

Bangladesh Politics Heading Towards Tumultuous Course

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Padma Bridge

**Will It Live Up
To The Hype?**

**Budget FY23
Fund Crunch
May Imperil
Social Safety Net**

WATER RESERVOIRS PRESERVE WATER. BUT ARE THE RODS INSIDE THE RESERVOIR WELL-PROTECTED?

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Realise The Padma Bridge's Full Potential

The Padma Bridge is our national pride. We have built the bridge with our own funds despite the fact both the cost and time of construction already crossed three times of the original estimation. The cost and time may further extend. The much-coveted bridge will be formally inaugurated on June 25 to open it for vehicle movement. This will create a new history. There is also no doubt that Padma Bridge will help in poverty alleviation in the region where the rate of poverty is 5 per cent higher than in the rest of the country. The Southwest region covers approximately 27 per cent of the country's overall population. The agricultural growth has been comparatively slow due to the lack of access to markets and fresh water in the dry seasons. The Padma Bridge will save about two hours of travel time between Dhaka division and the Southwest region for cars and buses and between five to ten hours for trucks. The Padma Bridge will cut travel time between Dhaka and Mongla port, which is shorter in distance than the Chattogram port from Dhaka – Chattogram's 264 kilometres against Mongla's 170 kilometres. Greater movement of freight between Dhaka and Mongla port will also reduce congestion at the Chattogram port. Economists' concern is over the country's capacity for full utilisation of the economic potentials to be created by the multipurpose bridge. The construction of Jamuna Bridge had led to the great dream that it would eradicate poverty, bridge the economic gap between the northwest and southeast, and create an enormous impact on life and livelihood. A study by the Japan Bank of International Cooperation shows we failed to utilise our full potential and could not achieve the goal. Similar problems persisting in the Northern region are also present in the Southwest. Fundamental requirements like access to credits, fair price of farm produce, establishment of proper marketing channels, facilitation of preservation facilities and good governance should be ensured for obtaining expected high returns from the bridge. If the problems are not solved, economic gains from the Padma Bridge will remain at an average level like that of the Jamuna Bridge.

So, there needs to be a strong political commitment, bureaucratic activeness and relentless monitoring to ensure full utilisation of the economic potential that has been created by construction of the Padma Bridge. The government's main target should be bridging the gap between the poor and rich, eradicating poverty by creating opportunities through investment in the social and economic sector. ■



(Sikder Md Sadrul Hasan)

s69hasan@yahoo.com

Editor & Publisher

Sikder Md Sadrul Hasan

Managing Editor

Afroja Bilkis Hasan

News Team

Siddique Islam, Salauddin Bablu, Masum Billah Saadman Sajjad, Kayes M Sohel, Ashraful Islam Jasim Uddin Khan and Fahad Ferdows.

Contributors

Zafar Malik, Syed Ishtiaque Reza Kashem Mahamud

Staff Correspondent

Shahed Farid

USA Correspondent

Waliul Alam

UK Correspondent

Nurul Akbar Bhuiyan

Photo Department

Bulbul Ahmed, Sheikh Mamun

Cartoonist

Syed Rashad Imam (Tanmoy)

IT and Graphic Design

Rizoanul Islam

Tonmoy Rajbangshi

Head of Marketing

Basiruzzaman Akond

Marketing Operation

Chandan Rajbangshi

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Editorial, News & Commercial Office

Razzak Plaza, 9th Floor (L-10) 2, Shahid Tajuddin Ahmed Sarani, Moghbazar Crossing, Dhaka-1217.

Telephone : 01819 200 641, 01627 140 427

Email : bdbusinessoutlook@gmail.com

Website

www.businessoutlookbd.com

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POLITICS

Bring Corporate Tax Down To 10-15% For Newspapers: Editors To Finance Minister

Editors on May 19 urged the government to bring down the corporate tax for newspapers to 10-15 per cent from the fiscal year of 2022-23 to help the print media survive amid rising costs. Currently, the newspaper industry has to pay 30 per cent corporate tax. The editors also demanded a reduction of the tax deducted at source to 2 per cent from the present 4 per cent and the lifting of 5 per cent customs duty on newsprint imports. They also called for the removal of 5 per cent advance income tax during the imports of newsprint. They made the appeal at a virtual meeting with Finance Minister AHM Mustafa Kamal, organised by the finance ministry ahead of the placement of the budget for the upcoming fiscal year. Prothom Alo Editor Matiur Rahman, Chief Editor of Daily Amader Orthoneeti Nayeemul Islam Khan, Bangladesh Pratidin Editor Naem Nizam, Founder Director & Head of News at Channel i Shykh Seraj, Financial Express Editor Sham-



sul Huq Zahid and bdnews24.com Editor Toufique Imrose Khalidi were present, among others. At the meeting, Naem Nizam said the newspaper industry in Bangladesh is passing a difficult period. Yet, newspapers have to count 30 per cent corporate income. ■

Rupganj's G-Gas Plant Is Supplying 200 Tons Of LPG Per Day



Energypac Limited's Rupganj G-Gas Satellite Plant-101 is supplying 200 metric tons of liquefied petroleum gas (LPG) daily to Dhaka, Mymensingh, Chittagong and Sylhet divisional areas. Chief Business Officer (CBO) Abu Saeed Raja said this to Dhaka Tribune during a plant visit at the Rupganj G-Gas Satellite Plant-101 in Narayanganj on May 22. Energypac imports 70,000-80,000 metric tons of LPG annually from abroad. The main plant of G-Gas in Khulna has a storage capacity of 5,000 metric tons, according to Abu Saeed. From there, LPG is being supplied to Barisal, Khulna, and Rangpur regions. G-Gas currently has a total storage capacity of 6,000 metric tons of LPG with its main plant in Khulna, Rupganj G-Gas Satellite Plant-101, and an LPG carrying ship. ■

Govt Allocates Tk 574.14 Cr For BJMC

The government has allocated Taka 574.14 crore for Bangladesh Jute Mill Corporation (BJMC) for paying due wages of retired jute mill workers and also to meet other dues of the corporation. This big chunk of allocation has been provided as 'operation credit' to the MC from the supplementary budgetary allocation of the finance division earmarked for 2021-22 fiscal year, said an official release here today. Of the financial outlay, Taka 327.07 crore will be provided as due wages of some 1980 retired jute mills employees, Taka 234.91 crore as dues for 2,217 raw jute suppliers and rest Taka 12.16 crore supply and carrying cost for 1,119 people. The BJMC has to refund this amount in five percent interest rate within next 20 years, said a finance ministry instruction on May 20, saying that "BJMC has to sign a credit agreement with the finance division to this end." ■



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Earnings of Bangladesh Shipping Corporation (BSC) rose 183 per cent year-on-year in the January-March quarter of the current financial year on the back of a significant increase in fares in the shipping sector internationally. The state-run organisation reported earnings per share (EPS) of Tk 3.31 for the quarter, which was Tk 1.17 in the same period last year, according to its unaudited financial report. In a regulatory filing on the Dhaka Stock Exchange yesterday, the company said the EPS had increased significantly during the period compared to last year as shipping fares saw a sharp rise globally. The EPS was Tk 11.59 in the first nine months of the ongoing financial year ending in June, up 310 per cent from Tk 2.83 a year prior. The net operating cash flows per share, a measure of a firm's financial health, rose to Tk 17.76 in the nine-month period, against Tk 9.58 during the same period of the previous financial year. ■



Bangladesh Shipping Corporation Limited



Ctg Customs Collected 20 Percent Higher Revenue Than Previous Fiscal

Chattogram Custom House (CCH) earned 20 percent higher revenue till May 24 in the current fiscal compare to the previous year. Customs Commissioner Fakhru Alam disclosed the information at a press conference held at its auditorium this afternoon. The press conference organized on the occasion of auction of 108 vehicles imported at different times with the facility of Car Net De Passage (Foreign Tourist) through the Port. These vehicles have been lying in the port for several years. "The target of revenue collection in CCH is Taka 65.43 crores which is 10 percent behind the target. Although there are 36 more days left until the end of the financial year. I hope CCH will surpass the revenue collection target within this period," he added. He said last year was the highest growth in 25 years. The government has set a target for that growth in the current financial year. Even then, by May 24, our growth is 20 percent more. The higher earnings over the last several months are a result of an increase in imports and normalization of import and export through Chattogram port. The customs commissioner also said that the revenue collection is active in view of the current global situation and other conditions. ■

Govt To Procure 33.60 Lakh MMBtu LNG To Meet Growing Demand

The government today approved separate proposals for procuring some 33.60 lakh MMBtu LNG, 30,000 metric tons of bagged granular urea fertilizer and 5,000 metric tons of lentil to meet the growing demand of the country. The approvals came from this year's 17th meeting of the Cabinet Committee on Government Purchase (CCGP) held virtually with Finance Minister AHM Mustafa Kamal in the chair today. Briefing reporters after the meeting virtually, Cabinet Division additional secretary Md Zillur Rahman Chowdhury said that Petrobangla under the Energy and Mineral Resources Division would procure some 33.60 lakh MMBtu LNG from M/S Vitol Asia Pte Ltd. Singapore with around Taka 886.76 crore where the price for per unit MMBtu LNG would be \$25.75. He informed that the Bangladesh Chemical Industries Corporation (BCIC) under the Ministry of Industries would procure some 30,000 metric tons of bagged granular urea fertilizer from KAFCO, Bangladesh with around Taka



174.63 crore where the per ton urea fertilizer would cost \$671. The Cabinet Division additional secretary said that the state-run Trading Corporation of Bangladesh (TCB) under the Ministry of Commerce would procure some 5,000 metric tons of lentil from Shabnam Vegetable Oil Industries Ltd with around Taka 53.75 crore where the per KG lentil would cost Taka 107.50. ■



Jatiyatabadi Chhatra Dal (JCD) and Bangladesh Chhatra League (BCL) locked horns on several occasions on the Dhaka University campus recently

Bangladesh Politics Heading Towards Tumultuous Course

SMS Hasan

A new dynamic is driving politics with new incidents occurring in the political landscape. One of such incidents is the sudden offensive by the opposition BNP student front Jatiyatabadi Chhatra Dal's (JCD) role from a long defensive attitude. Recently a new central committee of the JCD was formed. Since then, the JCD started showing off its force to face its arch rival, the ruling Awami League's student wing Bangladesh Chhatra League (BCL). The student organisations locked horns on several occasions on the Dhaka University campus recently. Although the JCD is not 'winning' the battles against the BCL, they are not giving up either. The JCD activists are trying to fight back, something many political analysts feel is a significant sign of change in the country's politics. The

JCD was the main strength of the BNP in its movement against autocratic rule of General Ershad, playing a pivotal role in his ouster through a mass uprising in 1990. But after many ups and downs, the JCD lost its glory and became an ineffec-

tive student body in recent years.

Another significant development is BNP's meetings with other political parties and its continuous parley to form a national unity of anti-government political forces that would



launch a multipronged street movement. It wants all the opposition parties to take a common action programme on a one point issue — the removal of the Awami League from power.

Some of such parties like Mahmudur Rahman Manna-led Nagorik Oikya, ASM Rob-led JSD and Zonayed Saki-led Ganosamhati Andolon have already agreed to the single point movement, but opposed to sharing a single platform. As per the recent

ing bamboo sticks, wood, iron rods and steel pipes attacked the JCD activists when they were marching towards Doel Chattar as part of their pre-scheduled programme, said witnesses.

Newly-nominated BCL hall leaders led the attack, alleged some JCD activists.

Akter Hossain, convenner of DU JCD unit, said, "We were peacefully heading towards Dhaka University campus for our scheduled

Rabbani said the university administration brought the situation under control with prompt intervention.

The university administration also informed the law enforcement agencies. "If anyone wants to create chaos further, stern action will be taken," the proctor added.

Earlier on May 24, more than 35 people were injured in back-to-back clashes between BCL and JCD in Dhaka's Central Shaheed Minar area.

"Some 35 people have received first aid for injuries from the first clash at DMCH but none was hospitalised," said Bacchu.

According to witnesses, the JCD members were rallying towards DU around 9:30am when some BCL activists attacked them near the Shaheed Minar area, resulting in a skirmish.

Aman Ullah Aman, member secretary of DU unit of JCD, said they were on their way to the university's Teacher-Student Centre (TSC) for holding a scheduled press briefing to give a statement clarifying the comment of JCD general secretary Saif Mahmud Jewel which was perceived as "derogatory".

"As we approached Shaheed Minar from the emergency gate of DMCH, some BCL members attacked us with locally-made sharp weapons, hockey sticks and iron rods."

He said some 40 JCD activists, including senior vice-president Rashed Iqbal Khan, organising secretary Abu Mohammad Yahia, and joint-convenner of DU unit Ezazul Kabir Jewel, joint general secretary of DU unit Sajib Majumder, and convening member Mansura Alam, sustained injuries.

Two hours later, the two student groups again locked into a clash near the Doyel Chattar area inside the campus, in which some more activists sustained minor injuries. The



Jatiyatabadi Chhatra Dal (JCD) holds rally in front of National Press Club

agreement, they will now launch a simultaneous movement alongside the BNP-led alliance, but keep themselves on a different platform. Many observers believe that if the BNP succeeds in building greater unity among the opposition political forces against the ruling Awami League, it will create a big impact in the country's politics in the coming days. But still the BNP has miles to go to create a real impact on the country's politics.

Tension mounts as BCL, JCD clash at DU

Activists of BCL and JCD fought pitched battles on Dhaka University campus on May 26. Police said seven JCD activists were injured in the clash in front of Shilpakala Academy around 12pm but the BNP student front claimed that over 30 of its activists had been wounded.

