

BUSINESS OUTLOOK

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Is Fickle Egg Market A Premonition?

- **Five Bangladeshi Industrial Groups In Billion-Dollar Club**
- **High Hopes On Remittance**



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Ensure Fair Competition in LED Bulb Market

Once a very costly household item, LED bulbs now globally become accessible to consumers with their lowered price except in Bangladesh. In neighbouring India, where a 9-12 watt LED bulb was Rs 400 a few years ago, now it is selling at below or around Rs 70 while it is still over at Tk 200 in Bangladesh. However, some non-brand companies sell their products at relatively lower prices without offering any warranty. Some 60 per cent of the LED bulbs are coming from abroad, while the rest is being produced locally. Responding to requests from local manufacturers, the government decreased import duties on raw materials to promote its local production. Duties on finished products were also lowered, but consumers did not benefit from the government steps. In the absence of market monitoring, some businessmen imported low-quality raw materials of LED bulbs available at the electrical goods market at Gulistan and Patuatuli. These goods are assembled in small-shop-based factories and marketed at cheap rates in the capital and other parts of the country. Local manufacturers say the NBR should have a more prominent role in preventing the import of substandard products as many private importers are importing inefficient electric and electronic appliances in a completely knocked down form in bulk, dodging the authorities concerned. They sell those in public without any consequences. But besides the prevention of substandard products, the government authorities should ensure fair competition among the local and imported products to guarantee the consumers are not being cheated and they are getting the right product at the right price.

State-owned Eastern Tubes Limited's decision to start producing LED bulbs soon is a welcome move. To this end, the installation of LED Light Assembling Plant at Tejgaon is at the final stage at the cost of Tk 482 crore. The officials of the concerned project said they had imported necessary equipment from South Korea and are installing them with the help of a Korean company. The state-owned manufacturer's selling prices of LED bulbs will be attractive for private manufacturers and the market. This is a laudable initiative for creating competition in the market by offering lower prices of LED bulbs. We are always in favour of fair competition and any sort of market distortion. So, we have to keep in mind that only healthy competition can ensure a healthy industry and protect the consumers' rights. ■



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05

BNP Bets on Political Polarisation

POLITICS

PM Offers Land To Qatar In Economic Zones



Prime Minister Sheikh Hasina offered land to Qatar in the special economic zones being set up across Bangladesh alongside seeking more help from the gulf country in the energy sector, particularly in LNG import. "Bangladesh is setting up 100 special economic zones. Qatar can take land in the zones for its investors and entrepreneurs to make investments on a larger scale," she said. The Prime Minister said these while Qatar's Labour Minister Dr. Ali bin Saed bin Samikh Al Marri paid a courtesy call on her at her Ganabhaban residence on August 22. PM's Press Secretary Ihsanul Karim briefed newsmen after the meeting. The Premier told the minister of Qatar that China, Japan, India and Korea have already taken land in the economic zones and they are working to set up industries there. ■

No Bar To Import Food From Russia, Ukraine: Tipu

Commerce Minister Tipu Munshi said the government has no restrictions on importing food products from Russia and Ukraine or any other country. The minister was talking to the media after a top level government meeting on import of food grains and products held at the secretariat. He said the importing of food products was discussed at the meeting in detail, and there is no national or international issue regarding this. The overall condition of food stock of the country was discussed along with exports today but the matter of fuel oil didn't come up, said the minister. "There are globally 24 banks from where Bangladesh can import food with dollars if necessary," said Tipu. Replying to a question he said, "The matter of finding lower rate of dollar is a different matter and we didn't discuss about it." ■



Daraz To Invest Tk 1,000 Crore In Bangladesh in 4 Years

Daraz intends to invest Tk 1,000 crore in Bangladesh in the next 3-4 years to ramp up its operation by building infrastructure and ecosystem, the Alibaba Group-backed e-commerce venture said. Bjarke Mikkelsen, founder & group chief executive officer of Daraz Group, announced the plan marking the e-commerce company's eight years of operation in Bangladesh. In 2014, Daraz began its journey in Bangladesh with just five employees and a website. The e-commerce platform has 7 million customers, 41,000 sellers and numerous partners and stakeholders. The disclosure comes at a time when 1,800 e-commerce platforms are operating in Bangladesh to feed the growing demand for online shopping for convenience and save time. Industry operators said annually nearly Tk 7,000 crore worth of products are sold through e-commerce firms in Bangladesh. "With over 50,000 seller partners, we have expanded the horizon for e-commerce ventures across



the country and enabled businesses while transforming consumer behaviours. The acquisition by Alibaba played a major role behind this strength of ours," said Syed Mostahidal Hoq, managing director of Daraz Bangladesh, at a celebration ceremony at InterContinental in Dhaka recently. ■

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Ticfa Meeting In Nov: Bangladesh To Seek GSP Revival

Bangladesh will again raise the issue of the reinstatement of the Generalised System of Preferences (GSP) of the US in the Trade and Investment Cooperation Forum Agreement (Ticfa) meeting in Washington in November, said Tapan Kanti Ghosh, senior secretary to the commerce ministry recently. Currently, the US does not provide the GSP to any country. The tenure of the latest GSP programme came to an end in 2020 and the US Congress has not revived it since. Still, Bangladesh will again urge the United States Trade Representative (USTR) to revive the GSP for Bangladesh once the US Congress adopts a new GSP programme for different countries in the near future, said Ghosh. This is because Bangladesh has made improvements in workplace safety, which was one of the preconditions of the US government, he said. The USTR suspended the GSP facility for Bangladesh on June 27, 2013 citing poor labour rights and poor workplace safety following two industrial disasters. One was the Tazreen



Fashions fire that killed more than 110 workers in November 2012 and the other was the Rana Plaza building collapse in April 2013 which killed 1,138 workers. The then Obama administration also came up with a 16-point precondition necessitating improvements from the government and the private sector for the reinstatement of the GSP. ■

NBR Sees 7.67% YoY Growth In Revenue Collection In July

Revenue collection increased by Tk1,176.2 crore, however, it was still 19.75% short of the target. According to the provisional data of the National Board of Revenue (NBR), 7.67% more revenue has been deposited in the state coffers in the first month of the current fiscal year compared to that of FY22. In July FY23, Tk16,520.45 crore had been collected as income tax, value added tax (VAT) and customs duty, which was Tk15,344.25 crore in FY22. Year on Year (YoY) collection increased by Tk 1,176.2 crore. Despite the YoY growth, July's target for revenue collection is lagging behind by Tk4065.55 crore, meaning it was 19.75% lower than the target. The target for revenue collection in July was Tk20,586 crore. According to NBR's data, in July the revenue collection in the customs sector has increased significantly compared to July FY22. The growth in the customs sector was 37.68%. Basically, due to the increase in the price of goods in the international market, the duty collection at the import level has naturally increased. ■



Daily Wage For Tea Workers Fixed At Tk 170

The daily wage of tea estate workers has been raised to Tk 170 from Tk 120 in a meeting between Prime Minister Sheikh Hasina and the owners amid a labour strike. The prime minister also urged the striking workers to go back to work, her Principal Secretary Ahmad Kaikaus said after the three-hour meeting ended on August 28. Kaikaus said festival and medical allowances, ration, subsidies and other facilities will also be increased in proportion to the new wage. Hasina will soon speak to the workers via video call, according to the official. The workers launched protests on Aug 9, demanding Tk 300 as daily wage. They abstained from work for two hours daily for four days before the full-scale strike began on Aug 13. Some of them went back to work after the authorities assured them of Hasina's intervention to end the impasse. Workers and their leaders said it would be difficult for them to live on without Tk 300 a day, but they would accept whatever decision Hasina took. ■



BNP Bets on Political Polarisation As Alliances Show Off Might

SMS Hasan

A new polarisation is likely to take concrete shape in politics in the process of opposition BNP and its like-minded parties' continuous meetings. The recent fuel price hike created a scope for the opposition to get much closer to each other while the issue turned out to be an embarrassment for the ruling Awami League. Many political analysts say that the government last year celebrated the cent percent electricity coverage across the country while this year load shedding is taking place due to fuel shortage. The government was trying to say that the situation is linked to the Russia-Ukraine war as fuel prices increased excessively and led to a US dollar crisis as well, but this time, the opposition is taking advantage of the situation.

BNP already led meeting with the leaders of new alliance—Ganatantra Manch, a combination of seven political parties namely, Jatiya Samajtantrik Dal (JSD), Nagorik Oikya, Bangladesher Biplobi

Workers Party, Ganaodhikar Parishad, Bhashani Onushari Parishad, Rashtra Sangskar Abdolon and Ganasanghati Andolon.

The seven parties formed the new platform in May this year at JSD president ASM Abdur Rab's Uttara residence to wage movement against the government. Recently, the BNP leaders, led by secretary general Mirza Fakhrul Islam Alamgir, held meeting with the leaders of Ganatantra Manch.

Meanwhile, Left Democratic Alliance (LDA), another alliance of some leftist parties, is taking to the street in protest against the government's decision to raise petroleum fuel price. The LDA observed a half-day hartal on August 25 protesting against the fuel price hike.

