported that the price hike of beef, mutton and chicken has affected the prices of kebab, traditional meat dishes originating from the Middle East. Prices of all kinds of kebab, roll, and other such items have risen by at least 20 per cent, said Razzaque Ali, a seasonal iftar seller in the area. He said they were compromising with profit due to the costly meat. He said they were making a profit of Tk 60-100 by selling one kilogram of sutli kebab and Tk 50-60 from one kg of jaali kebab. The profit was around Tk 120-150 even last year.

Other kebabs like irani, tika, boti, shik, chicken suslik and Kashmiri available at Chawk have also become costly. The popular item called 'boro baper polay khay' witnessed a 20 per cent price hike. Mainly a mixture of chicken, beef, kaleji or mutton liver chickpeas, flattened rice both fried and wet, eggs, onion and spices, the item is selling at Tk 600-650 a kg.

Haleem

Haleem is another popular iftar dish. It is a type of stew widely consumed in the Middle East and Central Asian countries. Nowadays, the item is available in major Indian cities including Hyderabad. In Bangladesh, the popularity of haleem has been spreading from the old part of Dhaka. According to Siddique Mian, the main cook of his restaurant Ma Shahi Haleem at Lalbagh, haleem is the most difficult among Mughal foods. He said he uses 24 types of spices and seven varieties of lentils to make the item and sells around 80kg every day in Ramadan, each kg costing Tk 200. He said that he did not increase the price of haleem this year. Asked how he keeps the same price despite the price hike of meat, he said they reduced the amount of meat.

Eggplants

Puffed rice, fried chickpeas, potato chop, piyajju (mixture of finely chopped onion and pulses powder) and pakowra are common iftar items. Prices of muri or puffed rice, an important item for iftar, increased by Tk 20-30 a kg at the beginning of Ramadan as it was sold at Tk 100-120 a kg in unpackaged form. Fried eggplant slices with layers of pulses powder called 'beguni' became costly as aubergine became dearer. The Department of Agriculture Marketing says the retail price of eggplant should be between Tk 50 to Tk 81 per kg, but the actual market price is Tk 80-120. The price went up due to a surge in demand.

Fruits

Among the fruits, the price of watermelon soared to an all-time high of Tk 60 a kg in Dhaka's retail outlets despite a high yield this year. A medium-to-large fruit (5.5-10 kg) now retails at Tk 250-600 per piece (Tk 45-60 a kg) in Dhaka city. According to the monitoring and evaluation unit of the Department of Agricultural Extension, watermelon acreage increased to nearly 47,000 hectares this year from 43,347 hectares in 2021. An estimated 1.9 million

tonnes of the crop could be harvested if the weather remained favourable. Watermelon production hit an all-time high of 1.77 million tonnes in 2021FY, 22.5 per cent more than 2020 when the overall output was 1.45 million tonnes on 38,824 hectares. Prices of other local and imported fruits shot up by Tk 10-50 a kg. Dates



of average quality were sold at Tk 260-400 a kg, medium quality at Tk 450-600 and finer quality at Tk 650-1,500.

Strengthening Market Monitoring A Must

Policymakers had assured that goods would remain affordable in Ramadan thanks to measures taken to keep the market stable. But the assurances remained rhetorical as prices registered a sudden increase during the month of fasting. The government should not confine its



action to assurances only. The authorities concerned must be stringent to keep the market stable with regular and active monitoring. ■



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An agreement was signed between bKash and Bengal Islami Life Insurance Ltd recently. M M Monirul Alam, Managing Director & CEO and Shamsul Islam, CFO of Bengal Islami Life Insurance Ltd; Ali Ahmmed, Chief Commercial Officer and A.T.M Mahbub Alam, Head of Payroll Business of bKash along with other senior officials of both the organizations were present at the signing ceremony. ■



Islamic Banks Consultative Forum (IBCF) organised a national seminar Saturday on "Islamic Banking System: with Reference to National Integrity and Ethical Banking". Deputy Governor of Bangladesh Bank Abu Farah Md. Nasser was the chief guest and the Chairman of IBCF, Professor Anwarul Azim Arif presided over. ■



CVC Finance achieved ISO certification 27001:2013 for its information security management system (ISMS). CVC Finance is the 3rd FI to get the ISO 27001 certification in Bangladesh. The certification has been done by Bureau Veritas Ltd. ■



13th meeting of Senior Management Team (SMT) of Sonali Bank Limited was held at the bank's Head Office on Wednesday. SMT Chairman and Sonali Bank Limited CEO and Managing Director Md Ataur Rahman Prodhan presided over the meeting. ■



The Annual Staff Conference of Commercial Bank of Ceylon PLC Bangladesh was held recently at the Sheraton Hotel. Group Managing Director Mr. S Renganathan, CEO of Bangladesh operations Mr. Najith Meewanage as well as other senior management and all other staffs of the bank participated in the annual programme. ■



Jamuna Bank Limited recently inaugurated the TIA-942 Standard Tier-3 data center to provide better services to its customers. The data center was inaugurated by the bank's Chairman Gazi Golam Ashria at Jamuna Bank's corporate office in Gulshan. Chairman of Jamuna Bank Foundation, Al-Haj Nur Mohammed, Directors Gazi Golam Murtoza, Md. Ismail Hossain Siraji, Md. Redwan-ul Karim Ansari, Md. Saidul Islam and Managing Director Mirza Elias Uddin Ahmed were also present. ■



Modhumoti Bank Limited donated Tk 5.7 million to the Prime Minister's Education Assistance Trust under the bank's CSR programme. Md. Shafiqul Azam, Managing Director & CEO of Modhumoti Bank, handed over the cheque to Kazi Delwar Hossain, Director (Joint Secretary) of Prime Minister's Education Assistance Trust. ■



Chattogram North Zone, South Zone, Agrabad and Khatunganj corporate branches of Islami Bank Bangladesh Limited organised an iftar mahfil at a hotel in Chattogram on Wednesday, with Prof Md Nazmul Hassan, Chairman of the bank, as the chief guest. Mohammed Monirul Moula, Managing Director & CEO, presided over the event. ■