BCL activists from different dormitories of Dhaka University brandish-

programme, but some BCL activists swooped on us. More than 30 of our activists had been seriously injured."

He claimed that BCL activists "stabbed the JCD activists and opened fire".

Police identified injured JCD leaders as Shahabuddin, 30, Ahad, 26, Ehsan, 21, Sabbir, 27, Pritam, 21, Swapan, 22, and Antu 26.

Shahabuddin was admitted to Dhaka Medical College and Hospital (DMCH), said Inspector Bacchu Mia, in-charge of DMCH outpost.

Officer-in-Charge of Shahbagh police station Moudut Hawlader said two people had been detained over the clash.

DU BCL general secretary Saddam Hussein said JCD activists came to the campus with firearms to disrupt peace.

Proctor Professor Dr AKM Golam

JCD activists were forced to leave the area around 12pm after they faced stiff resistance from BCL activists.

At one stage, some BCL activists beat up two JCD activists— Minhazul Abedin Nannu and Al-Amin Bablu— after throwing them into a drain of Shahidullah Hall.

Aman said religious affairs secretary Tuhin Reza and Masterda Surja Sen Hall BCL leader Syed Shariful Alam Shafu intervened and rescued them from the drain.

Meanwhile, Saddam Hossain, general secretary of DU's BCL unit, described the incident as a clash between members of the two rival student groups and slammed JCD general secretary's "derogatory" remarks on the Prime Minister.

BNP's dialogue pro-democracy movement

BNP held a meeting with Nagorik Oikya on May 24, formally kick-starting a dialogue with other opposition parties aimed at forging unity to launch a greater movement



BCL takes position on DU campus

for what they describe as "restoration of democracy".

"We've started talks for waging a greater movement to restore democracy and people's rights, including the right to vote," BNP Secretary General Mirza Fakhru

lslam Alamgir told reporters after the meeting in Dhaka.

He said the rights can be restored



BNP leader Dr Khandaker Mosharraf Hossain addressing a rally in the city

only by establishing "a true government and parliament of the people after ousting the current fascist regime."

"The people expect the opposition parties to wage a fruitful and effective movement in unison and a change will come through it for establishing a government and parliament of people," the BNP

leader said.

He said they will also talk to other political parties and hope that they will be able to initiate a joint movement by ending the dialogue quickly. "We hope we can do it very

soon."

Fakhru said the main points of their discussion were the restoration of

democracy, establishing a polls-time neutral government based on the opinions of the political parties, reconstituting the Election Commission, forming a national government, releasing Khaleda Zia and all other opposition leaders arrested in fictitious cases, withdrawal of those cases and stopping repression on opposition leaders and activists.

"We held an effective discussion in a cordial environment. We hope our talks with other parties will also be fruitful and we'll be able to present a movement programme very soon," he said.

Fakhru along with BNP leaders Abdus Salam and Jahiruddin Swapan came to Nagorik Oikya's office around 5pm and had an one and a half hours of discussion with Mahmudur Rahman Manna and his party's senior leaders.

Nagorik Oikya convener Manna said they discussed the basic issues of waging a movement. "All opposition parties are saying that a fair, good, acceptable election can't be held under the current government."

On this basis, he said they will continue a movement until achieving victory for establishing a neutral

government to hold a credible national election. "We are considering this meeting as a step towards launching a greater movement."

Earlier in the day, Fakhrul announced to start the dialogue at a press conference at the party chairperson's Gulshan office. The BNP leader said their party's standing committee took the decision at its virtual meeting recently.

He said they will talk to the political parties and finalise the outline of a united movement through the discussions. The BNP leader said they will sit with other opposition parties in phases.

Asked whether they will hold a discussion with Jamaat-e-Islami, Fakhrul said they want to talk to every party, including Jamaat.

Replying to another question about the existence of the 20-party alliance, it has not been abolished yet. "We'll finalise the future course of the alliance through the talks."

Responding to a question, he said they are not going to call their new political platform an alliance. "The format will be finalised through discussions."

US Concerned Over DSA

Another interesting incident, political observers said, is repeated assurance from America to extend its full support in holding a general election in Bangladesh in 2023 and its continuous support for press freedom.

US Ambassador to Bangladesh Peter Haas recently reiterated Washington's concern over Bangladesh's Digital Security Act.

"The United States has made their concerns about the DSA clear, both in their annual Human Right Report and in meetings with government officials," the ambassador told an event at EMK Centre in the capital commemorating the World Press Freedom Day 2022 on May 24,

news agency UNB reported. He referred to Reporters Without Borders (RSF) most recent World Press Freedom Index that ranked Bangladesh 162nd out of 180 countries, a drop of ten places from the previous year.

The envoy said one reason Bangladesh scored so low is the Digital Security Act, which the report calls "one of the world's most draconian laws for journalists."

"We are also concerned about the Bangladesh Telecommunication Regulatory Commission's draft "Regulation for Digital, Social Media and Over-the-Top Platforms" and the draft "Data Protection Act," Ambassador Haas said.

"While neither draft has been finalized, we fear they contain provisions which could be used to further intimidate journalists and others eager to express themselves," he mentioned.

The US envoy said the founders of the United States found the idea of press freedom so important that it became the very First Amendment

ranked 42nd out of 180 countries. "Frankly, the United States needs to do better," he said.

The ambassador highlighted five principles including protection of journalists from harassment and violence, noting that journalists play an even more important role in elections. "I very much hope that these five principles are upheld throughout the election season and beyond," he said.

Four other standards that Haas highlighted relating to the media are protection of editorial independence free from political or economic interference; allowing media to criticize the government, ensure that media is not held liable for the reproduction of untrue statements made by others and claims of defamation are not used to suppress freedom of expression, to stifle public debate, or to silence criticism of the government.

He referred to the Atlanta, Georgia-based Carter Center, a well-regarded authority on elections, while sharing election standards used around the world.



US Ambassador to Bangladesh Peter Haas expresses at an event at EMK Centre in the capital commemorating the World Press Freedom Day 2022

in our Bill of Rights. "Of course, that does not mean the United States is perfect when it comes to having a free press," he said.

In the same RSF World Press Freedom Index, the United States

"We all have an obligation to protect the free press and to allow journalists to seek and report the truth without fear, harassment, or censorship," the ambassador said, adding that a free press is a key ingredient in a legitimate and free

democracy.

He said the United States' policy on the Bangladeshi elections – or anywhere for that matter – is that the people of the country should have the ability to choose their own government through free and fair elections conducted in accordance with international standards.

Terming journalism a noble profession, Ambassador Haas said increasingly, around the world, it is a difficult and dangerous one.

Monjurul Ahsan Bulbul, US Jefferson Media Fellow and former President of the Bangladesh Federal Union of Journalists (BFUJ) delivered the keynote speech.

Matiur Rahman, Editor of the Daily Prothom Alo, Japanese Ambassador to Bangladesh Ito Naoki, Canadian High Commissioner to Bangladesh Lilly Nicholls and British Deputy High Commissioner Javed Patel also spoke at the discussion.

A moment of silence was observed in honor of Palestinian-American journalist Shireen Abu Akleh, who was tragically killed in the West Bank. Bulbul highlighted the challenges of journalism and said doing journalism in Bangladesh is like swimming in a pond full of crocodiles.

Matiur Rahman described his personal experience of a long career in journalism and challenges he and his newspaper faced. ■

Russia prepares to seize Western firms looking to leave



Russia is advancing a new law allowing it to take control of the local businesses of Western companies that decide to leave in the wake of Moscow's invasion of Ukraine, raising the stakes for multinationals trying to exit.

The law, which could be in place within weeks, will give Russia sweeping powers to intervene where there is a threat to local jobs or industry, making it more difficult for western companies to disentangle themselves quickly unless they are

prepared to take a big financial hit. The law to seize the property of foreign investors follows an exodus of western companies, such as Starbucks, McDonald's and brewer AB InBev, and increases pressure on those still there.

It comes as the Russian economy, increasingly cut-off due to western sanctions, plunges into recession amid double-digit inflation. Italian lender UniCredit, Austrian bank Raiffeisen, the world's biggest furniture brand, IKEA, fast

food chain Burger King, and hundreds of smaller firms still have businesses in Russia. Any that try to leave face this tougher line.

IKEA, which has paused all operations in Russia, said it was closely following the development. Raiffeisen, said it was assessing all options, including a carefully managed exit. UniCredit declined to comment while Burger King did not immediately respond to a request for comment. The bill paves the way for Russia to appoint admin-

istrators over companies owned by foreigners in "unfriendly" countries, who want to quit Russia as the conflict with Ukraine drags down its economy. Moscow typically refers to countries as "unfriendly" if they have imposed economic sanctions on Russia, meaning any firms in the European Union or United States are at risk.

The European Commission proposed toughening its own stance on Wednesday to make breaking EU sanctions against Russia a crime, allowing EU governments to confiscate assets of companies and individuals that evade restrictions against Moscow.

Meanwhile, in a move that could push Moscow closer to the brink of default, the Biden administration announced it would not extend a waiver that enabled Russia to pay US bondholders. ■



Chevron Gives Bid To Petrobangla To Explore New Gas Zones

Business Outlook Report

The US-based oil and gas giant Chevron plans to develop further two onshore gas-fields and one onshore block in Bangladesh in a quest to discover new gas zones and supply gas from those to help mitigate the country's mounting energy crisis. Chevron Bangladesh has recently submitted an unsolicited proposal to the state-run Petrobangla to develop Rashidpur and Chhatak gas-fields and Block 11 areas - to carry out necessary survey and drilling of wells to produce gas, said a senior Petrobangla official.

Chevron, however, has not clarified whether it would develop the gas-fields and the block under production sharing contract (PSC) or under joint venture (JV) with the state-run Bangladesh Petroleum Exploration and Production Company Ltd (BAPEX). Chevron has not yet disclosed its investment plan to develop new onshore areas for delineating hydrocarbon reserves. Petrobangla has not yet taken any decision on Chevron's proposal, he added.

Rashidpur gas-field, owned by Petrobangla's subsidiary Sylhet Gas Fields Ltd (SGFL), is producing around 44 million cubic feet per day (mmcf) of natural gas from five producing gas wells against the overall production capacity of 60 mmcf. Rashidpur also produces around 38 barrels of condensate every day. Two consecutive gas-field blowouts in 2005 at Chhatak (west) gas-field, also known as Tengratila, during

drilling by 'controversial' Canadian oil and gas exploration company - Niko Resources - led to suspension of developing the prospective Chhatak gas-field. Niko was developing Chhatak gas-field along under a JV agreement (JVA) with BAPEX, having 80 per cent stake. The remaining 20 per cent stakes went to BAPEX. Niko was the operator of Chhatak along with two other gas-fields - Feni and Kamta - under the JVA.

Bangladesh is now in a payment row with Niko following the Tengratila gas-field blowouts over compensation, which is still pending for final verdict by the International Centre for Settlement of Investment Dispute (ICSID). Onshore Block 11 is one of the two blocks that were kept ring-fenced for development by BAPEX, said sources. Officials said Chevron placed the proposal after carrying out 'exploration study' in 11 onshore blocks, fully or partially, to delineate new hydrocarbon prospects over the past couple of years.

Among the blocks 1, 2A, 2B, 3A, 3B, 8, 9, 11, 12, 13 and 14, which were studied by Chevron, a few are still vacant, or unexplored. Some blocks are owned by the state-run Bangladesh Gas Fields Company Ltd (BGFCL), some are owned by Sylhet Gas Fields Ltd (SGFL), and the remaining ones are Chevron's. During the study, Chevron attained access to relevant data and carried out study in reservoir 'stratigraphy',

and unconventional reservoir 'facies', said sources. Chevron earlier submitted a work-plan including budget to Petrobangla for drilling Bibiyana-27 well. The US firm recently attained a 60-square-kilometre 'flank' area from Petrobangla outside its existing contract zone at the north of the Bibiyana gas-field in gas-rich north-eastern region. Petrobangla approved Chevron's bid for extending its foothold on the sector. Chevron has planned to drill several gas wells in the flank area, if its drilling of Bibiyana-27 well comes out successful.

Sources also said Chevron previously invested around US\$500 million in Bibiyana gas plant expansion project during 2012-2015, which included a gas plant expansion, new development wells, and an enhanced liquid recovery unit. In 2015, Chevron proposed to invest around \$650 million for installing a new compression station at Bibiyana gas-field and drill three more wells at Jalalabad gas-field, tagging a condition of 3.0 per cent annual tariff hike for Bibiyana

gas. The US firm later dropped the investment plan, as Petrobangla rejected Chevron's plea for annual hike of natural gas tariff. Chevron instead announced to sell its Bangladesh stakes to Chinese JV Himalaya Energy in April 2017. The US firm reversed its decision in October 2017, when Petrobangla moved to acquire its assets. It decided not to sell Bangladesh stakes, and stay here.

Chevron is currently the largest producer of natural gas in Bangladesh with its total output of around 1,445 mmcf from three onshore fields - Bibiyana, Jalalabad and Moulvi Bazar, which are located in blocks 12, 13 and 14 respectively, according to Petrobangla.

The country's overall natural gas output is hovering around 3,074 mmcf, including 761 mmcf of re-gasified liquefied natural gas (LNG). The remaining 2,313 mmcf comes from local gas-fields, including the Chevron-operated ones. ■

CAB Demands Consumer Rights Division



Business Outlook Report

The Consumers Association of Bangladesh has demanded that the government establish a Consumer Rights Division to protect the rights of consumers. CAB leaders made the demand at a webinar organised by the association on May 23. They said that the Directorate of National Consumer Rights Protection was not capable enough

to protect consumer rights. Though a separate ministry is required, but a division is urgently needed now, they said. CAB organising secretary Syed Mizanur Rahman Raju coordinated the programme. M Shamsul Alam, senior vice-president of the association, said that the demand for a separate ministry for ensuring the consumers' rights arose long ago as the Directorate of National

Consumer Rights Protection under the commerce ministry failed to deliver.