The alliance called the hartal protesting against the price hike of daily essentials, fuel and fertiliser as well as transport fares. Some processions were led by Coordinator of the alliance and General Secretary of

Bangladesher Communist Party Ruhin Hossain Price and CPB President Shah Alam in Paltan, Gulistan, Baitul Mukarram and Zero Point. Police obstructed people from observing the shutdown. A large number of police personnel were deployed in different parts of the capital to avert untoward situations. Though this alliance had no meeting with the main opposition BNP, many believe such protest by the alliance will ultimately open up a new space for the opposition parties to get united on certain agenda.

A series of protests took place in Dhaka and other parts of the country in early August at the record hike in fuel price while a police car was vandalised by the protesters. Different political parties, organisations and enraged people joined the protest, calling on the government to immediately rollback fuel price hike. The government in a move late on Aug 5 raised the prices of petrol, diesel, octane and kerosene by almost 40 to 50 per cent. The prices of diesel and kerosene were raised to Tk 114 per litre from Tk 80 while the price of petrol was raised to Tk 130 per litre from Tk 86 and that of octane to Tk 135 per litre from Tk 89. Jatiya Party chairman GM

Odhikar Parishad at a protest rally in front of the National Press Club demanded withdrawal of the government decision. Member secretary of the party Nurul Haque Nur said that the fuel price increase proved that the government had no sympathy for the people.

Bangladesh Chhatra Odhikar Parishad Dhaka University unit held a torchlight procession against the record price hike of fuel. The procession started from the base of Anti-Terrorism Raju Memorial sculpture of Dhaka University and marched across the campus. Chhatra Odhikar Parishad DU unit president Akhtar Hossain alleged that more than 20-30 activists of the Chhatra League barred their peaceful protest near the central Shaheed Minar area. But the recent show-up by main opposition BNP drew attention of the political analysts. The largest protest procession and public meeting was held by the BNP against the fuel price hike.

BNP's Largest Rally

A huge rally of BNP protesting against the latest hike in fuel prices and power crisis was held in front of its Nayapaltan headquarters on August 11. The



Awami League leaders and activists brings out a rally in protest as part of its observance of August 21 grenade attack

Quader in a press statement said that such increase in fuel oil prices was unacceptable. "It would increase transport fares and push up prices of essential commodities," he added. Revolutionary Workers Party general secretary Saiful Huq and Rastra Sanskar Andolan chief coordinator Hasnat Quaiyum in separate press statements also lambasted the government action. Central leaders of Gono

rally, organised by BNP's Dhaka south and north city units, was attended by thousands of leaders and activists of the party and its associate bodies. Vehicles were moving on the other side of the road, stretching from Bijoy Nagar crossing to Fakirerpool, causing immense suffering to commuters. BNP senior leaders, including Secretary General Mirza Fakhru Islam Alamgir and standing committee

members, addressed the rally. Earlier, Fakhru announced a two-day programme, including the rally, in protest against the latest hike in fuel prices, transport fares and soaring prices of all essential commodities. The programmes are also meant for registering the party's protest against the ongoing load shedding and the killing of two leaders of its associate bodies by police in Bhola. Besides, the party's all metropolitan city and district units will arrange protest rallies across the country on Friday.



Left leaning parties bring out a procession in protest against fuel and essential commodity price hike

BNP leaders and activists have been staging protests across the country for over two weeks against the unprecedented power outages and soaring prices of daily essentials and clashed with law enforcers at different places. On May 31, police allegedly attacked a procession of the party protesting the load shedding and opened fire in Bhola, leaving local Swachhasebak Dal leader Abdur Rahim on the spot and critically injuring many others. Later, one of the injured, Bhola district unit Jatiyatabadi Chhatra Dal president Noor-e-Alam, succumbed to his injuries at a hospital in the capital. Following this protest rally, BNP announced a fresh programme to stage demonstration at upazila and union level across the country. In many places, clashes between BNP and Awami League activists took place during the protests

18th anniv of Aug 21 grenade attack

The country also observed the 18th anniversary of the Aug 21, 2004, grenade attack on an Awami League rally in Dhaka with various programmes. On this day in 2004, a grisly grenade attack was carried out on an anti-terrorism rally organised by AL at Bangabandhu Avenue in the capital. Sheikh Hasina, then leader of the opposition, was the target of the attack. The BNP-Jamaat alliance government was in office at that time.

At least 24 people, including AL women affairs secretary and late President Zillur Rahman's wife Ivy Rahman, were killed. Three hundred others

were also injured. AL President Sheikh Hasina, who was addressing the rally, survived the attack but suffered injuries in her ears. Fourteen years later, a Dhaka court sentenced 19 people, including the then BNP government's state minister for home affairs Lutfozzaman Babar, to death. Tarique Rahman, the eldest son of BNP chairperson Khaleda Zia and the party's current acting chairman, and 18 others were sentenced to life in prison.

Awami League and affiliated bodies observe the day as "Grenade Attack Day".

Marking the day, AL, its front and associate bodies and its left-leaning allies, and other political parties, socio-cultural and professional organisations chalked out elaborate programmes, reports UNB. A discussion was held on August 21 to recall the victims of the attack. Prime Minister Sheikh Hasina presided over it from Ganabhaban through video conferencing, adds BSS. Besides, AL and its affiliated organisations placed wreaths at a makeshift altar in front of the party's central office at Bangabandhu Avenue in the morning. The premier and President Abdul Hamid also issued messages commemorating the martyrs of the day.

BNP wants to bring back 'Hawa Bhaban': Quader

Meanwhile, AL General Secretary Obaidul Quader on Aug 27 said that the main goal of BNP is to bring down the government so that it can bring back 'Hawa Bhaban' in the country through militancy. "The fall of the government means power. Take back Bangladesh means Hawa Bhaban, destruction, militancy and sectarianism again in the country. The main aim of BNP is to oust the government. The collapse of government is nothing but a daydream of BNP," he said. The road transport and bridges minister came up with the statement while talking to journalists after paying tributes to the National Poet Kazi Nazrul Islam by placing wreaths at his grave on the occasion of Nazrul's 46th death anniversary. "They don't think about the people of the country. Their only goal is to grasp power," he reiterated.

FM says sought Indian support to keep Hasina in power

Foreign Minister Dr AK Abdul Momen said that he had asked India to do whatever necessary for keeping the Sheikh Hasina government in power.

His remark drew flak from a cross section of people. His own party leaders and activists did not agree with him and the opposition parties including BNP have sharply criticised his comment. At an event of

Janmashtami in Chattogram, Momen said that during his visit to India, he requested the Indian government to do whatever necessary to keep Hasina in power. He also came under the deluge of criticism for his recent remarks that Bangladeshi citizens are living in paradise amid the soaring prices of daily commodities. The minister again gave a clarification of his speech after paying tribute to mausoleum of Bangabandhu Sheikh Mujibur Rahman in Tungipara. He told the journalists that he requested Indian government to keep the incum-

we have. They make a mountain out of a molehill. We are committed to keep the stability proclaimed by the Sheikh Hasina. We want your cooperation in this regard," the Foreign Minister said. "If we can maintain stability, there will be communal harmony and there will be no uncertainty. We want stability in this region. We don't want any instability of any kind," the minister noted. Drawing attention to the critics of the government, he said that they should be aware of the fact that if the country becomes unstable they will also suffer. "We don't want any

Sometimes media has been propagating cooked-up stories in order to create an unstable situation

**Foreign Minister
AK Abdul Momen**



bent government in power for the sake of stability in this region especially between the two countries. Meanwhile, he said that some bad people were creating instability in the country but the Hasina government did not want any unstable situation here. Even he sounded critical about the media and said, "Sometimes media has been propagating cooked-up stories in order to create an unstable situation." Explaining his remarks, he said, "While visiting India, Chief Minister of Assam thanked Prime Minister Sheikh Hasina. I asked him why? He said that Sheikh Hasina declared zero tolerance against terrorism and Bangladesh cannot be a hub for terrorists. After this announcement, there is no activity of terrorism in Assam, Meghalaya and other districts of India. The Chief Minister also said that India is developing for not having any terror activity. Assam is getting more investment now. I have said that if Prime Minister Sheikh Hasina stays in power, stability will prevail here. When stability continues, we can see the torch of development." "Then I said that some people deliver incendiary speeches. Your country has some bad people, so do

instability. But your media sometimes propagate many cooked-up stories to spread instability. It is regrettable. Such propaganda is continuing both home and abroad in an organised way," Dr Momen said. Regarding the soaring prices of commodities, he said, "People are in great trouble for the high prices. Suddenly the prices have gone up. The prices of diesel have increased by Tk 28 per litre. The price hike should have been less than one taka. But due to it, the prices of all things go up by leaps and bounds. We are anxious for it."

"Sheikh Hasina government is the friend of common people. We are in power because of the laymen. Our only goal is to check the sufferings of people. When some people said that Bangladesh is going to a Sri Lanka, then I rejected it. We are aggrieved for the price hike," he added.