ACI Motors has come forward to help farmers affected by flash floods in haor areas. They have supplied more than 180 Yanmar Harvesters in the haor-based districts to ensure on-time Boro harvesting. The photo shows Agriculture Minister Dr Md Abdur Razzaque handing over a dummy key during the distribution of Yanmar Combine Harvesters at Hasannagar in Sunamganj. ■



Bangladesh Krishi Bank (BKB) held a daylong managers' conference and business review meeting-2022 for Sylhet Division at a hotel in Sylhet, with Managing Director Md Ismail Hossain as the chief guest. Deputy Managing Director Chanu Gopal Gosh was present as special guest. ■



Dhaka Bank Limited and Ananta Real Estate Limited signed an MoU recently at the corporate head office premise of Dhaka Bank, Dhaka for offering home loan services to clients. Emranul Huq, Managing Director & CEO of Dhaka Bank, and Sharif Zahir, Managing Director of Ananta Real Estate, signed the agreement and exchanged the documents of the agreement on behalf of their respective organisations. ■



Community Bank Bangladesh Limited held its 3rd Annual General Meeting (AGM) at the Police Headquarters, Dhaka. The meeting was chaired by Dr. Benazir Ahmed BPM (Bar), Inspector General of Police, Bangladesh and Chairman, Community Bank Bangladesh Limited. Members of the Board of Directors of the Bank and Masihul Huq Chowdhury, Managing Director & CEO, were present in the meeting. ■

Jet Fuel Prices Hiked Again



Business Outlook Report

The price of jet fuel shot up again last week, the 13th hike in 17 months, which will force domestic carriers to raise airfares, risking losing travellers and intense competition with foreign airlines.

The move from the Bangladesh Petroleum Corporation (BPC) comes at a time when the airline industry is struggling to just get back on their feet with the normalisation of air travel following the removal of restrictions to curb the spread of the pandemic.

Aviation experts said the local airline industry would lose its edge in the global market as the foreign airlines buy jet fuel at lower prices.

The price of jet fuel is now Tk 100 per litre after the Padma Oil Company, a subsidiary of BPC, raised it by Tk 13 a litre. In December 2020, the price

of jet fuel, which accounts for up to 46 per cent of the operational costs of an airline, was Tk 48 a litre. The international price of jet fuel stands at \$1.02 (around Tk 87.92) per litre, according to the BPC.

Mofizur Rahman, secretary-general of the Aviation Operators Association of Bangladesh, said air fares would go up by about Tk 300 as a result of the price hike.

"As a result, the number of air travellers will decrease which will have a serious impact on the country's airline industry," Mofizur, also the managing director (MD) of Novoair.

In January last year, the lowest airfare on a domestic route was Tk 3,200. In February 2022, it climbed to Tk 4,000. Due to the jet fuel price hike in February, the minimum fare was increased by at least Tk 150, said insiders in the aviation sector. Lead-

ers of Recruiting Agency Oikya Parishad (RAOP), and the Bangladesh Association of International Recruiting Agents (Baira) complained that the BPC frequently raises fuel prices solely by citing increases in other countries, without providing any other logical argument.

They said Bangladeshi migrant workers were already suffering severely due to unreasonably high airfares to different destination countries, especially the Middle East. "The government's latest decision to hike the jet fuel price will add additional burdens on the remittance earners as the airlines will get an opportunity to hike the airfares even further," said RAOP President Tipu Sultan. Mofizur Rahman said 40 per cent to 46 percent of a carrier's operational costs were from fuel. Air travel will inevitably get costlier as a consequence, and it

will be the passengers who will have to bear the burden at the end of the day, he added.

Aviation expert Kazi Wahidul Alam said jet fuel in Bangladesh was costlier than in neighbouring countries and others.

"Due to the hub airport, our airlines will have to buy jet fuel from Bangladesh at a higher rate. On the contrary, foreign airlines that are operating to and from Dhaka, will buy jet fuel at a lower price from their respective countries," he said. "As a result, we won't be able to compete with our global competitors," he said.

Contacted, a top BPC official said the respective committee of the BPC has increased the price of jet fuel due to high import costs. He also said compared to Kolkata, the price of jet fuel in Bangladesh was much lower. ■



Crops Damaged By Sudden Surge Of River Water

Business Outlook Report

Boro rice fields in low lying areas of numerous districts in the country's northwest have been damaged by a sudden rush of water in the region, raising worries of losses due to reduced yields. The char areas of Sirajganj, Bogura, Gaibandha, Lalmonirhat, and parts of Nilphamari and Kurigram have all been inundated as various rivers that flow from India, including Jamuna and Teesta, have flooded their banks.

The untimely surge of water dashed the hopes of thousands of farmers in the northwest at a time when producers in the haor regions of Sylhet and Mymensingh are also suffering from huge crop losses due to flash floods. The overflowing waters submerged boro rice crops on more than 7,000 hectares of land in the haor region that comprises

Sylhet, Netrokona and Kishoreganj, which contributed 16 per cent of the total boro rice produced in fiscal 2020-21 with 1.98 core tonnes. Farmers in the haor region said most of their boro paddy will be damaged by the ongoing flood. During the current season, farmers planted the dry season rice crop on 49.09 lakh hectares of land, up nearly 3 per cent from 47.86 lakh hectares in the previous season, according to data from the Department of Agricultural Extension (DAE) and Bangladesh Bureau of Statistics (BBS).

The DAE aims to ensure production of 2.09 crore tonnes of boro rice this harvesting season. The northwest region makes 33 per cent of the country's boro output. Farmers here cultivate boro paddy, onion and garlic in different low laying areas, including chars and dry riverbeds, during the dry season. They harvest

the crop before the middle of the Bangla month of Baishakh, or early May. Shamim Ashraf, deputy director of the DAE in Lalmonirhat, said crops including boro paddy have been inundated due to the untimely swelling of river Teesta. He could not specify how much land was submerged and instead said work is underway to assess the affected farmers' situation and crop damage. Bimal Chandra Roy, a farmer of Teesta shoal in Lalmonirhat, said he hoped to harvest paddy in the middle of the month of Baishakh.