Though the government's policy experts are working on this, it is necessary to form a separate division for protecting the consumer rights now, he said. CAB vice-president SM Nazer Hossain presented the keynote at the event. He said that the deceiving of consumers had been rising gradually though several authorities like the Directorate of National Consumer Rights Protection, Bangladesh Food Safety Authority and market monitoring cells of the city corporations were conducting drives to check such offences. Though they imposed fines on wrongdoer businesses and also warned them, the steps failed to diminish market violations, he said.

Nazer said wrongdoers always got relief from legal punishment by applying their money power.

CAB adviser Kazi Abdul Hannan said a number of businesses regularly manipulated the prices of essential commodities targeting Eid, any a big festival and the national budget. ■



Enhancing Liquidity Flow: BSEC Raises EIs' Investment Limit

Business Outlook Report

The securities regulator has taken another initiative to increase liquidity flow in the capital market by enhancing the stipulated investment ceiling, set for availing IPO (initial public offering) quota, by eligible investors (EIs). The Bangladesh Securities and Exchange Commission (BSEC) has extended the EIs' investment limit in a meeting at the BSEC on May 24.

The BSEC officials said the investment limit has been extended to facilitate sustainability of the market's upward trend. After sessions of losing 556 points, the DSE broad index - DSEX - advanced 1.93 per cent or 118.86 points to close at 6,261.54 points on May 24, riding on the announcement of

extending the tenure and amount of the capital market refinancing fund and increased limit of margin loans. As per the decision on the day, the EIs, other than the approved pension funds, recognised provident funds, and approved gratuity funds, must have a minimum investment of Tk 30 million in listed securities to avail IPO quota.

The minimum investment will be Tk 15 million for the approved pension funds, recognised provident funds, and approved gratuity funds. The EIs will have to ensure the stipulated amount of investments in listed securities at market prices within the cut-off date - set for IPO subscription. The BSEC officials have said the commission has

set new investment limits for the EIs to enhance liquidity flow in the market through institutional investors. As per the existing rules, the approved pension funds, recognised provident funds, and approved gratuity funds will maintain a minimum investment of Tk 5.0 million in listed securities at market prices, and the amount for other EIs will be Tk 10 million within the cut-off date.

"The BSEC has extended the investment ceiling for the EIs to facilitate continuation of the market's upward trend," said Mohammad Rezaul Karim, the BSEC spokesperson. The securities regulator has also said the exchanges' electronic subscription system (ESS) team will examine the

approved copy of the revenue board, audited financial statements and relevant bank statements of the approved pension funds, recognised provident funds, and approved gratuity funds in case of being registered with the ESS. In the meeting, the securities regulator has also approved the proposal of a zero coupon bond worth Tk 2.0 billion - to be issued by Envoy Textile.

The units of the bond will be issued through private placements at discounted rates - ranging from 6.50 per cent to 8.0 per cent. The company will utilise the fund to purchase machinery and for refinancing loans, among others. The Envoy Textile bond will be listed with the exchanges' alternative trading boards.

The offer price of the bond will be Tk 2.0 million per lot. UCB Investment is working as the bond trustee, while NDB Capital is working as the lead arranger. The BSEC has also approved another proposal of issuing a Tk 3.0-billion bond by Alif Industries. The bond will also be listed with alternative trading boards.

The company will utilise the fund to acquire another listed company, C&A Textiles, and for repaying its bank loans.

Earlier, the securities regulator allowed Alif Industries to acquire the company. ■

Tk 2,000cr Refinance Scheme For Shipbuilding



Business Outlook Report

Bangladesh Bank has formed a Tk 2,000 crore refinance scheme to ensure sustainable development of the shipping industry, increase export earnings and employment and gradually reduce dependence on imports. The refinance scheme was formed under a Shipbuilding Industry Development Policy 2021, according to a circular of the banking regulator on May 26.

Under the scheme, a customer can get loans at 4.5 per cent interest. However, the maximum limit of the loan was not mentioned in the circular. A customer can get term loans for a maximum of 12 years, for which the grace period will be of three years. The deadline for submitting applications for the loan is June 30, 2024, according to the circular. However, no loan will be given for the construction of dock-

yards, land purchases or for taking lease and the loan taken from this scheme cannot be used to repay any other loan. Working capital loans can be availed under the scheme for one year and loans can be renewed if the business is good. However, the working capital loan cannot be renewed for more than three years, the circular reads.

Bangladesh has more than 100 shipbuilding yards, most of which serve the local market worth more than Tk 3,000 crore. Shipbuilders have long been demanding a refinance scheme for the sector since it is going through a fund crisis as banks usually don't want to extend loans to them. In 2021, the Association of Export-Oriented Shipbuilding Industry of Bangladesh requested the government form a Tk 6,000 crore refinancing fund. The sector is yet to overcome the impacts of the global financial crisis of 2007-08

when demand from western buyers evaporated. On the domestic front, local entrepreneurs failed to maintain international standards and deliver vessels on time, denting the confidence of buyers. Subsequently, ship exports from Bangladesh fell. Exporters fetched only \$0.2 million in the last fiscal year, the lowest in a decade, according to data from the Export Promotion Bureau.

Export proceeds stood at \$0.18 million in the July-April period of the current fiscal year, slightly up from \$0.16 million during the same period a year ago.

Since 2008, Bangladesh earned around \$180 million by exporting 40 ships to several countries in Europe, Africa, and Asia. However, no sea-going ships were exported in the last two years. ■



Prices Of Rice, Atta, Red Lentil Increase

Business Outlook Report

The prices of rice, atta, red lentil and eggs went up on kitchen markets in the capital Dhaka over the week ending on Friday (May 20). Retailers blamed wholesalers for increasing the prices of rice, atta and red lentil while wholesalers said that rice mill owners raised the prices of rice and importers raised the prices of wheat and red lentil.

Rice mill owners said that the prices of paddy increased on the market as heavy rains damaged the crop in different parts in the country. Traders said that the prices of wheat witnessed a sharp rise on the market as India on May 13 imposed an export ban on the item. The prices of rice increased by Tk 2-5 a kilogram over the week and the coarse variety of the staple sold for Tk 46-48 a kilogram in the capital Dhaka on May 20.

The medium-quality variety of rice sold for Tk 50-54 a kilogram while the BR-28 variety, also known as a lower-grade Miniket, retailed at Tk

54-57 a kilogram. The fine-variety Miniket sold for Tk 65-70 a kilogram and Najirshail for Tk 75-80 a kilogram on the day. The price of atta increased by up to Tk 10 a kilogram over the week in the city. The price of unpackaged atta increased to Tk 46-50 a kilogram from Tk 38-40 a kilogram over the week.

The price of packaged atta increased to Tk 48-50 a kilogram from Tk 45-48 a kilogram in the past one week. The prices of red lentil increased by Tk 5-10 a kilogram. The coarse variety of red lentil sold for Tk 105-110 a kilogram and the medium-quality variety for Tk 120-125 a kilogram on May 20. The fine variety sold for Tk 130-140 a kilogram on the day. The price of eggs increased by Tk 2 a hali (four pieces) over the week and the item sold for Tk 38-42 a hali on Friday.

The prices of edible oil remained high on the local market over the week. Though the commerce ministry and the refiners set the price

of unpackaged soya bean oil at Tk 180 a litre, the item was selling for Tk 200-210 a litre on the market on May 20. Palm oil sold for Tk 175-180 a litre though the government set the price of the item at Tk 172 a litre. A one-litre bottle of soya bean oil sold for Tk 198-200 while a five-litre container of the item sold for Tk 985-995 in the city on the day.

The price of garlic also remained high over the week and the local variety of garlic sold for Tk 90-100 a kilogram while the imported garlic sold for Tk 140-150 a kilogram. The local variety of onions sold for Tk 40-45 a kilogram while the imported item sold for Tk 45-48 a kilogram in the capital on May 20. Potatoes sold for Tk 25 a kilogram on the day.

The prices of vegetables remained unchanged in the city over the week. Aubergine sold for Tk 60-80 a kilogram, papaya for Tk 60-70, bitter gourd for Tk 60-70, bottle gourd for Tk 50-60 a piece, cucum-

ber for Tk 25–30, carrot for Tk 40–60 and tomatoes for Tk 30–40 on the day. Green chilies sold for Tk 120–140 a kilogram on the day.

The price of beef remained high and it sold for Tk 680–700 a kilogram and mutton for Tk 900–1,000. The price of broiler chicken decreased by Tk 10 a kilogram and the item was

sold for Tk 150–160 a kilogram. The Sonalika variety of chickens sold for Tk 280–310 a kilogram and the local variety for Tk 500–550 on the day.

Rohita sold for Tk 280–400 a kilogram and Katla for Tk 280–380, depending on size and quality. Pangas sold for Tk 160–190 and

Tilapia for Tk 150–160. The prices of ginger, too, remained unchanged, with the imported variety selling for Tk 120–130 a kilogram and the local variety for Tk 80–110 on the day.

Fine-quality packaged salt retailed at Tk 32–35 a kilogram and the coarse variety at Tk 20–25. ■

RMG Packaging Manufacturers Oppose Power Price Hike Bid



The country's garments accessories and packaging manufacturers have strongly protested the proposal of power price hike, saying that it will badly affect them, as they are already struggling due to many factors.

The Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) said the fresh power price hike will aggravate their condition, while the industry is bearing the brunt of the pandemic and high cost of doing business. Through a media statement, the

trade-body has said it has known that the Bangladesh Energy Regulatory Commission (BERC) has proposed the government to hike the electricity price by 57.83 per cent.

"We strongly protest the BERC's proposal to hike power price," it has said, adding that the prices of raw materials for garments accessories and packaging products have increased by 40–50 per cent in the post-Covid context. Local companies, the buyers of the packaging and accessories items, are not paying them in line with the raw material price increase in the

international market. A good number of companies of the sector are shrinking their business or closing down due to different factors, including devaluation of Taka against US dollar and huge gap in exchange rates.

"Amid such circumstances, hike in power price will add fuel to their existing woes," the statement noted. It has also said currently 1,900 accessories and packaging makers are meeting demands of the export-oriented businesses. They have contributed 15–18 per cent of the

US\$34-billion export earnings by the ready-made garments sector in last fiscal year.

The sector itself has made investment of Tk 350 billion, created 0.7 million employments, and made contribution of \$7.0 billion deemed export earnings.

It is a must to keep the sector competitive through policy support, as it plays a crucial role for the export-oriented sectors and overall economy. ■



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Global Economic Crisis: TIB Calls Upon Govt To Form Advisory Committee

Business Outlook Report

Transparency International Bangladesh on May 20 called upon the government to form an independent "Economic Strategy Advisory Committee" to advise on ways to address the potential global economic fallout and ensure continued commendable economic performance achieved so far.

The call comes against the backdrop of the impending global economic crisis triggered by Covid-19 and Russia-Ukraine war, reads a TIB statement.

In the statement, TIB Executive Director Iftekharuzzaman said, "At a time when the world has been already struggling hard to cope with Covid-19 fallout, the Russian invasion of Ukraine has exposed the global economy to an unprecedented crisis including collapse of the global food system that threatens worldwide rise of hunger and

famine.

"It is obvious that Bangladesh cannot remain immune to the impending global economic challenges and uncertainties, as demonstrated by the Prime Minister's thoughtful call to exercise austerity and explore other means of preventing the crisis to affect Bangladesh."

"We have no doubt that the government will do everything in its capacity so that Bangladesh not only successfully confronts the impending crisis but also the commendable performance in terms of growth and socio-economic indicators remains on course. However, in this extraordinary context we are calling upon the government to form an independent Economic Strategy Advisory Committee to complement and strengthen the efforts of the government by way of strategic advise on ways to address the poten-

tial economic crisis and ensure continued enviable economic performance achieved so far," he added.

Drawing attention to the ever-increasing socio-economic fallout of climate change that has been severely exacerbated by the twin evils of Covid-19 and Russia-Ukraine war, Iftekharuzzaman said that international experience shows evidences that in such crisis situations challenges of economic and financial management in nearly every country are exacerbated by deeper and wider spread of governance deficit, corruption and illicit financial transfers including money laundering which contribute to increased poverty, marginalisation and deprivation of fundamental human rights of common people.

In this context, strategic guidance from the proposed independent committee consisting of nationally

and internationally reputed Bangladeshi economists, financial experts and other relevant social scientists will add a great value to the government's efforts, he said.

The main task of the committee could be strategic guidelines on how

Bangladesh can escape and minimise the adverse effects of global crisis in short and medium terms and at the same time ensure that the lofty goals of the Perspective Plan 2021–2041 remain on course like the status of high middle-income by 2031 and

high income by 2041 side by side with the specific targets of eliminating extreme poverty by 2031 and achieving zero poverty by 2041, he added. ■



24pc TIN Holding Physicians In Dhaka Fail To Submit Tax Returns

Business Outlook Report

Twenty-four per cent of the taxpayer identification number holding physicians in the capital Dhaka has failed to submit their income tax returns for the fiscal year 2021–22, according to the National Board of Revenue.

Of the 35,000 TIN holding physicians, 26,611 submitted their returns by the January 2 deadline. The rate of income tax return submission by the physicians, however, increased by 50 per cent in FY22 as the number was 17,123 in FY21.