Earlier, Quader warned his party leaders and workers to be careful while delivering speeches amid the dire economic situation of the country. ■

Online Shopping Becomes Costlier

Business Outlook Report

Online purchases are getting costlier as courier companies in the country have collectively raised their fares in response to the recent increase in fuel prices.

For example, the country's top two courier and logistics service providers -- eCourier and Paperfly -- have already raised their charges by around 20 per cent in the face of higher transport costs. The move could further impede growth in the e-commerce sector, which was already slow due to the scams that surfaced last year coupled with the ongoing inflation. "We have increased the delivery charge for large and long-haul deliveries by 20 per cent considering the hike in fuel prices," said Biplob G Rahul, founding chief executive officer of eCourier. As the increased charge will be levied on end consumers, this means that an item that previously cost about Tk 100 including the delivery fee will now be priced at about Tk 140.

Similarly, the document delivery charge is now Tk 35 to Tk 40 while it was Tk 25 earlier. "This will directly affect the online shopping industry," he added.

He went on say that if courier companies like his do not increase their charges, they will have to burn through huge amounts of cash and ultimately suffer within six months for having bear the added cost.

Rahath Ahmed, co-founder and chief marketing officer of Paperfly, said the spike in fuel

prices pushed up delivery costs and that is why they have had to raise the delivery charge as well. "Besides, other online and offline based logistics and delivery companies have also increased their charges considering the current situation," he added.

Ahmed went on to say it would not be possible to sustain the business without adjusting the delivery fees. However, he fears the move will impact demand as people from lower-income households and outside Dhaka may reduce their online purchases considering the extra burden.

The government recently revised up the prices of diesel and kerosene by 42.5 per cent while the cost of petrol and octane rose 51.1 per cent and 51.7 per cent respectively. A day later, the authorities increased bus fares by up to 22 per cent.



Local ride-sharing platform Pathao also raised the fare for riding its registered two-wheelers by an average of 16 to 18 per cent. Now, Uber is also mulling increasing the price. Meanwhile, the SA Paribahan and Sundarban courier services have increased their rates as well. AKM Fahim Mashroor, chief executive officer of Delivery Tiger, a digital SME parcel aggregator, said they have not increased the price yet and will observe the situation for two months more. "Since we make deliveries mainly for small and medium entrepreneurs, a sudden price hike would be a big burden for them. Besides, a large number of our deliveries are made through bicycles," he added.

Mashroor then said the country's e-commerce and f-commerce sector is still small and the government charges 15 per cent VAT on parcel delivery and 5 per cent VAT on online product sales.

"The government must suspend or cut those VAT to help e-commerce companies sustain themselves in this situation," he added. ■



Export Of Textile & RMG At Risk

Drought In Cotton Producing Countries

Business Outlook Report

The droughts in China, Europe, North America, Brazil and Africa - countries that produce cotton that the RMG industry in Bangladesh imports from is now affecting RMG production here. Extreme weather is wreaking havoc on almost all of the world's largest cotton suppliers like the US, Brazil, Canada, and Africa.

According to Bloomberg, the cotton production in the US is set to plunge by 28% while by 27% for Brazil, along with a significant decline in production in India.

The drought in China, has the mighty Yangtze drying up to dangerous levels, affecting hydro-power generation and near halting shipping. Monsoor Ahmed, additional director and CEO (In-Charge) of the Bangladesh Textile Mills Association (BTMA) informed that if cotton production is reduced due to drought in the US and Brazil, it will have a severe impact on Bangladesh.

"We import 10%-11% cotton from the US and 4%-5% from Brazil. China imports more

cotton from the US, but we import yarn and fabrics from China. So, there is no relief from the negative impact," he added. Himel Khan, director of Mithela Textile Ltd said that the declining cotton production in the US, Brazil and other countries will hit the textile sector in Bangladesh.

"The cotton prices exceed past records and it will further increase our production cost. But the buyers are still reluctant to give fair prices to the apparel manufacturers, which will negatively impact the textile and apparel

sector,” he added. With a 33% share, the US is the largest exporter of cotton followed by Brazil with 17%, and India with 9%.

Walmart Cancels Orders Globally

The apparel manufacturers of the country fear losses as Walmart,

blow for the industry as the production cost has already increased due to various reasons. “Walmart is our big customer, and having them cancel orders means billions of dollars worth of orders and it will be hard for the manufacturers to handle as the



the fourth largest importer of the country’s apparel items, started cancelling orders globally as part of a continued effort to align inventory levels and pursue the demands of budget-conscious consumers.

Shahidullah Azim, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said that Walmart has cancelled their purchase orders by 30%. “They are also deferring the shipment time of some orders,” he added. BGMEA Director Mohiuddin Rubel said that the global economic crises have affected many countries in the Euro-America region.

“We were already worried that garment exports may be hit again and that fear is real now through the announcement of one of the world’s top chain shops, Walmart,” he added. It is a big

factories that work for Walmart make clothes only for Walmart,” he added.

The situation is getting worse and they have nothing to do other than keep a keen eye on developments, he added.

Global Inflation

According to Eurostat, the statistical office of the European Union, the rate of inflation in the Eurozone was 8.9% in July 2022, while 9.8% in the EU countries, and 10.1% in the UK, hitting a new high as growth slows amid the Ukraine war.

The EU and the UK is the prime destination of the apparel exports from Bangladesh at more than 60% in the last fiscal year.

The inflation in the US also keeps surging, 8.5% in July 2022, according to Statista data.

Due to the inflation, the purchase

orders from these destinations reduced by 30%-35% as the buyers are moving forward cautiously in placing orders due to the war which is taking a toll on the entire European continent’s economy.

Shahidullah Azim said that the purchase order is decreasing and there are many big factories that close their operation after launch every day.

The BGMEA officials also said that the country’s export earnings in August is likely to decline by around \$500 million due to fewer orders, delay in delivery and forced discounts.

Mohiuddin Rubel said that they were already aware that bad times may come.

Fuel Price Hike

The hike in fuel price led to a steep jump in production cost by 12%-15% and also a sharp hike in logistics costs for the manufacturing sector by 20%-40%, said Shovon Islam, managing director of Sparrow Group.

Moreover, a hike of 62% in yarn price, 500% in freight cost, and 60% in chemical cost also impacted the sector, said Mohiuddin Rubel.

According to industry insiders, the drought in cotton-producing countries, cancellation of orders by buyers, and global inflation are some of the factors also affecting the industry now.

They have also been affected by crises like the Russia-Ukraine war, swelling production and transportation costs due to fuel price hikes, load shedding and gas shortage for the past few months, they added. ■

ICDs For Consensus On Service Charge Hike



Business Outlook Report

Facing criticism for unilaterally raising a service charge last week, private inland container depots (ICDs) have decided to hold discussions with stakeholders first before hiking rates of their other facilities.

Through a notice on August 11, Bangladesh Inland Container Depots Association (Bicda) increased the charge for a service involving the handling of import-laden containers by around 34 per cent with immediate effect.

The platform said it was one of five types of services which required the use of diesel, such as vehicular and equipment operations, and whose

charges needed to be adjusted to the August 5 price hike of fuels. The government hiked fuel prices by up to 51.7 per cent, the highest in the country's history. The price of each litre of diesel has reached Tk 114 from Tk 80.

To decide on the remaining service charges, Bicda offered to hold meetings with Bangladesh Shipping Agents Association (BSAA) and Bangladesh Freight Forwarders Association (BAFFA).

On August 24 Bicda sat with shipping agents and consensus was reached on raising the charge for handling empty containers by 24 per cent. The service includes using prime movers to transport empty containers between

the Chattogram port and the ICDs and forklifts for shifting the corrugated boxes over short distances within the ICDs. Shipping agents pay the charge on behalf of shipping lines, which are owners of the empty containers.

Currently, the charge for using prime movers for a 20-foot empty container is Tk 1,415 and a 40-foot container Tk 2,830. If forklifts are used, an additional Tk 425 is charged.

Bicda officials said an official circular would be issued soon announcing the new rate involving empty containers and it would have a retrospective effect, applicable for services availed since August 6, the day the new

fuel prices came into effect. The 24 per cent hike was based on proposals focusing cost analysis conducted by both associations, said BSAA Chairman Syed Md Arif, who led its Board of Directors at the meeting.

Bicda leaders, including President Nurul Qayyum Khan and First Vice President SAJ Rizvi, assured of readjusting the charge if diesel prices were reduced by the government in the future, he said.

Fuel consumption for handling empty containers is lower, for which the hike for the service involving empty containers is lower than that for import-laden containers, explained Bicda Secretary General Md Ruhul Amin Sikder. He said they

would sit with the BAFFA leaders to discussion raising the charge for export stuffing package.

Export stuffing package involves taking an empty container from a depot yard to its container freight station (CFS), loading goods into the container, taking the loaded container back to the depot yard and transporting it later to the port for shipment.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) First Vice

President Syed Nazrul Islam on August 13 sent a letter to the Bicda president urging to postpone the hike in the charge for import container handling.

He pointed out that any unilateral hike in service charge by Bicda was a violation of the ICD policy approved by the shipping ministry in 2016.

According to that policy, a committee comprising stakeholders formed by the ministry can only propose reviewing ICD charges and any change

needs to be approved by the ministry before it can come into effect, said Islam.