"But now we are worried about to make ends meet while also repaying the loans taken from non-government organisations," said Majir Uddin, a farmer of Char Bogurapara in Teesta shoal. Crops on char land were submerged by water for nearly a week and although the water has receded, the damage has already

been done, he added. According to agricultural officials, the Teesta flows for 115 kilometres through various upazilas of Lalmonirhat, Kurigram, Nilphamari, Rangpur and Gaibandha.

During the dry season, over 50,000 char farmers cultivate various crops on 75,000 to 80,000 hectares of land on the Teesta bed. In three upazilas of Sirajganj, farms on several hundreds of hectares of cropland in shoal areas have been inundated due

to the onrush water from upstream. To save their crops, many growers in the district have started harvesting half-ripened paddy. Nasima Khatun of Chowhali upazila in Sirajganj said her family could manage to harvest one bigha of half-ripen paddy.

According to the Water Development Board of Bogura, the onrush of water from upstream in Jamuna River increased by around 1.5 meters, which caused the submerging of cropland. Abu Sayed, a farmer

in Gaibandha's Saghata upazila, said his seven bighas of onions and four bighas of boro paddy have all been ruined. "I could not harvest anything," he said citing a loss of Tk 85,000.

"We never see such a sharp rise in water in Jamuna during this time, so we are a bit surprised," he added. ■

Population Census From Jun 15, Digitally



Business Outlook Report

The Bangladesh Bureau of Statistics (BBS) is set to digitally conduct its sixth population and housing census for the first time from June 15 to June 21. The BBS made this announcement during a press briefing at National Economic Council.

"Around 3.7 lakh enumerators will collect the data countrywide. To measure the data quality, we will conduct a post-census survey in 350 selected sample areas," said Md Dilder Hossain, the project's director. The authorities will collect data from each household using a computer assisted personal interviewing system, geographic

information system and tablet computers. Bangladesh President Abdul Hamid is expected to unveil a memorial stamp on the project while Prime Minister Sheikh Hasina will give a speech on June 14 making the announcement.

Speaking as chief guest, Planning Minister MA Mannan said he does not see the need for the intervals between each census to be of 10 years. "Censuses are completed in countries around the world in five years or less. So why should we wait 10 years? We also need to use modern technology to complete the census in a timely manner," he said. "We were supposed to do the census last year but we went back and forth

for some reasons," Mannan added. The first issue was the ongoing coronavirus pandemic while the second was that of proposals for procuring the tablet computers being turned down by the purchasing committee three times, he said.

In addition, they initially thought of completing the census manually but eventually decided to conduct it digitally, he added. "I went to the procurement committee again and again with maximum transparency and explained our needs to them," he said, adding that they want to underscore the accuracy and swiftness of the census.

Prof Shamsul Alam, state minister for planning, said the transition to a digital census was a great journey for the government. "We hope we will get the final report soon," he added. Mohammad Tajul Islam, director general of the BBS, was present at the event, chaired by Shahanz Arefin, secretary to statistics and information systems under the planning ministry.

The first population census in Bangladesh was conducted in 1974. Subsequently, the population and housing censuses were held again in 1981, 1991, 2001, and 2011. ■



Govt Urged To Raise Prices Of Low-Tier Cigarettes

Business Outlook Report

Speakers at a seminar have proposed for raising the price of low-tier cigarettes to discourage smoking as well as minimize health risks. If the prices of cigarettes are raised, it will boost revenue generation of the government as well, they said.

They came up with the suggestions at the seminar organized jointly by Dhaka Ahsania Mission and the Economic Reporters' Forum (ERF) auditorium in the city. Presided over by ERF President Sharmeen Rinvy, its general secretary SM Rashidul Islam, Dhaka Ahsania Mission deputy director Mokhle-

sur Rahman, CTFK Grants manager Abdus Salam Mia spoke, among others, on the occasion. The speakers said although the low-tier cigarettes occupy almost 75% of the whole industry, but its price remained unchanged over the last two years. As a result, the number of smokers at this level is not declining. Director (research) of Unnayan Shamannay Abdullah Nadvy made the key-note presentation.

The speakers said that the price of cigarettes at the low-tier has remained unchanged over the last two years. They suggested that the price of cigarettes should be increased considering the rise in per capita income and inflation. They said

there is no alternative to raising the price of tobacco products to turn Bangladesh as a tobacco-free country by 2041. Nadvi in his key-note presentation said that the current duty structure of cigarettes is complex and it should be more simplified. He proposed for raising the price of every cigarette packet of 10 sticks at the low-tier to Tk50 from the existing Tk39 while in the mid-tier, the price of cigarette packets should be raised Tk75 from Tk63.

Side by side, Nadvy suggested for raising the price of cigarettes at the high-tier specifically. "If this proposal is implemented, the revenue of the government will be boosted while the number

of smokers will be reduced by 1.3 million. Besides, some 900,000 youths will be discouraged to continue smoking," he added. ERF general secretary SM Rashidul Islam said that the government is in dilemma over tobacco as it wants to control tobacco at one hand, and the government also depends on tobacco products for boosting revenue on the other hand.

"But, in order to reduce the number of smokers, the price of cigarettes at the low-tier should be increased as around 75% smokers consume cigarettes at the low-tier," he added. ■

Internet Data Caps, Time Limits To Go Soon

VOLUME-BASED PACKAGE (NEW)

- Certain amount of data can be bought
- Data will not expire before one year
- Data can't be carried forward after 12 months
- Applicable only for internet data
- Voice, SMS can't be offered under this category
- Currently, highest validity is one month

MONTHLY DATA PACKAGE (NEW)

- Customers can buy package on monthly basis
- Data will be unlimited
- Voice, SMS can't be offered under this category
- Applicable only for internet data

CURRENT PACKAGES TO CONTINUE

- Operators can offer the existing **95** packages in **3** categories
- Number of regular packages maximum **50**
- Special packages will be a maximum of **35**
- Research and development category packages can be **10** tops
- Duration: **3** days, **7** days, **15** days, **1** month

Business Outlook Report

Mobile users in Bangladesh are set to avail data without expiry date and monthly limitless data, which will allow them to use internet to work, communicate, study, and find entertainment to their heart's content. The Bangladesh Telecommunication Regulatory Commission (BTRC) has directed the mobile phone operators to roll out two types of new internet data packages.