The number of electronic TIN holding physicians rose by 30 per cent in the current fiscal year to 35,000 compared with that of 27,000 in the FY 2020–2021, according to NBR data. The amount of tax paid by the physicians increased by 10 per cent in the ongoing fiscal year to around Tk 125 crore compared with that of Tk 114 crore in the past fiscal year, the data showed.

NBR officials said that there was no data on how many

physicians were practicing in the capital Dhaka. They said, 'We are working on tracing those physicians who do not have electronic TINs.' The Income Tax Zone-10 in Dhaka, which is responsible for collecting tax from physicians practicing in Dhaka, has already taken some measures, including visiting the doctors' chambers, to check their tax payment status, they said.

Tax commissioner of Taxes Zone-10 Md Lutfur Azeem said, 'We took several initiatives to create awareness among doctors about payment of tax.' He said, 'Though the revenue earnings from physicians' services increased in FY22 compared with that in the previous fiscal year, we are not satisfied with the performance.'

'We have prepared a database of doctors, collecting data related to actual income of doctors through visiting chambers, checking registers and adopting other intelligence means and conducting spot assessments to issue e-TINs to new taxpayers would also continue,' he said. ■



Increased Mustard Oil Production: A Solution To Edible Oil Crisis

Sazzadul Hassan

There is a huge hue and cry about the recent unprecedented price hike of soybean oil. This is probably an issue that drew the media's attention the most. For the last couple of years, the price of soybean oil has been constantly on the rise due mainly to the volatile price in the international market.

Prices of soybean and palm oil have risen sharply in the last two years, and no wonder they topped the list. In 2020, the price of bottled soybean oil in the country was Tk 113 a litre, which now stands at Tk 198. Palm oil price (loose) was Tk 78 per litre in 2020 and Tk 130 recently. Last week, the government fixed the price of loose palm oil at Tk 172 a litre, a rise of 72 per cent. Questions have arisen what has caused the prices of edible oil to go up so sharply and so frequently?

Bangladesh imports 90 per cent of its annual demand for edible oil. The major supplying countries of soybean oil are Brazil and Argentina and Malaysia and Indonesia are the two-biggest supplying countries of palm oil. According to a study by the International Food Policy Research Institute, the price increase is mainly due to global weather events that have taken a toll on the supplies of two key oil commodities. Over the last six months, there's been

a drought in Argentina and Brazil. Malaysia got badly hit by a devastating typhoon and had flooding. This had a big impact on its palm oil production this year. Brazil accounts for about half of global soybean exports, while Indonesia and Malaysia produce much of the world's palm oil. The Ukraine-Russia war aggravated the situation as supplies of sunflower oil have been cut off from these two countries, the two biggest suppliers of sunflower oil, causing soybean and palm oil prices to go up further.

According to the Index Mundi, the price of soybean oil in the world market was \$1,411 per tonne last December. Recently, the price has gone up to \$1,900 per tonne. The price of palm oil was \$1,142 a tonne in December 2021 which had reached nearly \$1,700 last month. All forecasts suggest that this volatility in the edible oil price is going to stay for a longer period.

What should Bangladesh do in the backdrop of such uncertainty? The answer lies in our history and surprisingly enough, we can easily be turning Bangladesh into a self-dependent country in edible oil production. Wondering how? In the good old days, even during the 1970s, mustard oil used to be the main cooking oil here. Since the late 1970s,

soybean and palm oil slowly started to take the place of mustard oil. The total annual demand for edible oil and fat is around 3 million tonnes in Bangladesh. We imported 2.73 million tonnes of oils and fat in 2020, out of which palm oil import was 1.33 million tonnes and soybean oil were 0.80 million tonnes. We also imported soybean seeds from which 0.41 million tonnes of oil were extracted locally. There were roughly 0.18 million tonnes of other types of edible oil like canola and sunflower, which were also imported.

We produced around 250,000 tonnes of indigenous oils locally. Bangladesh had to spend more than \$2 billion to import edible oil and fat. That's huge, right? Presently, we cultivate mustard on 0.60 million hectares of land from which we produce about 0.78 million tonnes of mustard. Nearly 300,000 tonnes of oil are extracted from this quantity of seeds. As a first step, we need to bring more land under mustard cultivation. There are nearly 2.20 million hectares of land which remain unutilised between Aman harvest and Boro cultivating time. This land can easily be brought under mustard cultivation, which is rather easy to cultivate, less costly and can be harvested in just 80 days.

We need to promote the high-yielding variety of Bina-04 and Bina-09 to maximise production. The average productivity of these two varieties is 1.60 tonnes per hectare. If we can bring 3 million hectares of land under mustard cultivation in the next five years, this will give us 4.80 million tonnes of mustard production from which we can extract 1.90 million tonnes of oil. Gradually, in the next seven years, we need to bring around 4.75 million hectares of land under mustard cultivation to produce 3 million tonnes of oil to meet our demand. There is a misconception among consumers that

soybean oil is better than mustard oil in terms of health and nutritional benefits. This is not true at all. Mustard oil has more thiamin, riboflavin, niacin, pantothenic acid, vitamin B6 and folate than soybean oil. It has significantly more iron, potassium, calcium, and dietary fibre. Mustard oil has the lowest saturated fat content among edible oils. This oil comprises 12 per cent Omega-3 (Alpha-Linolenic Fatty Acid) compared to Olive oil (only 0.6 per cent).

According to the American Journal of Clinical Nutrition, mustard oil reduces heart attacks by nearly 70 per cent. In a nutshell, the key action points are: bringing more land under mustard cultivation; introducing high-yielding mustard varieties; promoting short-duration rice varieties in Aman to have a sufficient time for mustard cultivation; launching a comprehensive campaign to educate the consumers about the health benefits of mustard oil; and intensifying research activities to improve the quality of mustard seeds.

The agriculture ministry took a project to increase the production of oilseeds in 2017. The time has come to consider this initiative as one of the top priorities of our overall agriculture strategy.

By maximising mustard oil production, not only we will be able to save billions of valued foreign currencies, we will also be able to build a healthier nation. ■



Experts For Higher Health Budget In FY23



Business Outlook Report

The country's health sector needs adequate allocation in the upcoming national budget as per the recommendation of WHO to ensure proper health services for all, say experts. "Bangladesh's budgetary allocation for the health sector is lower than other countries. I demand at least 10 percent of the total budget for the health sector," said Prof Dr Sharfuddin Ahmed, Vice-Chancellor of Bangabandhu Sheikh Mujib Medical University (BSMMU).

He also said the government should adopt a health insurance policy to ensure Universal Health Coverage. Prof Dr. Syed Abdul Hamid, former director of the Institute of Health Economics of Dhaka University, said the

World Health Organization (WHO) recommends allocating at least 12-15 percent of the budget for the health sector. "At least 10 per cent of the total national budget should be allocated for the health sector to ensure proper health services for all citizens," he added. Syed Abdul Hamid has also emphasized carrying out proper needs assessments for the country's health sector in a bid to ensure proper budgetary allocation.

"The lack in existing line items and the missing line items in health sector should be identified before allocating funds as per the needs," the health economists said. Finance Minister AHM Mustafa Kamal had allocated Tk 32,731 crore for the health sector in the budget for FY 2021-22. The

proposed allocation is 5.42 per cent of the total budget outlay while 5.84 per cent of this year's revised budget and only 0.95 per cent of GDP. The World Health Organisation (WHO) has set at least 5 per cent of GDP spending on health as a minimum requirement for a country.

Unnayan Shamannay Chair, Dr Atiur Rahman, presenting the keynote paper at a virtual pre-budget dialogue recently said the authorities should discard the practice of allocating 5-6 per cent of the national budget in healthcare. Pointing out that usually 25 per cent of the health sector allocations go to primary healthcare, he said this should be increased to 30 per cent in the upcoming fiscal and raised to 35-40 per cent in the medium

term. "If the allocations for providing free-of-cost medicine for the people can be tripled, the out-of-pocket health expenditure can be reduced from 68 per cent to 58 per cent," said Dr Atiur, a former governor of the Bangladesh Bank.

Dr Ehteshamul Haque Chowdhury, secretary-general of Bangladesh Medical Association (BMA), said the health budget for FY 2022-23 should be at least 3-4 per cent of the GDP. Referring to the WHO's recommendation for allocating a minimum of 5 per cent of the GDP for the health sector, he lamented that sadly the country's health budget remains within one per cent of the GDP, which is not ideal.

Dr Ehteshamul Haque also emphasized on proper utilisation of the budgetary allocation through making skilled manpower and ensuring accountability.

Mentioning that the budgetary allocation for the health sector in fiscal 2021-22 was not enough to meet the needs of the country's growing public health sector, the health experts said insufficient budget and lack of efficient use of the resources will further accelerate the out-of-pocket expenditure in the health sector. ■



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Will Padma Bridge Live Up To The Hype?

Apu Ahmed

For many, the Padma Bridge embodies Bangladesh's ambition, a testament to its capabilities and growing economy. The bridge connecting the Southwest with the mainland is expected to open up numerous economic opportunities as the country graduates from the Least Developed Country bloc in 2026.

Great Expectations

The ruling party policymakers have been busy taking credit since it was one of their electoral pledges. They say the bridge will add 2 per cent growth in gross domestic product annually at the national level while the growth will be 35 per cent for the Southwest region alone as the bridge will connect the neglected part with the mainstream economy. It has also been stated that the Southwest region will see rapid industrialisation. The policymakers argue that the bridge will improve connectivity to attract private investment. Sluggish private investment has become a common phenomenon in the region for a long time. Arguments have also been made that private investors would no longer show unwillingness to invest in the region.

Jamuna Bridge

However, if someone considers expectations and actual outcomes in the case of the bridge over the river

Jamuna, guarded optimism on the Padma Bridge should be expressed. While the Padma Bridge will integrate the entire Southwest region, the Jamuna Bridge, constructed between October 1994 and June 1998 at a rough cost of US\$960 million has integrated the Northern region with the mainstream economy dominated by Dhaka and Chattogram. Providing a quick road and rail link between the relatively less-developed Northwest region of the country and the more developed Eastern part was the first and foremost target of the bridge. The bridge was also expected to bring down poverty in the northern region by creating jobs and diversifying livelihood.

Reality Differs

Northern residents say the bridge has cut travel time for passengers while transporting goods from the region to other parts is now faster and cheaper. However, projections like the bridge would spur industrialisation proved to be overenthusiastic. Many farmers still throw away their unsold produce like tomatoes in the absence of buyers. Necessary processing industries have not been set there. There are also no adequate storage facilities at a low cost for farmers to preserve their perishable items. Milkmen in Sirajganj, where the bridge landed across the river, floor their milk in protest against not getting fair prices. Seasonal poverty

called 'Monga' still prevails in some pockets of the regions although the overall rate of poverty has dropped.

Study Speaks Other Ways

A study 'Impact Assessment of Jamuna Multipurpose Bridge Project on Poverty' by Japan Bank of International Cooperation said the construction of the Jamuna Bridge went a long way in reducing poverty in the



Northwest. But it is observed that people's access to the credit needs to be increased. This could be provided by NGOs or government-aided agencies. Rural credit is an important plank for poverty reduction. The absence of drastic land reforms, notwithstanding its economic feasibility and political reality, should be undertaken in the tenancy market. Necessary storage facilities should be created in the vicinity of the villages to help farmers earn a better return. This is not to argue that the government will have to set up cold storages, but to argue that infrastructural facilities like electricity should be made available by the government to crowd in private investment. The study was published in 2007 and many of its findings are still valid nowadays.

Problems All the Same

Problems persisting in the Northern region are also present in the Southwest. The opening of the Padma Bridge from June 25 may bridge some gaps but not all which have created differences between the region and the mainstream parts of the country. Fundamental requirements like access to credits, fair price of farm produce, establishment of proper marketing channels, facilitation of preservation facilities and good governance should be ensured for obtaining expected high returns from the bridge. If the problems are not solved, economic gains from the Padma Bridge will remain at an average level like that of the Jamuna Bridge.

Direct Impacts

There is no doubt that Padma Bridge will help in poverty eradication in the region where the rate of

poor is 5 per cent higher than in the rest of the country. The Southwest region covers approximately 27 per cent of the country's overall population. The agricultural growth has been comparatively slow due to the lack of access to markets and fresh water in the dry seasons. The Padma Bridge would save about two hours of travel time between Dhaka division and the southwest region for cars and buses and between five to ten hours for trucks. The Padma Bridge will reduce travel time between Dhaka and Mongla port, which is shorter in distance than the Chattogram port from Dhaka – Chattogram's 264 kilometres against Mongla's 170 kilometres. Greater movement of freight between Dhaka-Mongla port will also reduce the congestion at the Chattogram port.

Funding Crisis

Economists hope that initiatives to address the problems linked to the sluggish private investment beside connectivity should be taken seriously to maximise the outcomes from the Padma Bridge built over a period of a decade. The bridge had captured headlines of the newspaper over an allegation of corruption in the tendering process raised by the World Bank in 2012. The WB also suspended a loan worth \$1.2 billion to the project. Asian Development Bank and Japan International Cooperation Agency joined the WB leaving the current political regime with problem to find alternative funding sources. Finally, it was decided that the bridge would be constructed with its own finance. The initial estimate drawn up in 2007-08 for the bridge was Tk 10,161 crore and, according to the first Development Project Proforma, the project was scheduled to be completed by 2014. The project deadline was extended for the fifth time till June 2022 and, in 2018, the project cost shot up to Tk 30,193 crore.