There is no mention of such a stakeholder committee in the latest ICD policy formulated by the National Board of Revenue (NBR) in December last year, said Bicda Secretary General Sikder.

Moreover, the import handling service charge was not applicable on the BGMEA members, he said. This was because containers loaded with

raw materials imported by the garment factories are not handled by the ICDs, rather those are handed over to the recipients right from the port, he added.

BSAA Chairman Arif said the NBR was working to amend the policy and steps were underway to form the stakeholder committee.

He, however, hailed Bicda's move to sit with stakeholders to decide on the charge hikes. ■

Dutch Look To Boost Trade With Bangladesh



Business Outlook Report

As the economy of Bangladesh is growing rapidly, the Netherlands is looking to enhance bilateral trade and utilise investment opportunities here with a strong focus on digitalisation and sustainability. "As longstanding partners in the multilateral sphere, we also seek collaboration with Bangladesh in promoting a rules-based international order and human rights," said the Netherlands embassy in Dhaka ahead of a visit by a delegation.

The 10-member delegation led by Birgitta Tazelaar, deputy director general for international cooperation from the Ministry of Foreign Affairs, will visit Bangladesh from August 28 to August 31. The delegation would focus all aspects of Dutch policies for Bangladesh, such as social and economic development, water and climate adaptation,

business development and issues of justice and human rights. "In the new policy strategy...the Netherlands combines trade with development cooperation activities," said the statement.

It said the Netherlands has been contributing to sustainable development in areas such as garments, agriculture, water, women empowerment, sexual and reproductive health and rights and the strengthening of civil society.

The delegation will speak with private sector partners, government actors and the civil society, take a look into different private sector initiatives and development projects and visit the Rohingya refugee camps and local communities in Cox's Bazar.

The delegation will identify pathways for sustainable cooperation concerning climate change, trade and investment opportunities, climate action, gender equality and youth empowerment, the strengthening of civil society and labour rights.

The delegation will also look at opportunities for trade and investment, but also underline the importance of international responsible business conduct, anticipating Bangladesh's country status graduation and the consequences of new European Union legislation on associated due diligence.

The Netherlands will also continue providing cooperation on working towards a sustainable solution to the Rohingya crisis, the statement said. ■



Light Engineering Industry Needs Govt Policy Support

Business Outlook Report

Light engineering sector does not have enough government policy support to boost the country's export revenue chain at post-LDC graduation period, according to experts and businesses.

They said that the existing global demand for light engineering goods was worth approximately over \$ 7 trillion and if the sector got proper treatment, it might earn export revenue of over \$ 7 billion in near future.

According to the Bangladesh Engineering Industry Owners Association, more than 40,000 light engineering enterprises exist in the country and around 6 lakh people are directly and indirectly dependent

on the sector. Light engineering goods manufacturers said that they were manufacturing over 10,000 types of products but lack of financial backing due to an absence of government policy support stalled the growth of the sector.

They said the government should ensure financial support, introduce an international-standard certification system to ensure production quality and also reduce the duty on import of modern technology and raw materials for the development of the sector.

They also urged the authorities concerned to ensure them treatment similar to RMG sector so that they can make a significant contribution to boost the country's export basket

at the post-graduation period.

Export earnings from the sector year-on-year increased by 50.4 per cent to \$ 795.63 million in the financial year 2021-22 from \$ 529 million in the financial year 2020-21, according to BEIOA. BEIOA president Md Abdur Razzaq said: 'If we can capture only 1 per cent of the international market share, our export earnings would increase to \$ 7 billion in the coming days.'

He said, 'Overall investment in the light engineering industry is about \$ 15 billion and we captured about 20 per cent of the local market while some 60 per cent depended on imports.' 'China, Japan and Korea are benefiting from our merchandise and the demand for our commodi-

ties in other trade markets is gradually increasing. Our annual turnover is \$ 1.6 billion,' said Abdur Razzaq.

'China used to be our competitor in the international market but Thailand is also progressing with its business now. There is demand for our local products in international markets due to their lowest production cost and fine quality,' added Razzaq.

He also said, 'We import raw materials from countries like China and manufacture the product with our manpower.'

'We have to pay 30-40 per cent duty on import of raw materials while tax on importing finished products is only 1 per cent which makes it difficult for us to compete with international traders,' he said. He urged the government to provide long-term loan services to the sector at minimum interest. The government has been working on develop-

ing five industrial parks for the sector at Dhaka, Narayanganj, Jashore, Bogura and Narsingdi while a number of light engineering training institutes will also be set up to create skilled manpower to be employed at the parks. Besides, an industrial city project worth Tk 316 crore through the Bangladesh Small and Cottage Industries Corporation on a 50-acre land in Munshiganj is in progress and scheduled to be completed by 2022.

Dhaka Chamber of Commerce and Industry president Rizwan Rahman recently said that if the light engineering sector got proper treatment from the government, the country had an opportunity to be a global auto-hub like India. He said, 'Our light engineering industry is capable of producing any kind of automobile components and we should focus on promoting the industry.' Rizwan also suggested introducing a central bonded ware-

house facility for the sector and also allowing venture capital funding as well as ensuring IP facility for local manufacturers to ensure the development of the sector.

SME Foundation managing director Md Mofizur Rahman said, 'Government should ensure adequate support for the sector to meet the government's target of 2041.'

He also said, 'The government should focus on increasing the validity period of trade licences rather than increase the fee so that small and medium entrepreneurs including light engineering entrepreneurs remain in compliance as many are deprived of enjoying government facilities due to the trade licence compliance crisis.'

The main markets for the light engineering products are Thailand, Japan, the Netherlands, India, South Korea, the United Kingdom, Taiwan and Pakistan. ■

Paper Requirement For More Services : Tax Return Submission Up

The number of income tax return submission in July, the first month of the current financial year 2022-23, increased by 242.75 per cent to 50,532 compared with that of 14,743 in the same month of 2021-22.

The surge came after the government made it mandatory to submit return submission documents for receiving at least 42 government services.

According to National Board of Revenue, travel tax collection also increased by 350 per cent to Tk 90 crore in the month compared with that of Tk 20 crore in the same month of the previ-

ous financial as the outgoing international passengers using air, land and waterways rose in the period.

However, the NBR's income tax wing in July of FY23 managed to collect Tk 4,732.15 crore in taxes, almost the same as July of FY22 when the amount was Tk 4,732.09 crore.

According to the NBR data, the wing was able to collect 84 per cent revenue against the July target of Tk 5,667 crore.

In July, 71.65 per cent or Tk 3,390 crore of the total income tax earned as source tax.

NBR income tax wing

officials said that the compliance increased in July.

They said that the wing had gradually been moving to practicing the automated tax system to ensure transparency and taxpayer compliance environment.

As part of boosting direct tax revenue, the NBR is conducting several workshops and meetings with field-level officials to minimise tax dodging by taxpayers.

The income tax collection shortfall was 3.30 per cent or Tk 3,475 crore against the target of Tk 1,05,475 crore for FY22.

The wing managed to

collect Tk 1,02,000 crore in the past financial year.

The government has set the target at Tk 1,38,000 crore in income tax for FY23.

There are over 70 lakh tax identification number holders in the country, but 24-25 lakh people file their returns every year.

The NBR has been given a revenue collection target of Tk 3.70 lakh crore for the current financial year.

The revenue board collected Tk 3,17,000 crore in the past financial year against the target of Tk 3,30,000 crore. ■

Price Hike Forces Low-Income People To Cut Protein Intake

Business Outlook Report

Low-income people are changing their diet patterns and failing to get the minimum amount of protein in their food intake due to soaring essential prices. Fish accounts for nearly a fifth of daily protein intake. Poultry meat, egg

hike. The Daily Sun has talked to many people with poor economic backgrounds residing in Dhaka and Gazipur to understand the present scenario of their protein consumption. Sohel Rana, a garment factory worker in Baipail area in Gazipur, said, “I earn Tk 15,000 in total per

a father, not being able to put good food on my children’s plates breaks my heart,” Sohel Rana said. While visiting several kitchen markets in the capital recently, it was found that broiler chicken (live weight) was selling at Tk 170 to 180 per kg which was Tk 140 even two weeks



and milk are also common sources of animal protein in the country. Besides, lentils are considered a major protein provider for limited-income people.

But the prices of all these items have skyrocketed across the country in recent weeks, forcing millions of people to reduce protein consumption to strike a balance between their rather static income and the rising cost of living after the fuel price

month. My income hasn’t increased but all essential items have become costlier. Therefore, I have removed fish and meat from my shopping list.”

He said earlier he had chickens once a week and fish or eggs in every meal for his four-member family. Due to the recent price hike, he is now depending on lentils and fried-smashed vegetables (Bhorta, Bhaji) for lunch and dinner. “Being

ago. The price for Sonali chicken has reached Tk 280 to 290 a kg (live weight) while local chicken is selling at Tk 520 a kg at Karwan Bazar. The prices are Tk 10 to 20 higher per kg at retail markets.