For all latest news, follow The Daily Star's Google News channel. One of them is a "volume-based data package without expiry". But the data has to be used up in a year due to the technological limitation, according to the commission. The other is monthly-based limitless data volumes packages, which will allow

customers to continue using internet as much as they want, similar to that available under a Wi-Fi connection. "It will have a far-reaching impact on the telecom ecosystem of Bangladesh," said Mustafa Jabbar, telecom minister. The official announcement about the two packages will take place tomorrow, said Subrata Roy Maitra, vice-chairman of the BTRC.

Jabbar, who himself has advocated for the launch of such internet offers, calls the packages watershed for general customers as it would enhance their participation in the government's pursuit of digitalisation. Currently, one of the major inconveniences for many customers is that they can't consume all the data for which they have paid for due to the time limit. Last month,

state-run Teletalk launched two internet packages without any expiry date. "Teletalk's time limitless data package has received a huge response. I think private operators will get more customers with such packages," said the minister. Md Shahab Uddin, managing director of Teletalk, echoed the minister, saying the operator is getting a good response.

According to BTRC sources, the new categories of packages will only be applicable for internet data, not for SMS, voice and social packs. However, an operator can continue offering its current 95 packages across three categories: regular packages, customer-centric special packages, and research and development packages. Each package contains four types of duration:

3-day, 7-day, 15-day, and 30-day. Sources say Grameenphone has already taken approval from the commission for some packages under two categories and will launch them in days, while Robi and Banglalink to follow suit. Hossain Sadat, acting chief corporate affairs officer of Grameenphone, said: "Our focus has always been to introduce new and innovative services and provide what matters most to our customers."

"We welcome BTRC and the Posts and Telecommunications Ministry's initiative to introduce unlimited data packages and believe that such initiatives will give our customers more freedom to use internet for their daily needs and necessities." "If a private operator launches the service, we will have to do the same," said an executive of an operator. However, some officials of private operators have expressed their displeasure as they argued that such a package could dent their profit. "Providing unlimited data is

neither commercially sustainable for operators nor technologically viable since people will use large volumes of data, which will increase pressure on the wireless network," said an official of an operator, seeking anonymity. Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink, said offering a package depends on the strategy of an operator. So, there should be flexibility whether the operator wants to launch it or not. Both experts and users welcomed the move.

"This will benefit customers," said Abu Saeed Khan, senior policy fellow at Colombo-based think-tank LIRNEasia. Sabbir Ahmed, a subscriber, has access to unlimited packages at his office and home thanks to Wi-Fi connections. However, when he goes out, he can't use the mobile internet much since he could run out of data. "If the operators launch such packages, it will help me use as much data as I need without any worry." Mazhar

Uddin, a customer of a telecom operator, said if the operators launch data with a one-year validity at a reasonable price, it will be very good for him. "But if they charge a high price, it will not bring any good." Abrar Hussain, another customer, said it is a good initiative as many people lead a busy life and find the requirement to recharge mobile data every few days cumbersome.

"Besides, it will eliminate the pressure to keep in mind when to recharge the data." Khan also says the BTRC should let the operators develop their own network to eliminate their reliance on other service providers. "Regulatory restrictions on developing optical fibre networks and using dense wavelength-division multiplexing (DWDM) technology must be removed for meaningful internet connection," he said.

The DWDM is a process of multiplexing various wavelength signals onto a single fibre. ■

Savar BSCIC Tannery Owners Asked To Prevent Solid Waste Smuggling



The authorities have warned those involved in smuggling of solid waste from BSCIC tannery industrial estate in Savar and issued directives for the owners. The authorities and police are on a

zero-tolerance stance over the matter. If anyone is found involved in smuggling of solid wastes, legal action will be taken against him, the order cited, reports our local correspondent. The order

containing the three directives and signed by Md Mahfuzur Rahman Rizwan, executive engineer of Bangladesh Small and Cottage Industries Corporation (BSCIC) tannery industrial estate in

Savar, was issued April 28. According to the order, to make poultry food, a gang is allegedly smuggling solid wastes (cutting, membrane, and trimmings) of leather process. "A variety of chemicals, including chromium, are used to make animal feed from these wastes. These chemicals have the potential for deadly diseases, including cancer, in the human body," the order said. The owners have already been instructed to take measures to prevent the smuggling of such solid wastes.

The gate-2 of the BSCIC tannery industry will remain open from 8:00 am to 8:00 pm. At other times, the gate will be closed, the order also added. ■

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Bangladesh Economy Shows Resilience Amid Global Uncertainty: WB

Business Outlook Report

Bangladesh has made a strong economic recovery from the COVID-19 pandemic, but growth faces new headwinds as global commodity prices increase amid the uncertainty created by the war in Ukraine, says a new World Bank report. The report titled "Bangladesh Development Update - Recovery and Resilience Amid Global Uncertainty," was launched through a virtual media briefing April 13. In Bangladesh, a rebound of manufacturing and service sector activities led strong growth in FY21 and in the first half of FY22. In the medium term, GDP growth is expected to remain strong.

Headline inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. The war in Ukraine and associated sanctions may lead to a higher current account deficit and rising inflation as global commodity prices surge. Public debt remains sustainable, and the March 2022 joint World Bank-IMF Debt Sustainability Analysis assessed that Bangladesh remained at low risk of

external and public debt distress. Mercy Tembon, Country Director for Bangladesh and Bhutan, said following a strong economic recovery from the pandemic, estimated poverty declined to 11.9 percent in FY21 from 12.5 percent in FY20, as per the international poverty rate. "Going forward, close monitoring of inflation and the potential impacts of the war in Ukraine will be important for the country's sustainable and inclusive growth. The World Bank stands ready to help Bangladesh address structural reforms to support recovery and strengthen resilience to future shocks," she added.