Funding with Own Finance

Funding the construction cost of the bridge with its own finance has been criticised by the economists saying that borrowing from the multilateral lending agencies would strengthen the foreign currency reserve. Providing foreign currency of roughly \$3.5 billion from the reserve fund for the bridge construction will also remain critical in the coming days. The country has faced a shortage of dollars amid a price hike of essential commodities in the wake of the war between Russia and Ukraine. Multiple measures have already been taken to check surging imports and safeguard the forex reserve. ■



Rise In Power, Gas Tariff To Be Suicidal: FBCCI

Business Outlook Report

Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) has demanded the government does not raise the tariff of power and gas saying that any rise of such utilities would be a suicidal one. The leaders of the highest business body made the demand while addressing a press conference at its Motijheel office in the city on May 21.

They said any move to raise power and gas tariff would be detrimental to the country's trade and industries while they are trying to recover from the shock of the global pandemic Covid-19. FBCCI president Jashim Uddin read out at written statement while the president of the Bangladesh Textile Mills Association (BTMA) Mohammad Ali Khokon, vice president of

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Shahidullah Azim and other leaders of different business organizations were present on the occasion. The leaders said that this is not the right time to increase the power and gas tariff. "The move has been initiated by the bureaucrats to put the government in an embarrassing situation," said the FBCCI president.

The call from the top business bodies came against the backdrop of the recent public hearings in response to the two separate proposals, one moved by state-owned Petrobangla to raise gas price at retail level by 117 percent and another by state-owned Bangladesh Power Development Board (BPDB) to raise power tariff at bulk level by 65.57 percent.

Bangladesh Energy Regulatory Commission held the public hearing, but has yet not given any verdict on the proposals. The FBCCI leaders said the decision on any hike in power and gas tariff should come from the government's political level, not from the bureaucratic level.

FBCCI president Jashim Uddin said still the government has been purchasing electricity from the very costly and quick rental power plants while there is no utility of such costly plants. "The rental and quick rental power plants as well as the other inefficient power plants immediately need to be shutdown," he said adding, a good number of gas-fired power plants remained idle for gas shortage. "But without paying attention to those gas-fired

power plants, the government is planning to raise the power and gas tariffs. Industries cannot bear the brunt of the wrong decision of the government”.

He said the government should go for reforming the power and gas sector instead of enhancing the power and gas price. “Disconnecting the illegal gas and power lines should get the highest priority while reducing the cost through a cut to the surplus power generation will be

wise for the government instead of enhancing the tariff,” said the FBCCI president. Bangladesh Chamber of Industries (BCI) president Anwar-ul-Alam Parvez said the country is going through a dollar crisis while the cost of products is going up due to the Russia-Ukraine war. In such a situation, any rise in power and gas tariff will have a major impact on the market, which ultimately will impact the consumers.

BKMEA vice president Mohammad Hatem the impact of any rise in gas and electricity tariff will be disastrous for the export sector while the sector is trying to bounce back after a long shock of Covid-19.

“The cost of production will go up and Bangladesh will lose its export market by losing the competitiveness,” he said adding; it will ultimately result in increasing inflation and create social instability. ■



Serbia Keen To Invest In Food Storage Industry In Bangladesh

Business Outlook Report

Serbian Foreign Affairs Minister Nikola Selakovic has expressed his country's interest in investing in the food storage industry of Bangladesh.

The visiting minister expressed his interest during a courtesy call on FBCCI senior vice-president Mostofa Azad Chowdhury Babu on May 26. Selakovic said his country's storage compa-

nies are one of the best in the world and Bangladesh can also benefit from Serbia's investment in this sector, reports UNB.

“Serbia has free trade agreements with Europe, the Eurasian Economic Union and Turkey. Bangladesh may benefit by establishing joint ventures and export at zero duty to those free trade countries,” he said. He also expressed interest in signing two agree-

ments on double taxation and investment protection and promotion with the government of Bangladesh to increase bilateral trade.

Serbia is also keen to take skilled and semi-skilled manpower from Bangladesh for construction and agriculture sectors, the minister said. At the same time, the minister urged Bangladeshi students to go to Serbia to study agricultural engineering

as the country provides world best facilities of its kind. In response, Mostofa Azad Chowdhury said that 30 percent of agricultural products are wasted in Bangladesh every year due to lack of packaging, transportation and storage. The two sides also agreed to sign a memorandum of understanding between the Serbian Chamber of Commerce and Industry and the FBCCI soon.

The meeting also discussed import of sunflower seeds, contract cultivation of wheat in Serbia, and establishment of the Serbian Embassy in Dhaka.

Serbia's assistant minister for bilateral relations Vladimir Maric, Foreign Minister's Adviser Ivan Jaksic, FBCCI Vice-President Habib Ullah Dawn, Director Amzad Hossain, Shomi Kaiser, Dr. Nadia Binte Amin, Abul Kasem Khan and Secretary General Mohammad Mahfuzul Hoque, were, among others, present in the meeting. ■



Islami Bank Bangladesh Limited (IBBL) has achieved Bangladesh Bank Remittance Award 2019 & 2020. Finance Minister A. H. M. Mustafa Kamal handed over the award to Mohammed Monirul Moula, Managing Director and CEO of IBBL at a program in Krishibid Institute, Dhaka recently. Fazle Kabir, Governor, Bangladesh Bank, also seen. ■



Deputy Managing Directors of Sonali Bank Limited Sanchia Binte Ali and Md. Murshedul Kabir handing over the Remittance Award in the year 2019 and 2020, presented by Bangladesh Bank to CEO and Managing Director Md Ataur Rahman Prodhan in his office. ■



Mercantile Bank Limited recently signed a participation agreement with Bangladesh Bank to avail Refinance Fund under 'Supporting Post Covid-19 Small Scale Employment Creation Project (SPCSSECP)'. Abu Farah Md. Nasser, Deputy Governor, Bangladesh Bank, was the chief guest and Dong Dong Zhang, Principal Financial Sector Specialist, ADB, was the special guest at the signing ceremony. Nurun Nahar, Executive Director of Bangladesh Bank, and Md. Quamrul Islam Chowdhury, Managing Director and CEO of Mercantile Bank Limited, signed the agreement on behalf of their respective organisations. ■



Jamuna Bank Foundation organised a free medical camp for the poor and underprivileged people at Haji Ismail Model School & College in Shibpur, Narsingdi recently. Chairman of Jamuna Bank Limited and Jamuna Bank Foundation Nur Mohammed was present as the chief guest. ■



Hassan O. Rashid, Managing Director and CEO of Prime Bank, handed over a cheque to Md. Moniruzzaman Khan, Founder and Managing Trustee (CEO) of Bangladesh Disabled Development Trust. ■



Rupali Bank Limited was awarded with Letter of Appreciation by Bangladesh Bank for 100 per cent disbursement of special stimulus refinance scheme for Covid-19 affected agricultural sector. Bangladesh Bank Governor Fazle Kabir handed over the Letter to Rupali Bank Limited Managing Director & CEO Md. Obayed Ullah Al Masud at the conference room of Bangladesh Bank recently. Bangladesh Bank Deputy Governor A. K. M. Sajedur Rahman Khan was present. ■



Bangladesh Bank has recognized BRAC Bank for its outstanding role in successful and timely disbursement of agriculture refinancing credit under Covid-19 Stimulus Package. Bangladesh Bank Governor Fazle Kabir handed over a certificate of recognition to BRAC Bank's Managing Director and CEO Selim R. F. Hussain at a ceremony at Jahangir Alam Conference Hall at Bangladesh Bank recently. ■



Popular Life Insurance Company Limited handed over insurance claim cheques to the policyholders at BD Hall Room in Jashore recently. The photo shows Managing Director and CEO of the company BM Yusuf Ali handing over a cheque as the chief guest. Other senior officials of the company were also present. ■



Prime Bank introduced the first-ever 24X5 Trade Shop in Bangladesh. The bank has extended its real-time and customised trade solutions for its diverse local and global clients to 24 hours a day - 5 days a week for efficient and timely service, attending to the growing trade volume of its valued customers. Under this service, general trade services will be offered from 08:00 AM to 10:00 PM and query-based customer support will be provided from 10:00 PM to 08:00 AM. Hassan O. Rashid, MD & CEO, Prime Bank, was present at the opening ceremony. ■



Shahjalal Islami Bank Securities Limited celebrated its 11th anniversary. On the occasion a doa mahfil was organised at the head office of Shahjalal Islami Bank Securities Limited at Motijheel. Chairman of Shahjalal Islami Bank Securities Limited Md. Sanaullah Shahid was present as the chief guest and Chairman of the board of directors of the bank Mohammed Younus, directors Akkas Uddin Mollah and Khandaker Shakib Ahmed were also present as special guests. Managing Director (CC) of the bank Abdul Aziz and CEO of Shahjalal Islami Bank Securities Limited Md. Anwar Hossain were also present on the occasion. ■



Bangladesh Finance has contributed to the Prime Minister's Education Assistance Trust as part of the social responsibility. The donation cheque was handed over to Kazi Delwar Hossain, Director and Joint Secretary of the Prime Minister's Educational Assistance Trust at his office in Dhanmondi by Md Kyser Hamid, Managing Director and CEO of Bangladesh Finance. ■



A meeting between Board of Directors of Shippers' Council of Bangladesh (SCB) and visiting Maritime Anti- Corruption Network (MACN) representatives was held on Tuesday at SCB's own office conference room, Dhanmondi, Dhaka under the Chairmanship of Md. Rezaul Karim, Chairman, SCB. The meeting discussed various issues related to trade & business and port, maritime facilities and development of maritime sector in Bangladesh. ■



Stocks Sink Deeper As Economic Jitters Grow

Business Outlook Report

Stocks witnessed yet another major setback in the week to May 19 as nervous investors rushed to dump their holdings to avoid further erosion of their portfolios. The week saw four trading days instead of usual five days as the market remained closed on May 15 on the occasion of Buddha Purnima and all the four days witnessed sharp fall amid growing concerns over the country's economic situation.

Week on week, the key DSEX index of Dhaka Stock Exchange (DSE), plunged 307.22 points or 4.68 per cent to settle at 6,258. The DSEX shed about 404 points in the past three consecutive weeks. The prime bourse saw some Tk 239 billion of its market capitalisation wiped out this week and it came down to Tk 5,098 billion on May 19 as investors sold large-cap stocks. Market operators said multiple

factors such as soaring inflation, imbalance in current account balance, shortage of dollar supply and local currency devaluation coupled with rising cost of business have together dented investor sentiment. The stock market remained unstable due to rising inflation which reduced the investors' buying power while depreciation of the local currency leading to foreign investors' share sales, said a merchant banker, wishing not to be named.

The downturn was also fuelled by fears that the interest rate would be raised in an attempt to tackle the inflation, said a leading broker. The stock market regulator is trying to increase institutional fund flows to the market, but failed to revive the market sentiment, he said. So, the risk-averse investors kept their selling spree on large-cap stocks to avoid further erosion of their portfo-

lios, he said. The nervous investors offloaded their holdings after noticing that the heavyweight issues, including multinational ones, kept falling in the past few days, putting pressure on the indices, he said. According to International Leasing Securities, excessive sale pressures of the panicky investors dipped the key index to the lowest in the last ten months. The week's total turnover also dropped to Tk 32.35 billion on the prime bourse as against Tk 53.98 billion in the week before.

The daily turnover averaged out at Tk 8.08 billion, down 25 per cent from the previous week's average of Tk 10.79 billion. Two other indices also ended sharply lower. The DS30 index, comprising blue chips, shed 90.24 points to finish at 2,316 while the DSE Shariah Index (DSES) lost 49.13 points to close at 1,383. All the sectors faced selling pressures, leading to the share price erosion of

more than 93 per cent of equities during the week. Out of 386 issues traded, 360 declined, 20 advanced and six remained unchanged.

General insurance sector faced a big blow, losing 10.6 per cent, followed by life insurance (9.9 per cent), financial institutions (6.60 per cent), food (6.4 per cent), engineering (6.0 per cent), power (4.30 per cent) and telecom (3.10 per cent). Beximco was the most-traded stock with shares worth Tk 2.03 billion chang-

ing hands, followed by Shinepukur Ceramics (Tk 1.59 billion), JMI Hospital Requisite Manufacturing (Tk 1.32 billion), Islami Bank (Tk 911 million) and RD Food (Tk 720 million).

S Alam Cold Rolled Steels was the week's top gainer, posting a 34.15 per cent gain in the falling market, while RD Food was the worst loser, shedding 18.30 per cent. The Chittagong Stock Exchange (CSE) also fell sharply with the CSE All

Share Price Index (CASPI) shedding 809 points to settle at 18,439 and its Selective Categories Index (CSCX) losing 486 points to close the week at 11,064.

Of the issues traded, 312 declined, 34 advanced and five issues remained unchanged on the CSE trading floor.

The bourse traded 46.99 million shares and mutual fund units with turnover value of Tk 1.21 billion. ■



Edible Oil Price Shock May Soften As Indonesia Resumes Export

Business Outlook Report

Indonesia, the world's biggest supplier of edible oils, has decided to lift the ban on palm oil exports, a development that is expected to bring much-needed relief to the consumers in Bangladesh struggling to afford the cooking oil because of skyrocketing prices.

Palm oil exports can resume from May 23, Indonesian President Joko Widodo said in an online briefing on May 19. The decision came after

taking into account the improvements in the local supply and prices in the Southeast Asian nation, as well as the 17 million workers employed in the Indonesian palm oil industry.

On April 28, Indonesia halted shipments of crude palm oil and some of its derivative products to control soaring prices in the domestic market, rattling global vegetable oil markets. The move had an immediate impact on Bangladesh as about 60 per cent of the cooking oil

used in the country's kitchens is palm oil, 80 per cent of which comes from Indonesia. The supply crunch forced the government to increase the prices of the bottled soybean oil by Tk 38 per litre to Tk 198, loose soybean oil to Tk 180 per litre and palm oil to Tk 172 per litre on May 6.