Soaring prices of eggs are also forcing ordinary people into a hapless situation. Eggs were selling at Tk 145 to 150 per dozen at Joar Sahara Bazar in Kuril. Shahid Hossain, owner of Chittagong

Departmental Store in Kuril, said he was buying per 100 pieces of eggs at Tk 1150 from the suppliers. According to him, the price of lentils also soared in recent months. Fine and medium quality lentils were priced between Tk 90 and Tk 110 two months ago but the same quality lentils are now being sold at Tk 120 to Tk 140 a kg, he said.

Fish prices have jumped by at least Tk 30 per kg. The pricier dietary source of protein has hurt low-income people the most as many of them have to switch to cheap tilapia and pangas from now costlier broiler chicken and eggs. North Badda's Tea seller Asma Khatun said, "I used to buy tilapia and pangas as chicken

and egg prices had soared. But the fishes are also out of my budget as medium sized tilapia and pangas are now sold at Tk 220 to 240 and 200 per kg respectively."

Many drivers, rickshaw pullers, bike riders, and other low-income people take lunch and dinner at different messes or roadside restaurants to save money. They said the price hike has affected the menus of their platter. Rickshawpuller Mohasin Mia said, "I buy meals at a mess in Rampura. Earlier, the meal cost Tk 50 but it has been jumped to Tk 65." "We were given chickens once a week but now chickens are given once a month. The amount of fish, which was common, has also decreased," he

added. Asked about the impact of price hike on the protein intake of low-income people, Prof Khaleda Islam, Director of the Institute of Nutrition and Food Science at Dhaka University, said, "Usually an adult person needs to take protein according to his/her weight and the amount of calorie used. Low-income people are hardworking people in our country. They need more protein than others."

"If the price of common protein items reaches out of their hands it will affect their health," she said, adding that it will ultimately put a burden on the national health budget in the long run. ■

Up To Tk 2 Lakh Collateral-Free Loans For Small Farmers



Landless, small and marginal farmers as well as share-croppers in Bangladesh could be given loans up to Tk 2 lakh without any collateral under the central bank's Tk 1,000 crore refinance scheme aimed at boosting wheat and maize production.

The Bangladesh Bank on August 26 published the guideline on implement-

ing the scheme that also looks to cut the reliance on imports.

According to the guideline, despite higher demand, the local production of wheat and maize is not adequate. As a result, the country has to import a significant volume of cereals to ensure a smooth supply of the products and the items produced from

them. This means Bangladesh has to spend a huge amount on foreign currencies.

Under the circumstances, a decision to unveil a Tk 1,000 crore refinance scheme has been taken, said the BB. The scheme will run until June 2025. Under the scheme, banks would receive funds at a 0.50 per cent interest rate

from the central bank. The interest rate at the farmer's level would be a maximum of 4 per cent in simple interest terms. Banks would have to disburse the loans directly among the borrowers through their networks and give priority to the areas suitable for wheat and maize cultivation.

Landless farmers, who own less than 0.494 acres of land, small and marginal farmers, who own 0.494 to 2.47 acres of land, and share-croppers could be given loans up to Tk 2 lakh without any collateral.

The loan given under the scheme can't be used to adjust old loans, said the BB. ■



Is The Fickle Egg Market A Premonition?

Apu Ahmed

The eerie volatility in the price of chicken eggs for about a fortnight on the back of record upward adjustment in prices of fuel oils had threatened its presence on poor men's plates and cast a gloomy outlook for the industry employing around 60 lakh people.

Sharp Price Hike

The price of a quartet of eggs had reached Tk 60 on August 17 after its price spiral in the city market against the backdrop of price hikes of fuel oils by around 50 per cent on August 5. There have been apprehensions that the fuel price hikes would push up inflation after it reached over 7 per cent in June and July, a nine-year high. However, the price hike of an egg by 28 per cent in just one month and 54 per cent in one year as per the Trading Corporation of Bangladesh data surprised all. A late crackdown on wholesale city markets has been able to check the price hike. But questions have already been raised about how

long the price of eggs could be kept at the current level after the production cost of essential items increased.

Poor Men's Protein

Eggs have long been regarded as the cheapest source of protein in the country, where at least 20 per cent of people lived below the poverty line in 2019. A growing number of people have become poor during the Covid pandemic since the rising



per capita income helped them little because of unequal distribution of the economic gain over the past decade. The volatility in the global commodity market influences food items' production costs, including eggs. The high price of eggs always poses a threat to protein intake and the poor are already struggling to buy eggs at the current market price since it is high compared to the country's neighbours.

Prices in Neighbours

The price of a quartet egg in the Indian city of Kolkata is equivalent to Tk 25. In Pakistan, the price of the same number of eggs is selling at Tk 31 while in Nepal, four eggs cost Tk 45. A quartet egg is selling at Tk 64 in Sri Lanka since the islanders have been facing the worst ever economic crisis in its 68 years. Unlike Sri Lanka facing bankruptcy, Bangladesh is maintaining a forex reserve equivalent to at least four-month imports. Many said the price hike of eggs in the local market was abnormal.

A Late Crackdown

Amid serious criticisms, the government raided some shops and imposed fines on unscrupulous traders for the price spiral of eggs. Meanwhile, commerce minister Tipu Munshi had threatened that the government would allow imports of eggs if the unscrupulous traders continued to cause price hikes. Following the late government intervention, the price spiral eased a bit but the overall situation has raised a lot of questions. Should the scrupulous traders be blamed for the price hike? Or the lax monitoring by the government agencies should be blamed for the price hike that ensured extra profit for the traders.

Nobody to Blame?

Poultry farmers are unwilling to take the blame for the sharp price hike of eggs. They, however, admitted that upward adjustment in the price of eggs was inevitable. Leaders of the Breeders Association of Bangladesh said the demand for broiler chicks dropped considerably in recent times. The drop in demand was 1.31 crore in the first week of August compared to 1.87 crore in May, said association president Kazi Zahin Hasan. He calculated that the demand for broiler chicks dropped around 50 lakh every week, noting that farmers were unwilling to make new investments since the production cost had gone up due to the price hike of fuel oils twice in 10 months – first in November 2021 and then in August 2022 — although Bangladesh Petroleum

Corporation made profits of over Tk 48,000 crore from 2014–15 to May 2022.

Raw Material Price Hikes

Bangladesh Poultry Industries Central Council leaders said the prices of 16 types of raw materials in the poultry and livestock sector increased 63 per cent on average in the past two years. Among those, two types of raw material increased by 100 per cent. Besides, the power outages since late last



month put further pressure on the poultry sector. Feed Industry Association of Bangladesh president Shamsul Arefin said they also felt pressure on the poultry and livestock sector. He said poultry feed sales had dropped significantly in the last two months.

Farmers Number Drops

Sector leaders said the number of poultry firms slid to 90,000 from 110,000 from the pre-pandemic level. They predicted that the number might not increase in the coming days amid unfavourable conditions for investment. They also predicted that the chances of having eggs at a cheap price in the coming month were slim. They said prices might fall only when raw materials of the sector fall. Producers say that Bangla-

desh has a daily demand for about 3.5 crore to 4 crore eggs. However, the price hike of the items may hit consumption.

Power Cuts

Md Tahir Ahmed Siddiqi, president of the Bangladesh Egg Producers Association, said the recent power cuts was another cause for the decline in production while the diesel price hike inflated transportation costs by Tk 2 per piece. Farmers and traders said that people have never been forced to buy eggs at such a price before in the recent past. Only in 2009, the price of eggs rose sharply due to Bird Flu. According to the Bangladesh Bureau of Statistics, the price of four

chicken eggs was around Tk 27 in the 2008-09 and 2009-10 fiscal years.

Take care of Growers

The country's per capita egg consumption rose to 104.23 in 2019-20 from 95.27 in 2017-18. This is the threshold maintained by the Food and Agriculture Association in per capita egg consumption. According to industry experts the overall market size has reached over Tk 12,000 crore annually. For further market growth and the availability of cheap protein for the majority population, it is imperative to reach growers and address their problems first. ■

Fuel Price Hike Puts Fisheries In Murky Waters



Business Outlook Report

The domestic fisheries sector is now in deep trouble as fuel price hike is affecting their fishing and transportation costs. They requested the government to provide diesel at previous prices for survival of the sector.

The Bangladesh Marine Fisheries Association (BMFA) recently urged the Prime Minister's Office (PMO) to take necessary steps to overcome the situation. The association, in its letter, said the price of diesel was increased by 42%. The sector opera-

tors are now in jeopardy, as their fuel cost nearly doubled in the last eight months. The main costs of the sector are fuel, maintenance and wages of mariners. Diesel is the main source of fuel for operating fishing trawlers and vessels.

Some 70% money, needed for operating a vessel, is spent to buy fuel oil, according to the BMFA. Besides, the amounts involving bank loans and interests along with wages and allowances of the sector are gradually increasing. But, the prices of fishes, collected by vessels or

trawlers, are not increasing at a desired level. The BMFA claimed that the prices of local sea fishes significantly dropped due to import of such fishes. Substandard and low-quality sea fishes were imported, although the country was self-sufficient in fish production.