The update is a companion piece to the latest South Asia Economic Focus - Reshaping Norms: A New Way Forward which notes growth in South Asia, already uneven and fragile, will be slower than previously projected, mostly due to the impacts of the war in Ukraine. The report projects the region to grow by 6.6 percent in 2022 and by 6.3 percent in 2023. The 2022 forecast has been revised downward by 1.0 percentage point compared to the

January projection. Countries in South Asia are already grappling with rising commodity prices, supply bottlenecks, and vulnerabilities in financial sectors. The war in Ukraine will amplify these challenges, further contributing to inflation, and deteriorating current account balances. Hartwig Schafer, World Bank Vice President for South Asia said "South Asia has faced multiple shocks in the past two years, including the scarring effects of the COVID-19 pandemic. High oil and food prices caused by the war in Ukraine will have a strong negative impact on peoples' real incomes,"

"Given these challenges, governments need to carefully plan monetary and fiscal policies to counter external shocks and protect the vulnerable, while laying the foundation for green, resilient and inclusive growth," he added. The war and its impact on fuel prices can provide the region with much-needed impetus to reduce reliance on fuel imports and transition to a green, resilient and inclusive growth trajectory. The report recommends that countries steer away from inefficient fuel

subsidies that tend to benefit wealthier households and deplete public resources. South Asian countries should also move towards a greener economy by gradually introducing taxation that puts tariffs on products which cause environmental damage.

Hans Timmer, World Bank Chief Economist for the South Asia Region, said the introduction of green taxation can have multiple

quantifiable benefits for South Asia, including improved energy security, environmental gains and increased fiscal revenues. "These revenues could be utilized for adaptation against climate-related disasters and to strengthen social safety net systems," he added.

Another challenge the region faces is the disproportionate economic impact the pandemic has had on

women. The report includes in-depth analysis of gender disparities in the region and their link with deeply rooted social norms, and recommends policies that will support women's access to economic opportunities, tackle discriminatory norms, and improve gender outcomes for inclusive growth. ■

Tipu Stresses United Steps To Meet LDC Graduation Challenges



Commerce Minister Tipu Munshi has underscored the need for working closely of both public and private sectors to meet the challenges of Bangladesh's graduation from the least developed country (LDC) status.

"Bangladesh will graduate to a middle-income country in 2026. It is good news for all of us but also a challenging one. We need to work hard and be prepared for the challenges, he said. The minister said this while addressing a daylong workshop titled

"National Workshop on the Proposed Time Bound Action Plan of the LDC Graduation Related Sub-Committee: Preferential Market Access and Trade Agreement and WTO issues".

The workshop was organised by the Ministry of Commerce at Parjatan Bhaban in Sher-e-Bangla Nagar area here on 17 April, said a press release. After graduation, Tipu said, the country will lose many existing trade opportunities, and it will have to compete with the

developed world. Although the European Union offers us Generalized System of Preferences (GSP) plus trade facilities, many conditions have to be met first, he added.

He said agreements such as preferential trade agreement (PTA) or Free Trade Agreement (FTA) are required to avail trade benefits. "So, even if we lose some tariffs temporarily, we will be benefited in the long run," he added. Prime Minister's Principal Secretary Dr Ahmad Kaikaus spoke at

the event as the special guest.

Senior Secretary to the Commerce Ministry Tapan Kanti Ghosh, Member (secretary) of the Planning Commission's Agriculture, Water Resources and Rural Institutions Division Sharifa Khan, and the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) President Md Jasim Uddin, among others, also spoke. ■

NBR Tax Collection Target To Remain Unchanged



Business Outlook Report

National Board of Revenue (NBR) is unlikely to revise its revenue collection target of Tk 3.3 trillion this fiscal year as the business activities return to normalcy and the exports see a jump. However, the fears of coronavirus breakout do not completely go away. The economy still reels from pandemic shocks and faces new blow of the Russia-Ukraine war. In the recent years, especially during the last two years marred by the pandemic, the revenue targets were cut down in the revised budgets.

But in the current fiscal year 2021-22, the original target is not going to see changes in the upcoming revised budget, according to a report of Internal Resources Division (IRD). The government had also set the same Tk 3.30 trillion tax revenue target in the FY2020-21, but the collection eventually stood at Tk 2,637.30 billion. "Total revenue collection has increased after the rise in local business activities and imports. Import duty, Value Added Tax (VAT) and income tax increased