Importers and traders say that the move to withdraw the export restriction will bring much-needed relief to the global market as well as



Bangladesh. Speculation that Indonesia will soon withdraw the ban was doing the rounds. As a result, the price of palm oil has been declining in the international market for the last two weeks. At the Khatunganj market, the largest wholesale hub in Bangladesh, palm oil was selling at Tk 144-145 per litre at the wholesale level yesterday, down from Tk 147-148 a day ago and at Tk 154-155 a week ago.

Similarly, soybean oil price stood at Tk 172-173 per litre, slightly down from Tk 174-175 on the previous day, said a wholesaler. Abul Hashem, a wholesaler in Khatunganj, said the fall in the price of edible oil is being felt in the domestic market in Bangladesh. The impacts will be further visible thanks to the withdrawal of Indonesia's export ban. He thinks the price will go down further in the next few days as the businesses that have bought and stocked the supply order slips have begun releasing the cooking oil into the market.

The retail market is yet to see any immediate change despite the drop in the wholesale rate. As a result, cooking oils are being sold at the previous rates. Loose palm oil was selling at Tk 172-182 per litre on May 19 and palm oil (super) was retailing at Tk 180-190 per litre, according to the Trading Corporation of Bangladesh. Rafiqul Islam, the owner of Bismillah Store at the Hamzarbagh Kitchen Market in the

port city, said: "We have to sell cooking oil at the previous price as we bought them a week ago."

Palm oil is being sold at Tk 170-170 a litre and soybean oil at Tk 180. Tapan Kanti Ghosh, senior secretary of the commerce ministry, said: "It is very good news for us. Indonesia is the biggest source of palm oil and lifting of the ban will increase the availability of edible oil in the



domestic market."

"Those who are holding the vegetable oil are likely to release their stocks. There will be some effect on prices. But it may take 15-20 days to see the full impact." He said the main users of palm oil is the food-processing and cosmetics industries and there will be a positive impact on these sectors as well.

According to the senior secretary, the commerce ministry will review

the prices of edible oil every 15 days. "We will do the revision just after the fresh arrival of palm oil from Indonesia. Even before, we will also examine the scope." Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB), also welcomed the development. "This will reduce the tendency of increasing prices by businesses who were taking advantage of the situation."

He expects businesses will cut prices and the government will do the downward adjustment of prices.

SM Nazar Hossain, vice-president of the CAB, says unless the government re-fixes the prices, it will not have an impact at the retail level and consumers will not benefit.

"We are saved since we have been suffering from the higher prices of edible oil since the ban," said Syed Nurul Islam, chairman of Well Group, which runs a bakery chain.

According to the entrepreneur, palm oil is one of the main ingredients in bakery, biscuits and the food industry.

According to the National Board of Revenue, more than 13.68 lakh tonnes of palm oil and soybean oil worth Tk 16,119 crore were imported in the four months to April. ■



Finance Minister: Government Mulls Amnesty To Bring Back Laundered Money

Business Outlook Report

Finance Minister AHM Mustafa Kamal has said that the government is contemplating amnesty for bringing the laundered money back to the country. “We are thinking of announcing amnesty for bringing the smuggled money back,” he told reporters in a briefing after the two consecutive meetings of the Cabinet Committee on Economic Affairs (CCEA) and Cabinet Committee on Public Purchase on May 26.

He said Bangladesh Bank will make more announcements in this regard before the national budget is placed in Parliament. He also added that the issue of amnesty will be reflected in the national budget. “The initiative will be taken by the Bangladesh Bank and announced by it through circulars. But we don’t want to make any announcement in this regard before placing the national budget

in parliament,” he said. The finance minister’s remarks came in response to the reporters’ questions on the government’s initiative as Bangladesh Bank recently announced that any person will be allowed to bring in up to \$5,000 from abroad without any prior declaration and no question will be asked about the source of the money. Such an announcement from the central bank came to encourage people to bring more US dollars against the backdrop of its prevailing crisis.

Recently, the greenback gained strength against the local currency as the dollar rate went up to Tk100 in the curb market while officially Bangladeshi Taka (BDT) depreciated on a number of occasions. Kamal said the initiative is being taken mainly to bring back the money which was laundered from the country. He, however, did not give

any detail of the amount as to how much money was laundered. “I can’t give you any idea how much money was laundered. But we collect information from the media and other official and non-official sources,” he said. He noted that different countries are announcing amnesty like tax exemption. “We are also thinking so,” he added.

The finance minister said he believes that the people who laundered money will take advantage of the government’s amnesty as it is a good scope for them.

Responding to a question on the issue, he said there is a dollar crisis. “But it is not at a level that would hamper our import. We have enough dollars in our reserves to run the import business,” he said. ■

Rains, Floods Batter Boro Cultivation

Business Outlook Report

Natural calamities, including the recent flash floods in haor areas caused by heavy rain amid cyclone Ashani, have damaged the production of 78,987 tonnes of boro rice this season, according to the Department of Agricultural Extension (DAE). As per DAE estimates, farmers have cultivated Boro paddy on 49.63 lakh hectares of land this year.

Of this amount, 19,722 hectares of the crop, which accounts for roughly 55 per cent of the country's annual rice production, have been affected by natural calamities. As such, about 0.4 per cent of the total cultivation has been ruined. Some 18,176 hectares of the paddy fields were affected by rain and overflow-

ing waterbodies, damaging the production of 72,157 tonnes of rice. Water flowing downstream from hills alone damaged nearly 1,544 hectares of paddy, destroying the production of 6,608 tonnes of rice. Besides, heavy winds damaged 52 hectares of the crop, from which 222 tonnes of rice were supposed to be produced, DAE data showed.

After excluding the total damage, the agriculture ministry estimates a total production of 21,157,863 tonnes of paddy this season, up from 20,885,263 tonnes last year. The production of the staple food grain has been affected at a time when people, especially those in lower-income and marginal groups, are struggling to afford the spiralling prices of rice despite it being the

peak harvest season. The spike only adds to the woes of consumers, including the middle-class, who are suffering from higher inflation. Overall inflation reached a 17-month high in March earlier this year amid rising food prices, including that of edible oil and flour.

Finer quality versions of the grain that are mostly consumed by middle-and-upper-income groups was being sold at between Tk 1,100 and Tk 1,150 per maund (37 kilogrammes) yesterday, which is 10 per cent higher than what it was three weeks back, according to millers and traders. As flash floods in haor areas, heavy rainfall and winds have affected the crop, farmers fear that this year's yields will be low. However, as per DAE estimates, the





yield of Boro paddy will be 4.2 tonnes per hectare. Md Mazaharun Islam, a farmer in Jamalpur, said he cultivated paddy on two acres of land but almost 25 per cent of his crop was damaged by heavy rain. However, many farmers say the extent of the damage in terms of yield loss is much higher.

"This season, the yield of Boro paddy will be much lower than that of the previous year," said Amzad Hossain, a farmer in Bogura. "Due to bad weather, immature paddy had to be harvested and for the same reason, a portion of it was damaged as the crop could not dry up in time," Hossain said, adding that the situation is similar for almost every farmer. Apart from that, the paddy seedlings to be planted in the next

Aus season have also been affected by the hostile weather, according to various farmers. Mohammad Jahangir Alam, director of the Institute of Agribusiness and Development Studies at Bangladesh Agricultural University, said if the data is correct, then the total loss will be less than 80,000 tonnes.

"This amount is not too much in terms of quantity but considering the current global scenario, especially in the face of Covid-19 and Russia's war on Ukraine, the loss of 80,000 tonnes is significant," Alam said. "So, the government should take some measures to minimize the losses," he said, adding that the authorities have already taken many measures to this effect. ABOUT 80PC OF BORO HARVESTED

Meanwhile, the harvesting of more than 80 per cent of the Boro paddy grown across the country has already been completed despite the bad weather, showed DAE data.

However, farmers in haor areas have already completed 100 per cent of the reaping on 452,138 hectares of Boro paddy while 93 per cent of the harvesting in non-haor areas on 498,180 hectares of land has already ended as well.

According to the DAE, the rest of the harvesting will be complete by June 15. ■

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SELECTED ECONOMIC INDICATORS

**Governor Secretariat
Policy Support Wing
19 May 2022**

1.	Foreign Exchange Reserve (in million US\$)	18 May 2021	30 June, 2021	30 April 2022	18 May 2022	
		44573.90	46391.44	44088.99	42328.78	
2.	Interbank Taka-USD Exchange Rate (Average)	18 May 2021	30 June, 2021	30 April 2022	18 May 2022	
		84.8002	84.8146	86.4500	87.5000	
3.	Call Money Rate	18 May 2021	30 June, 2021	30 April 2022	18 May 2022	
	Weighted Average Rate	2.11	2.23	4.86	4.73	
	Broad/Overall Share Price Index	18 May 2021	30 June, 2021	18 May 2022		Percentage change
4.	a) Dhaka Stock Exchange (DSE) [®]	5829.23	6150.48	6309.92	2.59	From June, 2020
	b) Chittagong Stock Exchange (CSE)	16894.16	17795.04	18575.16	4.38	46.13
		April, 2021	July-Apr. FY21	April, 2022 ^P	July-Apr. FY22 ^P	FY2020-21
5.	a) Wage Earners' Remittances (in million US\$)	2067.64	20665.87	2009.49	17307.75	24777.71
	b) Annual Percentage Change	89.18	39.00	-2.81	-16.25	36.10
		March, 2021	July-Mar FY21	March, 2022 ^P	July-Mar FY22 ^P	FY2020-21
6.	a) Import (C&F) (in million US\$)	6161.20	46229.90	7724.60	66498.70	65594.70
	b) Annual Percentage Change	44.05	6.07	25.37	43.84	19.73
		March, 2021	July-Mar FY21	March, 2022 ^P	July-Mar FY22 ^P	FY2020-21
	a) Import(Lo&b) (in million US\$)	5700.00	42767.00	7147.00	61524.00	60681.00
	b) Annual Percentage Change	44.01	6.04	25.39	43.86	19.71
7.	a) Export (EPB) (in million US\$)[*]	3134.38	32072.73	4738.67	43344.34	38758.31
	b) Annual Percentage Change	502.75	8.74	51.18	35.14	15.10
		April, 2021	July-Apr. FY21	April, 2022 ^P	July-Apr. FY22 ^P	FY2020-21
8.	Current Account Balance (in million US\$)	July-March, 2021	July-March, 2021	July-March, 2022 ^P	FY 20-21 ^R	
		-555.0	-14072.0	-14072.0	-4575.0	
9.	a) Tax Revenue (NBR) (Tk. in crore)	March, 2021	July-Mar FY21	March, 2022 ^P	July-Mar, FY22 ^P	FY2020-21
	b) Annual Percentage Change	23731.46	176808.37	27549.69	204008.15	259881.80
		15.57	6.43	16.09	15.38	18.99
	Investment in National Savings Certificates (Tk. in crore)	March, 2021	July-Mar FY21	March, 2022 ^P	July-Mar FY22 ^P	FY2020-21
10.	a) Net sale	3891.28	33202.65	1814.72	16504.13	41959.54
	b) Total Outstanding	335337.01	355337.01	360598.04	360598.04	344093.90
		March, 2021	June, 2021	March, 2022 ^P	July-Mar FY22 ^P	
						Percentage change
11.	a) Reserve Money (RM) (Tk. in crore)	303661.20	348071.80	321156.20	Mar'22 over Jun'21	Mar'21 over Jun'20
	b) Broad Money (M2) (Tk. in crore)	1483793.80	1560895.20	1629906.20	5.76	-7.73
					9.85	4.42
					8.01	13.62