The association feared that the sector would be closed down and a huge number of people involved with it would be unemployed and would turn into loan defaulters, if the present situation continues. The marine fisheries sector collected 0.65 million tonnes of salt water fishes in the last fiscal year to meet local protein demand. Its contribution was about 3.52% and 26.37% to the national GDP and agriculture sector respectively.

The BMFA members take licence and registration from the Ministry of Livestock and Fisheries and from the Ministry of Shipping respectively for their fishing vessels.

Currently, some 80 member firms of the BMFA are catching fishes and shrimps from the deep sea with 200 vessels. ■



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High Hopes On Remittance

Apu Ahmed

Away out of the current macroeconomy crisis that has emerged due to a large gap between exports and imports payment is largely dependent on the inflow of remittance.

BB Measures

Bangladesh Bank has taken a series of measures to tackle the high import that has led to exchange rate volatilities and caused the depreciation of the local currency against the US dollar. The overall imports stood at \$82.49 billion in FY22 (July 2021–June 2022) from \$60.68 billion in FY21. The high import also caused a record trade deficit of \$33 billion in the recently concluded financial year from \$23.78 billion in the previous financial year. The current account deficit stood at \$18.70 billion in FY22, four-time

higher than \$4.57 billion in FY21.

Import Eased a Bit

It has been reported that BB could check the import surge in July compared to June following measures like imposing margin on letters of credit and restricting bank credits for the import of unnecessary goods. The opening of LC, known as import orders, dropped over 31 per cent to \$5.47 billion in July from \$7.96 billion in June. BB is expected to continue to get dividends in the coming months from its current policy of import restrictions. However, the growing unsettled LCs will remain a headache for the central bank.

Unsettled LCs Cause Headache

The amount of foreign currency required for settling the unsettled LCs over the next two years will

stand at over \$30 billion, according to the unofficial estimate by the BB officials. Settlement of the unsettled LCs on time is linked with the reputation of the country's commercial banks. Among the unsettled LCs, readymade garment accessories top \$3.84 billion, followed by capital machinery (\$3.80 billion). The unsettled LCs of chemicals stood at \$1.91 billion, intermediate goods at \$1.91 billion, raw cotton at \$154 billion, yarn at \$1.4 billion and miscellaneous goods \$14.06 billion. Payments for newly-footed LCs and unsettled ones will keep BB facing pressures in foreign exchange management in the current financial year since the export outlook is not favourable.

Recession, a New Worry

The current war between Russia and Ukraine since February 24 has

caused volatilities in the prices of essential goods mainly fuels oils and natural gas in the international market. Major economies like the US, the UK and other European countries are preparing for recession since the high energy prices have pushed inflation over the roofs. The looming recession in Western economics cast a shadow on the country's exports after the sector enjoyed a good time in FY22. Bangladesh's export earnings in the just concluded financial year 2021-22 stood at \$52.08 billion with a growth rate of 34.38 per cent.

Illusion

Exports in June 2022 fetched \$4.91 billion, the highest-ever earning in a single month in the country's history. The robust growth in FY22 has been attributed to the rebound of the global economy. Three reasons-- increase in global demand after the pandemic, factories closer in China and Vietnam due to Covid-19 and price hike of raw materials— led to the exports surge. Economists pointed out that the export earnings in FY22 looked like a significant figure although it was not. Ahsan H Mansur, executive director of the Policy Research Institute, compared the figure with an illusion. He explained that the illusion was created since the production cost of the RMG has been increased. According to reports based on the assessment of the RMG sector, value addition in readymade garment products dropped to a record low of 55.80 per cent in the July-December period of FY 23 due mainly to an increase in prices of raw materials on the global market.

Outlook Uncertain

The country still depends on imports like raw cotton, yarn and accessories for the country's biggest export sector accounting for over 80 per cent of the country's annual export incomes. The country's export performance in July, the first month of FY23, grew by 14.72 per

cent to \$3.98 billion year-on-year from \$3.47 billion in the same month of 2021. The exporters, however, expressed worries as the outlook remains uncertain amid the economic slowdown in advanced economies. According to a report by Bloomberg, Bangladesh's Plummy Fashions Ltd., a supplier to PVH Corp., the parent company of fashion brand Tommy Hilfiger, and Inditex SA's Zara, saw new orders in July dropping 20 per cent from a year earlier. The report also said the slowing global demand and an energy crisis at home had threatened the nation's pandemic recovery.

Downtrend to Persist

It is clear the headwinds of the BB are unlikely to be over in the current financial year as far as predictions from the International Monetary Fund and other international agencies concerned. The country's economists have also suggested more measures on the macroeconomy fronts to tackle the situation at a recent discussion arranged by the Economic Reporters' Forum in the capital. But minister for planning MA Mannan dismissed a prolonged downtrend in the economy. He said inflation was likely to drop from October although many presumed that it would cross double digit from the current seven per cent because of the record price hike of fuel oils since early August.

Govt Pins Hopes on Remittance

The state minister said the price of essentials was falling in the global market, which will positively impact inflation. He noted that high import costs largely drove the country's rising inflation. He also pinned hopes on a higher remittance inflow for his optimistic views on tackling the current crisis. He said over 700,000 Bangladeshis sought overseas jobs mainly in the oil-rich Arab countries in FY22. The number is almost three times higher than the previous year. It has been reported that overseas employment

will continue to maintain the same pace in the current financial year since the Arab countries are awash with fuel oil profits.

KSA Awash With Profit

It has been reported that Saudi energy company Aramco's profits jumped 90 per cent in the second quarter compared to last year, helping its half-year earnings reach nearly \$88 billion. The increase is a boon for the kingdom and the crown prince's spending power as people around the world pay higher gas prices at the pump while energy companies rake in top earnings. According to the IMF, the country is likely to be one of the world's fastest-growing economies this year as sweeping pro-business reforms and a sharp rise in oil prices and production power recovery from a pandemic-induced recession in 2020.

Remittance Trend

Saudi Arabia is the top source of the country's remittance. Indicators gave ample signals that higher spending by the country will help the expatriate Bangladeshis to earn more there. The inflow of remittance increased by 12 per cent to \$2.09 billion in July, the first month of the current financial year compared with that of \$1.83 billion in July of FY 2021-22, according to the Bangladesh Bank. In June 2022, the expatriates sent home \$1.83 billion in remittances through the banking channel. The July inflow was the highest after May 2021 when the expatriates sent \$2.17 billion. However, in FY22, the inflow dropped to \$21.03 billion from \$24.78 billion in the previous financial year of 2020-2021, creating a panic in the financial market. Bangladesh received the highest \$24.77 billion remittance in 2020-21 amid global travel restrictions during the Covid pandemic. ■



*Outgoing World Bank
Bangladesh Country Director
Mercy Tembon in farewell
meeting with Prime Minister
Sheikh Hasina*

WB Already Committed \$15bn For 55 Projects

Business Outlook Report

The World Bank has already committed to providing \$15 billion or nearly Tk 1.38 trillion in loans for 55 ongoing projects in Bangladesh, its outgoing Country Director Mercy Tembon has informed.

Tembon said this in a farewell meeting with Planning Minister MA Mannan on August 22. They also discussed different aspects of the Washington-based lender's financing in Bangladesh. Tembon, currently serving as country director for Bangladesh and Bhutan, has been promoted to the position of vice-president of the multi-lateral lending agency. "In last three years, the World Bank has released nearly \$800 million and it is committed

to providing another \$15 billion funds for 55 new projects," Tembon said. "I'm pleased with the development continuity in Bangladesh. The country has been able to keep the

vice-president where Bangladesh's financing issues will be discussed. "It will try my level best when any issue of Bangladesh will be tabled at the board meetings," she noted.



Mercy Tembon meets with Planning Minister MA Mannan

pace of development since the start of the Covid pandemic," She added. Mercy Tembon assured that she would play an active role in World Bank board meetings as a

During the meeting, Planning Minister MA Mannan told Tembon that Bangladesh's economy may make a turnaround from September. "Like the rest of the world, Bangladesh has

fallen into a crisis to some extent. However, remittance inflow and exports have already risen," the planning minister stated. "The economy will be back in the right track from next month supported by several initiatives that the government has taken to address the situation," Mannan also said.

Despite some tensions in relation, the World Bank is an important development partner of Bangladesh, he acknowledged.

He conveyed the message to the WB high official that Bangladesh needs financing for education and rural infrastructure in future.

He hoped that the lender will continue its support for Bangladesh in the coming days. ■



Chevron-Sponsored AUW Summer School 2022 Programme Held

Business Outlook Report

The Asian University for Women (AUW) Math & Science Summer School 2022 was concluded at the university campus in Chittagong recently. In 2019, Chevron Bangladesh launched a pioneering partnership with the AUW and it was resumed again in 2022 after two years of Covid pandemic, said a Chevron release. The programme was launched to inspire young women in the field of Science, Technology, Engineering, and Mathematics (STEM).