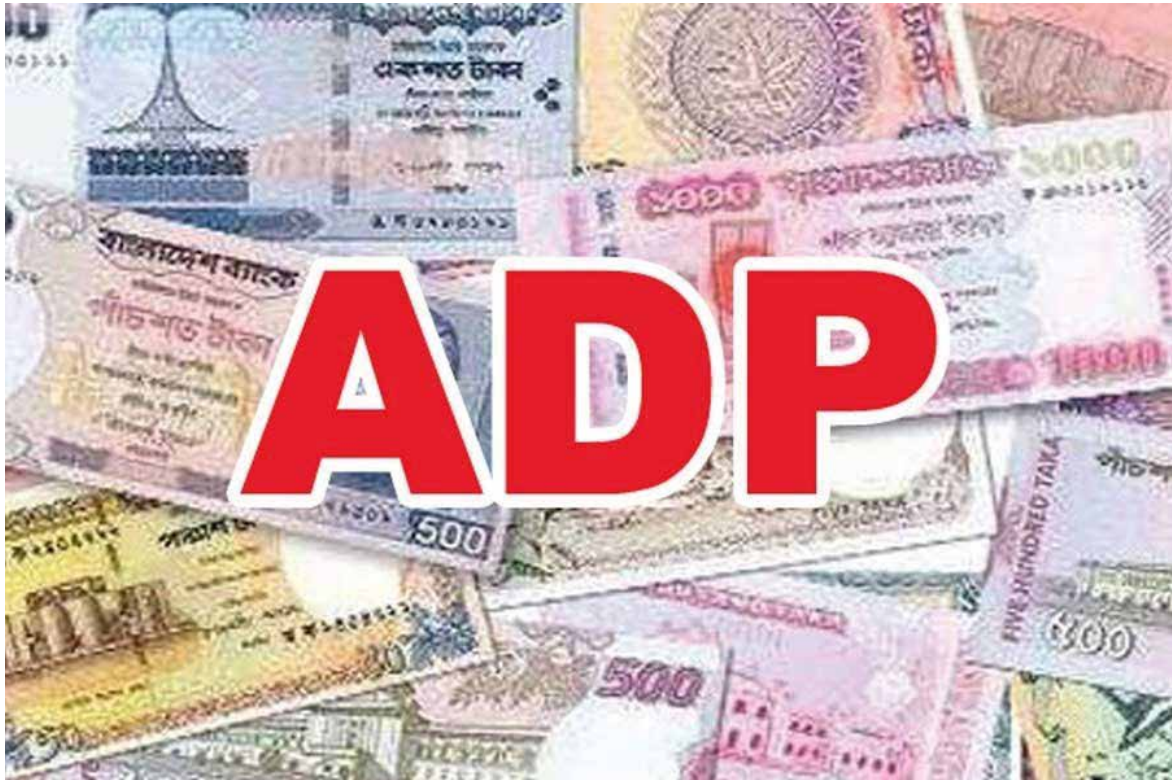
amid the pandemic," said an NBR official requesting anonymity. Besides, the NBR expects a sizeable portion of revenues from Google, Amazon and Facebook and e-commerce platforms after introduction of automated service. Meanwhile, customs, excise and VAT appellate tribunal has been made dynamic and more strong, which is expected to yield results as the move has made disposal of cases faster. The total number of Vat-related lawsuits at the tribunal stood at 902 at the end of February while 501 cases were disposed of in the month, official data showed.

Similarly, the case disposal at taxes appellate tribunal has increased. There is also a rise in the settlement of alternative dispute resolution (ADR). The large companies have turned to ADR for settling VAT disputes. In view of this, the government is setting the revenue collection high at Tk 3,745.44 billion in FY2022-23, which will be 8.5 percent of GDP. During the first eight months from July to February, NBR collected Tk 1,764.58 billion which is 53.47 percent of the total

target. Until February, NBR had a target to collect Tk 1,999.50 billion. Even though the collection was below the target, it was 15.28 percent higher than that collected during the same period a year earlier. NBR data showed that the highest tax collection was Tk 663.74 billion with 10.65 percent year-on-year increase. Import duty collection surged 22.79 percent to Tk 567.76 billion.

Income tax collection, on the other hand, rose 13.28 percent year-on-year to Tk 528.54 billion. Travel tax collection rose by 141 percent to Tk 4.54 billion. Global economy has seen a further slowdown after the start of Russia-Ukraine war. However, Bangladesh's businesses and trades are still okay with positive trends both in exports and imports.

New investments have also increased while credit flow in the private sector has surged as well. In these circumstances, NBR is hopeful of reaching its revenue collection target. ■



Tk 2.46t ADP Likely In Next Fiscal Year

Business Outlook Report

The government is likely to frame an expansionary Tk 2.46-trillion annual development programme (ADP) for the next fiscal year (FY), 2022-23, to facilitate economic recovery from the COVID-19 pandemic losses, officials said on April 26.

The transport and communications sector is going to grab an allocation of Tk 698.69 billion in the upcoming ADP, they noted. The proposed ADP outlay is 19 per cent or Tk 384.50 billion higher than the current revised annual development programme (RADP) of Tk 2.07 trillion.

Besides, the draft outlay is Tk 210 billion more than the original ADP outlay of Tk 2.25 trillion in the current FY. A senior Planning Commission (PC) official said the proposed ADP would receive Tk 1.53 trillion funds from the country's internal resources, while the rest Tk 930 billion from the external sources as project assistance (PA).

"We have already drafted the ADP worth Tk 2.46 billion for the next fiscal. Fund allocations for all the ongoing projects are being finalised. The work will be completed within first week of next month." The National Economic Council (NEC) is likely to finalise the ADP at its meeting on May 17. Before placing the proposed ADP before the NEC in May, the PC would complete the ADP final draft by May 10. The official also said: "We are

going to finalise the ADP for the next FY, increasing the allocations by 18.52 per cent from the current FY RADP outlay." "We have given the highest priority to the transport sector, like the previous years, as huge investments are needed to improve infrastructure across the country," he added.

The power and energy sector is going to receive the second highest allocation of Tk 394.12 billion in the upcoming ADP, followed by Tk 290 billion by the education sector. The housing and community facilities sector is likely to get the fourth highest allocation of Tk 246.97 billion in the next ADP, and the health sector the fifth highest of Tk 190 billion.

The current RADP has allocated the highest of Tk 558.27 billion to the transport and communications sector, followed by Tk 392.14 billion for the power and energy sector.

Besides, the housing and community facilities sector has got the third highest of Tk 236.48 billion outlay, the education sector the fourth highest of Tk 208.24 billion, and the local

government and rural development sector the fifth highest of Tk 155.20 billion. The government cut the original ADP by 7.89 per cent to Tk 2.07 trillion in March of this FY, as performance of the ministries and divisions concerned was bleak in project implementation.

The NEC endorsed the Tk 2.07-trillion RADP for the current FY, mainly by slashing the PA, which was trimmed down by Tk 177.74 billion to Tk 702.50 billion in the revised development budget. However, the Tk 1.37-trillion outlay from the

government's internal resources was unchanged in the newly approved RADP. In the last FY, the PC finalised the RADP, trimming down the allocations by Tk 75 billion to Tk 1.97 trillion from Tk 2.05 billion.