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-March, FY21						July-March, FY22 ^P						Percentage change							
		Opening		Settlement		Settlement		Opening		Settlement		Settlement		Opening		Settlement		Settlement			
		December, 2018	June, 2019	June, 2019	June, 2019	December, 2019	June, 2020	December, 2020	June, 2021	June, 2021	December, 2021	December, 2021	February, 2022	February, 2022	December, 2021	December, 2021	February, 2022	February, 2022	March, 2022	March, 2022	
		1370733.80	1439899.00	1562710.90	14.01	8.53	1562710.90	14.01	8.53	1562710.90	14.01	8.53	1562710.90	14.01	8.53	1562710.90	14.01	8.53	1562710.90	14.01	8.53
		178911.80	221025.90	235493.50	31.63	6.55	235493.50	31.63	6.55	235493.50	31.63	6.55	235493.50	31.63	6.55	235493.50	31.63	6.55	235493.50	31.63	6.55
		31438.60	30017.80	35778.80	13.81	19.19	35778.80	13.81	19.19	35778.80	13.81	19.19	35778.80	13.81	19.19	35778.80	13.81	19.19	35778.80	13.81	19.19
		1160383.40	1188855.30	1291438.60	11.29	8.63	1291438.60	11.29	8.63	1291438.60	11.29	8.63	1291438.60	11.29	8.63	1291438.60	11.29	8.63	1291438.60	11.29	8.63
13.	L/C Opening and Settlement (million US\$)																				
	a) Consumer Goods	5870.97	4848.42	7485.45	6864.30	27.50	41.58	27.50	41.58	27.50	41.58	27.50	41.58	27.50	41.58	27.50	41.58	27.50	41.58	27.50	41.58
	b) Capital Machinery	3324.35	2676.93	4977.34	3812.72	49.72	42.43	49.72	42.43	49.72	42.43	49.72	42.43	49.72	42.43	49.72	42.43	49.72	42.43	49.72	42.43
	c) Intermediate Goods	4264.17	3555.02	6355.08	5351.76	49.03	50.54	49.03	50.54	49.03	50.54	49.03	50.54	49.03	50.54	49.03	50.54	49.03	50.54	49.03	50.54
	d) Petroleum	3003.18	2918.62	5464.49	5461.28	81.96	87.12	81.96	87.12	81.96	87.12	81.96	87.12	81.96	87.12	81.96	87.12	81.96	87.12	81.96	87.12
	e) Industrial Raw Materials	17079.56	14394.64	25311.04	22131.74	48.19	53.75	48.19	53.75	48.19	53.75	48.19	53.75	48.19	53.75	48.19	53.75	48.19	53.75	48.19	53.75
	f) Others	13268.21	12087.57	18768.38	16953.50	41.45	40.26	41.45	40.26	41.45	40.26	41.45	40.26	41.45	40.26	41.45	40.26	41.45	40.26	41.45	40.26
	Total	46810.44	40481.20	68361.78	60575.30	46.04	49.64	46.04	49.64	46.04	49.64	46.04	49.64	46.04	49.64	46.04	49.64	46.04	49.64	46.04	49.64
	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)																				
	a) Twelve Month Average Basis	5.55	5.48	5.59	5.65	5.69	5.55	5.56	5.55	5.55	5.56	5.55	5.56	5.55	5.55	5.56	5.55	5.55	5.56	5.55	5.56
	b) Point to Point Basis	5.35	5.52	5.75	6.02	5.29	6.05	5.64	6.17	5.64	6.17	5.64	6.17	5.64	6.17	5.64	6.17	5.64	6.17	5.64	6.17
14.	Corresponding Period																				
	a) Twelve Month Average Basis	5.70	5.78	5.55	5.48	5.59	5.55	5.59	5.63	5.59	5.63	5.59	5.63	5.59	5.63	5.59	5.63	5.59	5.63	5.59	5.63
	b) Point to Point Basis	5.83	5.54	5.55	5.52	5.75	5.29	6.02	5.29	6.02	5.29	6.02	5.29	6.02	5.29	6.02	5.29	6.02	5.29	6.02	5.29
15.	Classified Loan																				
	a) Percentage Share of Classified Loan to Total Outstanding	10.41	10.30	11.69	9.32	9.16	8.18	7.66	8.18	7.66	8.18	7.66	8.18	7.66	8.18	7.66	8.18	7.66	8.18	7.66	8.18
	b) Percentage Share of Net Classified Loan Agricultural and Non-farm Rural Credit (Tk. in crore)	2.66	2.18	2.53	1.02	0.15	-0.47	-1.18	-0.47	-1.18	-0.47	-1.18	-0.47	-1.18	-0.47	-1.18	-0.47	-1.18	-0.47	-1.18	-0.47
16.	Disbursement **																				
	a) Disbursement	2032.10	2332.49	18513.31	2474.65	1973.95	2551.35	21504.20	22749.03	2551.35	22749.03	2551.35	22749.03	2551.35	22749.03	2551.35	22749.03	2551.35	22749.03	2551.35	22749.03
	b) Recovery	1436.12	2282.53	19774.89	2133.05	2378.56	27123.90	19976.24	21245.24	27123.90	21245.24	27123.90	21245.24	27123.90	21245.24	27123.90	21245.24	27123.90	21245.24	27123.90	21245.24
	c) Outstanding	45053.28	45348.47	45348.47	48834.80	48891.14	45939.80	48891.14	45939.80	48891.14	45939.80	48891.14	45939.80	48891.14	45939.80	48891.14	45939.80	48891.14	45939.80	48891.14	45939.80
17.	SME Loan (Tk. in crore)																				
	a) Disbursement	48649.61	28063.70	38689.44	48980.98	41788.73	57118.60	42075.49	185428.48	57118.60	185428.48	57118.60	185428.48	57118.60	185428.48	57118.60	185428.48	57118.60	185428.48	57118.60	185428.48
	c) Outstanding	219293.97	221695.35	223257.69	237653.44	243074.82	252082.09	245325.67	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09	252082.09
18.	Industrial Term Loan (Tk. in crore)																				
	a) Disbursement	24207.24	12132.03	15456.28	16499.23	19430.74	18772.59	14834.23	68765.25	18772.59	68765.25	18772.59	68765.25	18772.59	68765.25	18772.59	68765.25	18772.59	68765.25	18772.59	68765.25
	b) Recovery	22148.24	10187.76	11322.37	15538.37	14734.86	18477.42	12979.47	58488.71	18477.42	58488.71	18477.42	58488.71	18477.42	58488.71	18477.42	58488.71	18477.42	58488.71	18477.42	58488.71
	c) Outstanding	259314.87	277351.09	274284.17	275311.09	315294.16	308918.45	303329.12	1163938.15	308918.45	1163938.15	308918.45	1163938.15	308918.45	1163938.15	308918.45	1163938.15	308918.45	1163938.15	308918.45	1163938.15
19.	GDP Growth Rate (in percent, Base: 2005-06=100)	6.06	6.55	7.11	6.59	7.32	3.45	7.88	6.94	7.88	6.94	7.88	6.94	7.88	6.94	7.88	6.94	7.88	6.94	7.88	6.94

Weekly basis commodity Statement of LCs Opened and Settled for the month of 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	0.05	11.33	0.00	1.36	0.08	5.25			0.23	18.19
	i) Private Sector	0.04	0.25	0.05	0.33	0.00	0.41	0.08	0.09			0.16	1.08
	ii) Public Sector	0.06	0.00	0.00	11.00	0.00	0.95	0.00	5.16			0.06	17.12
2.	Wheat	41.69	14.21	49.48	43.90	76.17	60.40	87.24	40.19			254.58	158.70
	i) Private Sector	41.69	14.21	28.98	43.77	75.75	59.26	87.17	40.08			233.58	157.32
	ii) Public Sector	0.00	0.00	20.50	0.13	0.42	1.14	0.07	0.11			21.00	1.38
3.	Sugar	31.15	0.22	17.17	28.44	30.91	6.83	0.56	11.90			79.79	47.39
	a. Raw	31.04	0.00	17.17	28.26	6.28	6.71	0.56	11.64			55.05	46.61
	i) Private Sector	25.43	0.00	17.17	28.24	6.28	6.71	0.00	11.60			48.89	46.55
	ii) Public Sector	5.60	0.00	0.00	0.02	0.00	0.00	0.56	0.04			6.16	0.06
	b. Refined	0.12	0.22	0.00	0.18	24.62	0.12	0.00	0.26			24.74	0.78
	i) Private Sector	0.12	0.22	0.00	0.18	24.62	0.12	0.00	0.26			24.74	0.78
	ii) Public Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00
4.	Milk Food	7.73	12.18	9.34	6.09	13.78	15.54	11.85	9.48			42.69	43.29
5.	Edible Oil (Refined)	0.40	32.02	23.17	9.49	3.45	41.65	131.07	14.41			158.10	97.57
	a) Soybean	0.00	4.09	11.33	0.00	3.21	0.00	11.50	0.00			26.05	4.09
	b) Palm Oil	0.27	27.93	11.84	6.11	0.24	34.89	119.56	14.39			131.90	83.32
	c) Others	0.14	0.00	0.00	3.39	0.00	6.76	0.01	0.02			0.15	10.16
6.	Edible Oil (Crude)	32.67	23.65	32.77	9.36	12.85	25.30	95.46	4.24			173.75	62.55
	a) Soybean	32.63	4.05	0.00	0.00	8.63	12.26	33.61	0.00			74.86	16.31
	b) Palm Oil	0.00	19.60	0.00	0.00	4.14	7.40	34.50	4.19			38.63	31.19
	c) Others	0.04	0.00	32.77	9.36	0.09	5.64	27.35	0.05			60.25	15.05
7.	Dry Fruits	0.27	1.46	0.10	0.64	1.13	4.26	1.12	0.90			2.62	7.26
	a) Dates	0.03	1.23	0.03	0.46	0.02	2.71	0.86	0.26			0.94	4.66
	b) Others	0.25	0.23	0.07	0.18	1.11	1.56	0.26	0.64			1.68	2.60
8.	Pulses	4.21	0.67	1.33	2.07	12.08	12.75	11.29	15.10			28.91	30.58
	a) Masur Dal	4.21	0.67	1.18	1.43	0.97	1.32	10.77	8.73			17.12	12.16
	b) Chola Dal	0.00	0.00	0.00	0.14	0.00	0.14	0.00	6.36			0.00	6.64
	c) Others	0.00	0.00	0.14	0.50	11.11	11.28	0.53	0.00			11.78	11.78
9.	Onion	2.14	3.81	0.75	3.40	2.50	2.36	3.02	2.34			8.41	11.91
10.	Ginger	0.87	0.66	0.59	0.65	0.51	0.39	2.02	1.14			3.99	2.83
11.	Drugs & Medicines	1.14	2.87	4.96	0.50	0.34	1.27	1.48	2.08			7.92	6.72
12.	Poultry Feeds	6.66	6.06	12.53	5.96	24.52	5.60	16.88	10.79			60.59	28.40
13.	Coal	31.13	26.30	1.58	31.72	0.31	23.78	5.77	22.66			38.78	104.47
14.	Cement	5.17	3.41	1.84	3.98	2.62	1.66	3.82	8.71			13.45	17.76
15.	Clinker	17.25	18.17	8.39	11.61	18.50	23.72	17.49	25.14			61.62	78.64
16.	B.P Sheet	1.18	1.60	0.87	0.96	7.85	6.70	4.18	2.99			14.08	12.24
17.	Scrap Vessels	25.91	26.47	3.20	2.88	0.62	12.26	8.94	19.56			38.68	61.17
18.	Paper	4.65	4.24	2.74	2.49	3.15	3.61	4.61	5.72			15.15	16.06
	i) Newsprint	0.29	0.05	0.06	0.33	0.00	0.26	0.43	0.47			0.78	1.12
	ii) Others	4.35	4.19	2.68	2.16	3.15	3.35	4.18	5.24			14.36	14.94
19.	Zinc Ingot	6.78	5.40	0.46	0.00	0.19	0.14	4.76	1.30			12.17	6.85
20.	Raw Cotton	74.43	47.57	55.19	57.57	102.89	86.75	130.10	97.97			362.61	289.86
21.	Synthetic/Mixed Yarn	28.56	23.44	21.51	19.50	23.55	28.06	35.56	34.22			109.19	105.21
22.	Cotton Yarn	50.69	50.00	38.63	50.33	53.25	67.71	68.42	83.80			210.99	251.84
23.	Textile Fabrics	25.02	24.81	29.14	29.18	24.58	25.41	42.40	31.96			121.14	111.37
24.	Textile Accessories	19.79	19.17	21.52	15.64	24.77	29.67	35.48	38.26			101.56	102.74
25.	Back-to-Back LCs	171.55	163.21	137.67	149.76	157.47	200.87	306.07	269.47			772.76	783.31
	a. Fabrics	119.68	109.29	84.60	98.69	100.06	137.17	145.96	176.17			450.31	521.32
	b. Accessories	49.92	50.07	48.37	47.44	51.09	58.53	152.69	86.23			302.07	242.27
	c. Others	1.94	3.85	4.70	3.64	6.31	5.16	7.42	7.07			20.38	19.72
26.	Pharmaceutical Raw Materials	18.39	18.81	11.73	17.87	20.98	23.46	29.65	25.01			80.75	85.14
27.	Chemicals & Chemical Products	127.82	73.76	60.73	25.77	91.15	93.93	97.87	129.77			377.57	323.23
	a. Chemical Fertilizer	90.83	49.23	35.76	5.74	56.39	44.81	9.73	75.27			192.72	175.05
	i) Urea	0.04	0.00	28.74	0.06	0.68	0.42	0.11	0.44			29.58	0.92
	ii) TSP	29.97	21.51	0.28	0.03	0.12	0.03	0.21	2.02			30.58	25.59
	iii) MOP	0.07	0.03	0.00	0.11	0.04	0.62	0.04	0.04			0.14	0.81
	iv) DAP	50.89	0.07	1.27	0.24	43.31	0.85	2.96	39.93			98.43	41.09
	v) Others	9.86	27.61	5.46	5.30	12.24	42.89	6.42	32.84			33.98	108.64
	b. Other Chemicals & Chemical Product	36.99	24.53	24.97	20.04	34.76	49.12	88.14	54.50			184.85	148.18
28.	P.O.L.	91.42	121.63	36.82	101.98	77.43	95.95	25.89	122.06			231.56	441.63
	i) Crude	0.04	0.06	0.04	0.27	0.02	0.00	21.59	0.11			21.69	0.44
	ii) Refined	91.38	121.57	36.78	101.71	77.40	95.95	4.30	121.96			209.86	441.19
29.	Capital Machinery	74.28	54.67	55.49	71.71	103.13	89.06	226.25	178.81			459.16	394.25
30.	Machinery For Misc Industries	44.17	33.38	49.95	36.25	48.37	59.34	81.23	53.35			223.72	182.32
31.	Motor Vehicle	14.41	13.47	12.09	16.20	12.78	14.53	20.10	12.99			59.38	57.19
32.	Computer, Its Accessories & Spares	4.53	7.74	2.18	7.06	9.56	11.03	12.90	14.30			29.18	40.13
33.	Medical, Surgical & Dental Equipments	2.21	2.61	1.54	2.26	4.66	3.06	2.64	6.07			11.04	14.00
34.	Others	491.92	407.12	480.93	373.40	519.94	495.76	772.10	616.24			2264.89	1892.53
	Grand Total	1460.27	1245.05	1186.46	1149.95	1485.99	1574.17	2298.27	1918.17			6430.99	5887.34

Data downloaded: April on 23.05.2022.