The AUW Summer School selected 71 bright female high school students from all over Bangladesh to participate in a diversified four-week program meticulously focused on math, science and computer coding. The summer school programme aimed at enhancing the skills and competencies of these students to stand out in STEM-oriented further studies and careers. The Summer School 2022 was held from 17 July to 11 August

2022. The curriculum of the Summer School focused on physics, mathematics, and bioinformatics. These courses were taught by a cohort of international and local faculty with excellent academic backgrounds. Math and Science courses were led by Joshua Talbot, and computer coding courses were led by Cole Baker from the Massachusetts Institute of Technology (MIT), USA.

The AUW Math & Science Summer School has granted students to explore deeper into the world of STEM through rigorous, proactive activities and lectures. Attending this program, the students now have a diverse understanding of future careers, combined with greater critical thinking and problem-solving attitudes. Muhammad Imrul Kabir, Corporate Affairs Director, Chevron Bangladesh, and its Human Resource Director Nafeesa Hossain Monali attended the event as guest of honor. Kabir in his speech, highly praised the collabora-

tion between AUW and Chevron and expressed his joy in participating in the students' journey in opting for further STEM careers. Dr. Beena Khurana, Dean of Arts and Sciences, Asian University for Women the Dr. Mary Vayaliparampil, Director of Office for Advanced Learning, hosted the event and Rubaba Dowla, Country Managing Director of Oracle Bangladesh, Nepal and Bhutan were also present at the event as Chief guest.

Students were awarded certificates of merit in recognition of completing the program. Family and friends of the students also attended the closing ceremony.

Six students were awarded the "Emerging Woman Scholar Award" for their exemplary curricular engagement and leadership initiative. Furthermore, two students were also awarded for assisting their peers during the Summer School 2022 for high school girls. ■



Pubali Bank Limited has recently opened its sub-branch at Aftabnagar in Dhaka under Rampura Branch having online banking facilities to provide modern and digital banking services. Managing Director & CEO Safiul Alam Khan Chowdhury formally inaugurated the sub-branch as the chief guest. ■



Managing Director & CEO of Standard Bank Khondoker Rashed Maqsood presents a bouquet to Bangladesh Securities and Exchange Commission (BSEC) Chairman Prof Shibli Rubayat-Ul-Islam recently, congratulating him on his being elected the vice chairman of the Asia Pacific Regional Committee (APRC) of the International Organisation of Securities Commissions (IOSCO). ■



Arif Quadri, Managing Director & CEO of UCB, handed over the Integrity Award to A. S. M. Saruar Jahan, Junior Officer, Chinispur Branch, UCB, at UCB Corporate Office. ■



As part of its corporate social responsibility (CSR), Dhaka Regency Hotel & Resort organised an event to help the underprivileged children recently. Shahid Hamid, executive director of DHAKA REGENCY, handed over towels to the founder of Shishu Polli Plus, Petricia Vivian Kerr. The heads of departments of DHAKA REGENCY and the founder and officials of Shishu Polli Plus were present at the event. ■



As part of its corporate social responsibility (CSR), Al-Arafah Islami Bank Ltd. has donated 147 computers to the International Islamic University Chattogram (IIUC) for setting up a 'Computer Vision and Intelligent System Laboratory'. Chairman of the bank Salim Rahman handed over the computers to Pro Vice- Chancellor of IIUC Dr. Mohammad Mashrurul Mowla recently. Managing Director and CEO of the bank Farman R Chowdhury was also present. ■



Rupali Bank Limited Chairman Kazi Sanaul Hoq inaugurated a workshop on 'Digital Transformation of Banking: Fintech and Blockchain Technology' organised by the Rupali Bank Training Academy. ■



Sonali Bank Limited Deputy Managing Director Niranjana Chandra Debnath and Managing Director of Digicon Technologies Limited Wahidur Rahman Sharif and Earthnext Technologies Limited CEO Sadi Abdullah signed the agreement on behalf of their respective organisations in presence of Sonali Bank Limited Managing Director and CEO Md Ataur Rahman Proshan. ■

Launching of NBL Multi-Currency Debit Card



Managing Director & CEO of National Bank Md Mehmood Husain along with other high officials poses with the dummy Multi-Currency Debit Card at its launching ceremony at the bank's head office. ■



Adil Chowdhury, President & Managing Director (CC) of Bank Asia, and Nasima Akter Nisha, President of WE, signed an agreement at a ceremony at Bank Asia Tower to ensure necessary support for women entrepreneurs. ■



BRAC Bank signed an agreement with Bangladesh Bank to provide loan under refinancing facilities for the cottage, micro, small and medium enterprises (CMSMEs). Governor of Bangladesh Bank Abdur Rouf Talukder attended the signing ceremony at Bangladesh Bank as the chief guest and Deputy Governor Abu Farah Md. Nasser as a special guest. Md. Jaker Hossain, Director, SME & Special Programmes Department, Bangladesh Bank; and Selim R F Hussain, Managing Director & CEO, BRAC Bank, signed the agreement. ■



Mutual Trust Bank Limited (MTB) has signed an agreement with Bangladesh Bank to disburse loans at 7.0 per cent interest rate under the 'Refinance Scheme against Term Loans to Cottage, Micro, Small and Medium Enterprises (CMSME) Sectors'. Governor of Bangladesh Bank Abdur Rouf Talukder was present at the signing ceremony as the chief guest and Deputy Governor Abu Farah Md. Nasser as special guest. Syed Mahbubur Rahman, Managing Director & CEO of MTB, and Md Jaker Hossain, Director, SME & Special Programs Department of Bangladesh Bank, signed the agreement. ■



Chairman of Exim Bank Md Nazrul Islam Mazumder inaugurated a tree plantation programme at the bank's newly-constructed head office premises recently as part of its various programmes marking the National Mourning Day. Managing Director and CEO of the bank Dr Mohammed Haider Ali Miah was also present among others. ■



Another Digital Vision With Many Still Unconnected

Business Outlook Report

The government is gearing up to implement a new "Smart Bangladesh" vision by 2041 with the belief that a preceding "Digital Bangladesh" had been realised by 2021.

However, its own research tells that a huge number of the population still do not use mobiles, let alone the internet, and digital services are failing to reach people for inadequacies in the digital infrastructure. A "Smart Bangladesh Taskforce" was recently formed aimed at rolling out advanced information technology in the country, especially to transform the education, health, agriculture and financial sectors. The taskforce will formulate short, medium and long-term plans to establish "Smart Bangladesh". It will also provide direction in the formulation of

regulations on information technology in the economic, social, commercial and scientific spheres. Prime Minister Sheikh Hasina is the chairperson of the taskforce, while the secretary to the ICT division will act as the member secretary.

"We, the ICT division, proposed for establishing the Smart Bangladesh Taskforce as the tenure of the Digital Bangladesh taskforce ended in 2021," said NM Zeaul Alam, senior secretary to the ICT Division. "Now we are formulating a master plan for Smart Bangladesh," he said. He said the core vision was to develop inclusive ICT services and a knowledge and innovation-based society. "This will eradicate the gap among academia, industry and the government." In a gazette notification published, the government said the taskforce would provide neces-

sary instructions on launching "Bangabandhu Satellite 2".

It will also provide necessary guidance on the implementation of a blended education master plan and connecting the country with a 4th submarine cable if the bandwidth demand was there after the launch of 5G services. The 30-member committee will also provide direction in setting time-bound targets for the formulation and implementation of a "Made in Bangladesh" policy to achieve desired export targets and provide necessary instruction for the digitalisation of the financial sector. The government believes it has already achieved the goals of "Digital Bangladesh", which was declared in its December 2008 election manifesto. Since then, Bangladesh has made impressive strides in digitalisation with the

establishment of "Union Digital Centres" to ensure online government, commerce and banking services and enabling internet connections for villages. However, the new population census depicts a grim scenario when it comes to digital inclusion in the country with nearly half of the population not owning a mobile phone and 70 per cent not using the internet.

About three crore people of Bangladesh, aged 18 or above, do not own a mobile phone while 6.5 crore of them do not use the internet, according to the census, highlighting the unaffordability of devices and digital inclusion remaining elusive for many. On the other hand, a recent government evaluation found that people were not getting the maximum benefit from the 761 services the state digitalised, primarily for slow servers and poor internet

speeds. A number of those services can no longer be requested online, according to the evaluation of the Central Procurement Technical Unit (CPTU) on 67 select digital services of 26 ministries and divisions. AKM Fahim Mashroor, chief executive officer of bdjobs.com and AjkerDeal, said there was a strong political commitment at the policy level for developing a "Digital Bangladesh".

But there was no proper preparation and skills at the implementation level. Therefore, people have not got the proper benefits from the vision, he said. "The same thing could happen to the Smart Bangladesh vision," said Mashroor, a former president of the Bangladesh Association of Software and Information Services (BASIS), the country's top ICT trade body. "If the mentality of the people at the implementation

levels does not change and they do not become smart, it will also fail in many aspects." However, Syed Almas Kabir, the immediate past president of the BASIS, believes the country has achieved the goals of "Digital Bangladesh". "This was proved during the pandemic when we ran daily life smoothly with the help of technology and this was possible only because of Digital Bangladesh," he said.

He thinks that the undertaking of "Smart Bangladesh" vision was timely.