In the previous FY (2020), the government revised the ADP to Tk 1.93 trillion from the original outlay of Tk 2.02 trillion. ■

Summit, JERA To Collaborate In Developing Carbon Neutral Roadmap



Business Outlook Report

Summit Power International Limited and JERA Asia Pte Limited, a subsidiary of JERA Corporation of Japan, signed a memorandum of understanding on Monday to collaborate in developing a carbon neutral roadmap for Summit while supporting Bangladesh's continued socio-economic development.

To accelerate adoption of renewable power generation in Bangladesh and support its Paris Agreement goals, the memorandum included pathways for establishing zero emissions targets for Summit, said a Summit group release.

The memorandum also included

outlining a roadmap to achieve the targets and identify opportunities to deploy greener fuels such as hydrogen or ammonia in support of decarbonisation efforts.

Summit Power International chief financial officer Nicholas Padgalskas and JERA Asia chief executive officer Toshiro Kudama signed the memorandum in the presence of senior officials of the government of Japan at the Asian Green Growth Partnership Ministerial Meeting in Tokyo.

On the occasion Summit Power International managing director Ayesha Aziz Khan said, 'As a member of the Climate Vulnerability Forum, Bangladesh has the ambi-

tion to supply 40 per cent of its energy needs from renewable sources by 2041. In line with this Summit, along with our partner JERA, are aspiring to implement the best practices and adaptation knowledge to reach our zero emissions targets.'

Toshiro Kudama said, 'JERA Asia is pleased to have the opportunity to work with Summit on its decarbonisation efforts in Bangladesh as it too is striving to reduce its carbon footprints from domestic and overseas operations, with the announced goal of zero carbon dioxide emissions by 2050. We believe we can draw on the experiences of JERA and Japan to support Summit and Bangladesh. ■

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- △ 100 MW HFO Fired Power Plant in Khulna

12.	Total Domestic Credit (Tk. in crore) a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector	July-November, FY21			July-November, FY22 ^P			Percentage change July-November, FY22			FY 2020-21 Settlement								
		Opening	Settlement	1344688.80 193146.00 30640.80 1120902.00	Opening	Settlement	1507410.20 240082.30 33082.30 1234245.60	Opening	Settlement	10.11 12.10 10.11									
13.	L/C Opening and Settlement (million US\$) a) Consumer Goods b) Capital Machinery c) Intermediate Goods d) Petroleum e) Industrial Raw Materials f) Others Total	Opening	Settlement	2697.91 1953.04 2016.02 1556.37 8288.13 6610.58 23122.05	2426.13 1273.35 1609.23 1497.69 7305.06 5610.58 19722.04	December, 2018 June, 2019	Opening	Settlement	4203.58 2363.66 3066.33 3016.81 12834.24 9942.80 35429.22	3603.95 1660.21 2734.32 3016.89 10826.13 8479.73 30321.23	December, 2019 June, 2020	Opening	Settlement	55.81 21.02 52.10 93.95 54.85 50.41 53.23	48.55 30.38 69.91 101.44 48.20 51.14 53.74	September, 2021 November, 2021	Settlement	18.73 -12.39 3.91 -5.14 11.01 9.64 7.52	
14.	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100) a) Twelve Month Average Basis b) Point to Point Basis Corresponding Period	December, 2018	June, 2019	5.55 5.35	5.48 5.52	December, 2019 June, 2020	December, 2017	June, 2018	5.59 5.75	5.65 6.02	December, 2018 June, 2019	December, 2019	June, 2020	5.56 5.64	5.50 5.59	September, 2020 September, 2020	Settlement	5.55 6.05	
15.	Classified Loan a) Percentage Share of Classified Loan to Total Outstanding b) Percentage Share of Net Classified Loan	June, 2018	December, 2018	10.41 2.66	10.30 2.18	June, 2019 December, 2019	June, 2018	June, 2019	11.69 2.53	9.32 1.02	December, 2018 December, 2019	June, 2020	September, 2020	8.88 -0.22	7.66 -1.18	December, 2020 June, 2021	Settlement	8.12 -0.55	
16.	Agricultural and Non-farm Rural Credit (Tk. in crore) a) Disbursement ** b) Recovery c) Outstanding	November 20	December 20	2306.04 2269.08 43971.93	3142.09 3364.73 44089.09	July-Dec 20-21	November 20	December 21 ^P	12077.98 14091.07 44089.09	2868.43 2741.69 46523.25	December, 21 ^P	December, 20-21	July-Dec 21-22 ^P	14497.04 13593.80 47659.51	25511.35 27123.90 45939.80	FY 2020-21	FY 2019-20	FY 2018-19	23616.25 23734.32 42974.29
17.	SME Loan (Tk. in crore) a) Disbursement c) Outstanding	April-Jun '18-19	Oct-Dec '19-20	43154.88 208150.75	48649.61 219293.97	April-Jun '19-20	April-Jun '19-20	April-Jun '20-21	28063.70 221695.35	38689.44 223257.69	October, 20-21	April-Jun 20-21	April-Jun 20-21	41788.73 243074.82	42075.49 245325.67	2020	2019	2020	153496.15 237653.44
18.	Industrial Term Loan (Tk. in crore) a) Disbursement b) Recovery c) Outstanding	July-Sep '19-20	Oct-Dec '19-20	15156.28 20785.68 247338.00	24207.24 22148.24 259314.87	July-Sep '19-20	July-Sep '19-20	July-Sep '20-21	12132.03 10187.76 277351.09	15456.28 11322.37 274284.17	October, 20-21	April-Jun 20-21	July-Sep 21-22 ^P	19430.74 14734.86 315294.16	14834.23 12979.47 303329.12	FY 2020-21 ^P	FY 2019-20	FY 2018-19	68765.25 58488.71 1163938.15
19.	GDP Growth Rate (in percent, Base: 2005-06=100)	2012-13	2013-14	6.01	6.06	2014-15	2015-16	2016-17 ^N	6.55 7.11	7.11	2017-18 ^N	2018-19 ^N	2019-20 ^N	7.32 7.88	7.88	2020-21 ^N	2020-21 ^N	2020-21 ^N	3.45 5.43