MCCI Says Containing Inflation A Big Challenge



Business Outlook Report

The government should properly manage subsidies in the energy sector as taxpayer-backed spending is set to surge owing to higher commodity prices in the global market, according to the Metropolitan Chamber of Commerce and Industry (MCCI). "Skilful management of the high subsidies on electricity, gas and fertiliser prices is necessary for Bangladesh," the organisation said while presenting its quarterly review of the economic situation for January-March.

As per the quarterly review, the rate of inflation increased in that period. However, the chamber predicted that inflation could go up further by the end of May because of a probable rise in the price of some essential commodities. "Containing inflation will be a big challenge in the coming months," the MCCI said. The chamber

urged the government to stabilise the country's macroeconomic situation by taking cautionary measures in spending foreign currency in view of limiting imports and the cascading Russia-Ukraine war fallout. "It is necessary to be careful when opening letters of credit so as to avoid unnecessary imports and save foreign currency as one of the potential thrifty measures," it added.

According to the review, Bangladesh's low labour costs are widely regarded as appealing to foreign investors. However, they hesitate to make fresh investments in the country due to its underdeveloped infrastructure and other impediments. The government should address the underdeveloped infrastructure, policy consistency and corruption in the country to attract more foreign direct investment (FDI) to the country to ensure its full economic recovery from

the coronavirus pandemic. "FDI inflow to Bangladesh is low compared to that of many countries at similar levels of development," the chamber said. However, they also predicted that foreign exchange reserves will likely fall in May 2022 due to payments to the Asian Clearing Union (ACU) against imports. According to the review, Bangladesh's robust export earnings have facilitated economic recovery in recent times.

The export-oriented garment and leather industries have resumed full-scale operations while the domestic market-oriented steel, food processing and transport sectors are fully up and running as well. "Inward remittances also increased, which has multiplier effects on other economic sectors," the MCCI said. The chamber then expressed satisfaction over the progress made in major macroeconomic indicators. For example,

robust export earnings have facilitated the country's economic recovery in recent times. On the other hand, some of the economic indicators appear to be less promising than projected earlier. "The fiscal framework continues to be weak in view of poor achievements, more specifically, both in terms of revenue mobilisation and public expenditure," it added. The MCCI went on to say that unemployment and low investment in the country are still big challenges.

The chamber also said the steady outflow of migrant workers in the January-March period of 2022 has raised hopes for a healthy growth in overseas employment, a vital source of Bangladesh's foreign exchange reserves. According to the Bureau of Manpower Employment and Training, 322,583 workers went to various countries in the first quarter of the year while the number was 146,895 in the corresponding period of 2021, up 119.60 per cent. "Such a steady growth is expected to continue in coming months and the sector could see record levels of employment by the end of 2022," the MCCI said.

Job opportunities have also been created in developed countries such as Greece and Italy, which would help increase quality migration. ■

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BUDGET FY23

Fund Crunch To Imperil Social Safety Net Programme

Apu Ahmed

The next national budget, scheduled to be announced on June 9, should be focused on the social safety net programme for improving the consumption capacity of people amid the steepest price hike of essentials in the last decade, partly riding on Russia's invasion of Ukraine.

Higher Allocation Imperative

Economists argue that higher allocation for Social Safety Net Programmes (SSNP) is a must against the price spiral of essentials that is causing immense sufferings for the poor and the fixed income groups after the protracted Covid pandemic hit the income of the majority population. But a resource crunch means that the expectation for higher allocation for SSNP is unlikely to be met in the new budget. Leading national dailies report that the overall allocation for SSNP is likely to be Tk 1.13 lakh crore in the upcoming FY23, only 5 per cent increase over Tk 1.07 lakh crore allocations in the outgoing FY22. The proposed amount is likely to be 16.70 per cent of the budget compared to 17.82 per cent of the outgoing fiscal. So, in reality the allocation is going to be 1 percentage point less in the upcoming fiscal.

Allocation to Drop

In percentage to the proposed GDP, the allocation for SSNP in the upcoming budget will be 2.6 per cent. Three years ago, the

budgetary allocation on SSNP was 2.5 per cent of the GDP in 2018–19. The expenditure on the social safety net by the middle-income nations stands between 6 per cent and 8 per cent. Bangladesh became a lower middle-income nation in 2014 as per the World Bank criteria and now aspires to be a middle-income country by 2030. Local think-tank Centre for Policy Dialogue in a pre-budget discussion last month urged the government to utilise the upcoming budget to ramp up the expenditure on SSNP so that the budget becomes more pro-people and the recovery efforts from the Covid fallouts become comprehensive.

Misuses to be Checked

CPD also suggested increasing cash allowance to Tk 1,000 from Tk 500 for the elderly, widows and marginalised women. It also urged the government to consider increasing the coverage of urban-based destitute people by increasing the allocation. It should identify slum dwellers, floating people, pregnant women and similar marginalised groups. It

recommended bringing 143 social safety net programmes under a single window in order to move from the social safety network to social security. The CPD said digitalisation of the database with national identification number or other national documents for proper targeting of the beneficiaries will reduce mistargeting, corruption and complexities.

Flawed Database

Poverty reduction is one of the major aims of the social safety net that has been getting prominence since 1997–98 with the introduction of a monthly Tk 100 allowance for aged people. Various types of SSN cash and food services benefitted about 8.5 million families or 42.5 million people in 2008–09. While about 28.7 per cent of the population are benefiting from the social safety net, around 46.5 per cent of the beneficiaries should not have been included in some 114 SSN programmes under 30 ministries and divisions, according to a mid-term review of the National Social Security Strategy released in July 2020 by the General Economics Division. Many people deserve support but because of the flawed database they could not be covered under any SSN programme, said Bangladesh Institute Development Studies director general Binayak Sen. Bangladesh Bureau of Statistics has been tasked with the data updating on the SSN programme beneficiaries. But it has failed to complete the update timely.

Delay in Data Update

So, chances of reducing flaws in selection of SSN beneficiaries is bleak in the next fiscal. The nation has to wait more to get a comprehensive database to curb the misuses of SSNP funds. Demand for a higher allocation on SSNP by the economists is likely to be ignored in the upcoming fiscal. It is reported that an increase of Tk 100 to Tk 850 from Tk 750 for the financially insolvent disabled persons is likely to be announced. In the outgoing financial year, around Tk 1,820 crore was allocated for the insolvent disabled citizens. Some 18 lakh insolvent disabled citizens received the allowance in FY21.

Fund Shortage

Monthly cash allowances for aged citizens, widows, deserted and destitute women, transgender and freedom fighters are likely to remain unchanged. Aged citizens, widows and destitute women have been receiving Tk 500 since 2016–17. Transgender people have been receiving Tk 2,600 each since 2019–20 while a freedom fighter has been given Tk 20,000 from the outgoing fiscal. Officials blame fund crunch for keeping almost all rates unchanged. Economists noted that successive governments had failed to expand the country's income-tax base and boost the income tax collection for strengthening the economy ahead of its promotion to a developing nation in 2026.

Poor Revenue Income

The overall tax-GDP ratio in the country has remained below 9 per cent for the past decade, one of the lowest in the world. Only 22.99 lakh of the country's 62.77 lakh income taxpayer identification number holders submitted their returns in FY22 while the figure was 22 lakh in both FY21 and FY20. In FY16, some 12 lakh

of the 19.79 lakh income TIN holders submitted their returns. Economists also noted that a large proportion of the wealth of the rich was still outside the tax net as more than 6 per cent GDP growth on average has doubled the country's per capita income to \$2,824 in FY22 from \$1,465 in FY16. The number of bank accounts with Tk 1 crore and above in deposits rose fourfold to 93,890 in 2020 from 23,000 in 2009.

Rich Getting Richer

A report released in May 2020 by the US-based research firm Wealth-X said that wealthy people owning \$5 million and above in net worth increased by, on average, 14.3 per cent per annum in Bangladesh between 2010 and 2019, making it the top among the top 10 fastest-growing wealth markets in the world in the period. Income taxes, or direct taxes, accounted for 31.88 per cent of the nation's overall revenue in FY21 while indirect taxes like value added tax and import duties accounted for 68.12 per cent in that financial year. In FY 2011, the NBR earned 70.77 per cent of its revenue from indirect taxes, demonstrating a slow progress in reducing the reliance on indirect taxes by raising direct taxes. So, it is clear the NBR has been taking the easy way of taxing people instead of finding out the rich. In India, direct taxes accounted for 51.3 per cent of its total revenue in FY17 and the figure rose to 56.4 per cent in FY21.

Massive Reform Needed

Former NBR chairman Muhammad Abdul Mazid said that a lot should be done to bring about positive changes in the country's tax system. He, however, doubted the courage and political will of the incumbent government to carry out the much-needed reform to address leakages, tax evasion, flawed policies and the absence of automation. Economists have no doubt that much of the country's success for its graduation to the upper statuses would depend on its revenue mobilisation, especially from income taxes and expansion of SSNP properly in the coming days. Former World Bank Dhaka Office chief economist Zahid Hussain rightly said higher income tax collection would help the nation to address high inequality. ■

Solar Market Outlook In Bangladesh: Trends, Opportunities And Regulatory



Engr. Md. Mohin Habib
Chief Executive Officer
**Rahimafrooz Renewable
Energy Bangladesh Limited**

Md Mohin Habib

World's energy demand is growing fast because of population explosion and technological advancements. It is therefore important to go for a reliable, cost-effective, and everlasting renewable energy source for energy demand arising in the future. Solar energy, among other renewable sources of energy, is a promising and freely available energy source for managing long-term issues in energy crises. The solar industry is developing steadily all over the world because of the high demand for energy while the major energy source, fossil fuel, is limited and other sources are expensive.

Our government has a full focus on renewable energy now a day. We Rahimafrooz Renewable Energy Limited is part of the government's mission and vision as a follower. We have installed solar home systems in Bangladesh all-around 1 million,

1700 solar pump installations, 1600 Solar street light installations, etc.

Basically, the Bangladesh Government strategy was

- In 2020, the Bangladeshi government directed all government agencies to install rooftop PV as part of a net metering program to generate 300 MW of power within four years.
- At the United Nations Climate Change Conference in November 2021, the country established an aggressive climate change and renewables target (COP 26). Under this plan, the country wants to construct 12 solar projects worth USD 162 million by 2030, adding 500 MW of solar power to the country's energy portfolio.
- Furthermore, the Bangladeshi government intends to invest USD 127 billion in the power sector by 2041 in order to improve energy-producing capacity and satisfy predicted demand.
- The government wants to generate 4 gigawatts of renewable energy by 2030, with solar accounting for half of it.

From statistical summary:

- According to the Bangladesh Power Development Board (BPDB), as of January 2022, Bangladesh had 22,066 MW of grid-connected installed capacity, RE consists of only 2.08 percent of the total installed capacity connected to the grid.
- BPDB's own solar project under planning 155 MWp, BPDB's IPP projects under construction 712 MWp, and IPP projects under planning 168 MWp.

- All Solar Technologies of Large Projects | System: 4349, Capacity: 2434.912 MWp (2.43 Giga),
- Net Metering Rooftop Solar | System: 1589, Capacity: 41.544 MWp
- Rooftop Solar Except Net Metering | System: 124, Capacity: 41.092 MWp
- Solar Irrigation | System: 2429, Capacity: 50.143 MWp
- Solar Minigrid | System: 28, Capacity: 5.805 MWp
- Solar Street Light | Number of System: 29686, Capacity 17 MWp
- In addition, there is also Solar Park | System: 47, Capacity: 2231.37 MWp (2.2 Giga)

Upcoming Tenders Forecast plan (2022-Total 458 MW, 2023- Total 100 MW, 2024- Total 50 MW, 2026- Total 400 MW)

There are some challenges for the renewable energy, rooftop setup for industrial sectors i.e

Garments, textiles, spinning and other industries. For rooftop solar still lacking enough financial incentive for factory owners to jump due to reasonable CAPEX commitment is required also Solar rooftop as an asset class is still missing by central bank and financial institutions Overall policy for Govern-

ments is lacking the proper program and budget considerations to meet the target Solar roadmap for 4 Gigawatt by 2030 is yet to be finalized. For OPEX model power generation there could be an easy process (Like no mortgage or collateral required) for financing the loan from banks and institutions. Government can set up some strategies there.

Finally, Government needs to pay attention for reducing the vat from the offered price as well as inverter duties (37%) and others to be exempted for sustainable solar business by competitors in Bangladesh. Proper strategy along with ease of process is the key for rooftop solar achievements in the near future. ■



S Korean Firm To Invest \$35m In Bepza EZ

Business Outlook Report

South Korean company HKD Bangladesh is going to establish an industry in Bepza Economic Zone to manufacture a range of camping equipment, from tents and sleeping bags to nuts and steel wires. The company will invest

\$35.03 million to set up the facility where 6,650 Bangladeshis will get employment opportunities, said Bangladesh Export Processing Zones Authority (Bepza) in a statement on May 26. The company will produce 18.8 million pieces of products annually. The

HKD is a company fully owned by foreigners. It started its operation in 1990 in Chattogram Export Processing Zone. HKD Bangladesh would be the fifth venture of the HKD group with Bepza. The group has four operational enterprises in Chattogram and Karnaphuli

EPZ which have invested about \$100 million for producing tents, camping equipment and ready-made garments.

Around 10,000 Bangladeshi nationals are working in those factories, according to the statement. Ali Reza Mazid, member for investment promotion of Bepza, and Chul Hee Kim, chief operating officer of HKD Bangladesh, signed an agreement to this effect at a programme at the Bepza complex in Dhaka yesterday. BEPZA Executive Chairman Abul Kalam Mohammad Ziaur Rahman attended the deal signing ceremony. Mentionable, including HKD Bangladesh, Bepza gave approvals to eight companies in total to set up industries in Bepza Economic Zone. ■

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