Weekly basis commodity Statement of LCs Opened and Settled for the month of 1-14 April/2022

In million US \$(Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	0.10	0.25	0.02	0.87							0.13	1.12
	i) Private Sector	0.04	0.25	0.02	0.23							0.06	0.48
	ii) Public Sector	0.06	0.00	0.00	0.64							0.06	0.64
2.	Wheat	40.19	13.93	20.84	31.68							61.03	45.61
	i) Private Sector	40.19	13.93	20.84	31.55							61.03	45.48
	ii) Public Sector	0.00	0.00	0.00	0.13							0.00	0.13
3.	Sugar	30.89	0.22	16.52	28.44							47.42	28.66
	a. Raw	30.78	0.00	16.52	28.26							47.30	28.26
	i) Private Sector	25.17	0.00	16.52	28.24							41.70	28.24
	ii) Public Sector	5.60	0.00	0.00	0.02							5.60	0.02
	b. Refined	0.12	0.22	0.00	0.18							0.12	0.41
	i) Private Sector	0.12	0.22	0.00	0.18							0.12	0.41
	ii) Public Sector	0.00	0.00	0.00	0.00							0.00	0.00
4.	Milk Food	7.61	9.76	4.45	5.66							12.06	15.43
5.	Edible Oil (Refined)	0.38	26.34	6.14	9.49							6.52	35.83
	a) Soyabean	0.00	4.09	5.89	0.00							5.89	4.09
	b) Palm Oil	0.27	22.25	0.25	6.11							0.52	28.35
	c) Others	0.12	0.00	0.00	3.39							0.12	3.39
6.	Edible Oil (Crude)	30.22	7.99	24.35	0.02							54.57	8.01
	a) Soyabean	30.18	4.05	0.00	0.00							30.18	4.05
	b) Palm Oil	0.00	3.95	0.00	0.00							0.00	3.95
	c) Others	0.04	0.00	24.35	0.02							24.39	0.02
7.	Dry Fruits	0.19	1.34	0.08	0.48							0.27	1.82
	a) Dates	0.03	1.15	0.02	0.39							0.04	1.54
	b) Others	0.17	0.19	0.07	0.10							0.23	0.28
8.	Pulses	4.21	0.33	0.57	1.56							4.78	1.88
	a) Masur Dal	4.21	0.33	0.43	0.92							4.63	1.25
	b) Chohn Dal	0.00	0.00	0.00	0.14							0.00	0.14
	c) Others	0.00	0.00	0.14	0.50							0.14	0.50
9.	Onion	2.14	3.79	0.67	2.97							2.80	6.76
10.	Ginger	0.76	0.65	0.34	0.57							1.10	1.22
11.	Drugs & Medicines	1.15	2.87	0.37	0.50							1.52	3.37
12.	Poultry Foods	6.61	4.48	9.81	5.16							16.43	9.64
13.	Coal	31.12	26.19	1.55	31.43							32.67	57.61
14.	Cement	4.39	3.41	0.24	3.77							4.62	7.18
15.	Clinker	17.07	16.90	5.77	7.23							22.84	24.12
16.	B.P Sheet	1.19	1.52	0.72	0.87							1.91	2.39
17.	Scrap Vessels	25.91	26.47	3.20	2.88							29.11	29.35
18.	Paper	4.09	3.85	2.19	2.36							6.28	6.21
	i) Newsprint	0.29	0.05	0.05	0.33							0.34	0.38
	ii) Others	3.80	3.79	2.13	2.03							5.93	5.82
19.	Zinc Ingot	6.66	5.40	0.00	0.00							6.66	5.40
20.	Raw Cotton	65.21	43.35	20.58	36.66							85.80	80.01
21.	Synthetic/Mixed Yarn	25.44	20.82	13.69	13.53							39.13	34.35
22.	Cotton Yarn	45.60	46.09	14.91	32.03							60.51	78.12
23.	Textile Fabrics	18.91	19.13	11.81	8.56							30.72	27.69
24.	Textile Accessories	16.37	14.87	6.87	6.31							23.24	21.18
25.	Back-to-Back LCs	138.48	153.04	67.10	100.46							205.58	253.50
	a. Fabrics	97.77	104.65	39.65	66.19							137.42	170.84
	b. Accessories	39.15	44.77	25.49	31.60							64.63	76.36
	c. Others	1.57	3.62	1.97	2.67							3.53	6.30
26.	Pharmaceutical Raw Materials	14.38	17.51	8.70	10.56							23.08	28.07
27.	Chemicals & Chemical Products	38.15	51.16	20.23	14.18							58.38	65.35
	a. Chemical Fertilizer	9.77	27.71	3.86	3.63							13.63	31.33
	i) Urea	0.04	0.00	0.02	0.05							0.07	0.05
	ii) TSP	0.00	0.07	0.00	0.02							0.00	0.09
	iii) MOP	0.07	0.03	0.00	0.11							0.07	0.14
	iv) DAP	0.00	0.07	0.00	0.18							0.00	0.25
	v) Others	9.66	27.53	3.84	3.26							13.49	30.79
	b. Other Chemicals & Chemical Product	28.38	23.45	16.37	10.56							44.75	34.01
28.	P.O.L.	15.85	2.52	0.22	0.32							16.07	2.84
	i) Crude	0.04	0.06	0.04	0.27							0.08	0.33
	ii) Refined	15.81	2.46	0.18	0.05							15.99	2.50
29.	Capital Machinery	44.28	52.32	25.85	47.57							70.13	99.89
30.	Machinery For Misc Industries	40.37	28.14	31.94	21.97							72.32	50.11
31.	Motor Vehicle	13.39	12.64	7.16	13.85							20.56	26.49
32.	Computer, Its Accessories & Spares	4.47	7.33	1.25	3.14							5.72	10.46
33.	Medical, Surgical & Dental Equipments	2.19	2.26	0.92	1.91							3.11	4.17
34.	Others	459.44	390.03	262.77	223.28							722.22	613.31
	Grand Total	1157.43	1016.89	591.86	670.26							1749.29	1687.15

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