"Now we have to make the government systems smart using the infrastructure of Digital Bangladesh. There will be the use of artificial technology and blockchain-based services," he said. ■

Bangladesh May Prefer To Import Russian Oil Via Third Country

Business Outlook Report

Bangladesh may prefer to import Russian oil via a third country to avert possible risks of the business. According to official sources at the

Ministry of Power, Energy and Mineral Resources, neighbouring India might be such a preferred third country with regard to importing

Russian oil.

"Currently, India has been importing Russian oil defying the US sanctions while Bangladesh has a long-term contract with India to import refined oil from its refinery at Numaligarh in Assam state," said an official at the ministry preferring anonymity. "If there is a bilateral arrangement between the two nations, such a business is very much possible," he said, adding it could be a possible way to avert the risk in import of Russian oil at a cheaper rate. The possibility of importing petroleum fuel from Russia came into discussion at the policymaking level following an offer from a Russian company to sell its refined petroleum, specially diesel, at a



cheaper rate to Bangladesh, reports UNB.

Russneft, a Russian oil company headquartered in Moscow, recently offered the state-owned Bangladesh Petroleum Corporation (BPC) petroleum fuels at \$59 per barrel against a global market price of over \$100 per barrel. As per the offer, the Russian company will reach its refined petroleum to Chattagram port at the rate which includes the premium and shipping cost as well. However, the Ministry of Power, Energy and Mineral Resources has not yet officially disclosed anything about the Russian company's offer. State Minister for Power, Energy

regard will not only depend on the decision of the Ministry of Power, Energy and Mineral Resources.

According to official sources, after receiving the offer from Russia on petroleum fuel sale, now different concerned ministries including the Ministry of Foreign Affairs, Ministry of Finance and the Ministry of Power, Energy and Mineral Resources are assessing the potential risks and different processes of such import. Prime Minister Sheikh Hasina at the ECNEC meeting on August 16 said that the government wants to buy fuel oil, fertilizer and wheat from Russia. In this connection she mentioned she had given

duced area-wise load shedding to reduce diesel imports and save foreign currency. Although area-based load-shedding was scheduled for one hour, it continued for three hours at a time in some city areas across the country. Load-shedding in rural and remote areas, however, stretched for more hours, consumers claim. Markets and shopping malls can now stay open until 8:00 pm. The government also prohibited illumination in different social gatherings in community centers, shopping malls, shops, offices and houses since July 7. Finally, it introduced a holiday staggering for industries on August 11 as part of the plan to save power and natural gas.

Dhaka In Talks With Moscow

Russian Ambassador in Dhaka Alexander Mantytskiy said that Bangladesh is in discussion with Russia to procure crude and refined oils as alternative trading arrangement is envisaged as a last resort amid a global crisis.

"A number of initiatives regarding the supplies of Russian crude and refined oil are being discussed, both at intergovernmental and business-to-business levels," he told a media briefing on August 24. Responding to a question he said sample of Russian crude oil would be made available to Bangladeshi experts to find whether that can be refined here.

He also informs that preliminary discussions have started to explore the mechanisms to replace the US dollar in bilateral trade between the two countries. "I recently met the Governor of Bangladesh Bank to discuss the issue," he adds. Also, the envoy informs that with major logistical obstacles being removed, the negotiations are ongoing between Moscow and Dhaka to resume wheat purchase on a G-to-G basis through the direct procurement method. At the initial stage, the possibility of delivering



Russian servicemen and armoured vehicles stand on the road in the Rostov region of Russia

and Mineral Resources Nasrul Hamid declined to give any detail of such an offer.

"No more update as yet," he told UNB on August 18. Sources at the BPC said the import of Russian oil is not like fuel import from other countries. They said Bangladesh is assessing its possible risks to import petroleum fuels from Russia as such imports may invite anger from the USA and its Western allies. Russia has been facing huge economic sanctions from the USA and its European allies following its war with Ukraine. If any country directly imports Russian oil it may face similar sanctions, said the officials, adding that is why any move in this

the responsibility to her Principal Secretary to talk to the Russian Ambassador regarding the matter.

"The Foreign Ministry can take initiative in this matter, we will procure fuel oil from them (Russia) with our own funds as the SWIFT is closed and the price of dollar is very high," she said. Meanwhile, Power Cell director Mohammad Hossain said that if the government can manage the import of diesel at cheaper rate, operation of the diesel-run power plants will be resumed to increase the power generation. As part of an austerity measure, the government suspended the operation of the diesel-fired power plants from July 19 and intro-

two-three lakh tonnes of Russian grain will be elaborated on. On the current state of bilateral trade he said: "Mutual efforts of our governments and business communities made it possible to increase the bilateral turnover manifold. In 2021, it reached an all-time high of almost 3.0 billion US dollars." In recent times, says the diplomat, multifaceted trade and economic cooperation between Russia and Bangladesh has been developing rapidly with a special focus on such crucial areas as expanding energy infrastructure and ensuring food security. About the impact of the Ukraine war on bilateral trade he said the Russia-Bangladesh business relations are going through another challenging time with the western countries unleashing an unlimited economic war with his country.

"The unilateral sanctions imposed by the US, EU and Great Britain and subsequent breach of production and logistics chains led to a huge setback in global trade. A number of Russian banks were excluded from the SWIFT system, which affected transactions with foreign economic partners."

But, he notes, at the same time, now both Russian and Bangladeshi companies are getting accustomed to the new reality. Some of them are using alternative transportation routes to continue mutually beneficial trade. A large amount of items have been delivered by air.

Direct Import Of Russian Oil Not Possible

Discussions have been going on in different levels of the government for several days to find a way to import oil from Russia at a lower price. The government was thinking of importing oil from Russia, though using an alternative currency.

A high-level meeting of the government top level discussed the issue and reached a conclusion it is not

possible to import oil from Russia in alternative currencies against the US dollar. Because, it is impossible for Bangladesh to provide large amount of Russian currency Ruble. Apart from that, oil cannot be imported from Russia even in US dollars because of the embargo. There is



huge risk of deterioration in international relations with Western World. Therefore, the Energy and Mineral Resources Division has been given the responsibility in the meeting to check whether oil can be imported from another country at a lower price.

The meeting was held in the Cabinet Division at the Bangladesh Secretariat to review the 'Method of payment in case of import of goods'. Food Minister Sadhan Chandra Majumdar, Lands Minister Saifuzaman Chowdhury, State Minister for Power Nasrul Hamid, Prime Minister's Adviser on Private Industry and Investment Salman F Rahman were present in the meeting chaired by Commerce Minister Tipu Munshi. The meeting was attended by secretaries of different ministries including the chairman of National Board of Revenue (NBR), finance secretary, and energy secretary. Representatives of private sector firms including Square Pharmaceuticals Limited, Beximco, Acme, ACI, Renata, Incepta

Pharmaceuticals were present in the meeting. The meeting discussed the advantages and disadvantages of importing oil from Russia in detail. It was discussed in the meeting that importing oil from Russia is very difficult. The process is also complex. The country has shown

interest in exporting oil in its own currency. You can pay in dollars if you want. But it will be difficult for Bangladesh to provide Russian currency ruble for oil import. Bangladesh's trade with Russia is not that much. The biggest thing is to keep in mind the direction in which international relations will turn if oil is imported from Russia. It is informed by several officials present at the meeting.

At the end of the meeting, the journalists wanted to know from Salman F. Rahman, Advisor to the Prime Minister on Private Industry and Investment, what was discussed about the import of oil from Russia. In response, he said, "We wanted to know in the meeting, which products are banned from Russia and which products are not banned." I found out that there is a ban on fuel oil. We cannot import oil under the ban. He said, oil prices are increasing. So oil has to be imported from places where the price of oil is low. ■

Five Bangladeshi Industrial Groups In Billion-Dollar Club

Business Outlook Report

The country's private sector has been moving forward despite the volatility in the global market amid the economic crisis sparked by the coronavirus pandemic. Defying all odds, the companies have been continuing their productions by importing raw materials and making new investments in different sectors to expand their businesses. Some of the large industrial groups have set new milestones by exceeding the benchmark of billion-dollar business by importing raw materials and machinery. Five business groups have created a new position by entering the billion-dollar import club.

These successful five industrial conglomerates are Meghna Group of Industries (MGI), Abul Khair Group, City Group, BSRM and Bashundhara Group. The potential annual turnover of these five groups crossed Tk 100,000 crore while they have employed more than 168,000 people. According to the industrial groups, two cemented their position three years ago while the remaining three entered the billion-dollar club recently. There are two critical factors behind the success – first, they have expanded their base through new investments in the rapidly growing market that pushed up their import of raw materials and machinery. Secondly, the volume of their import price of raw materials and machinery from the global market was higher in the financial year 2021-22.

These private sector industrial groups have been in business for

three to seven decades. However, major expansion has occurred mainly in the last 5-10 years. The companies in the billion-dollar club are leaders in both the manufacturing and service sectors. Most of their products are marketed locally, but the export business was not ignored. With their initiatives to set up industries, many import-substitute products came to the local market from their factories. This has reduced the import of manufactured goods from abroad. The import of raw materials has increased which played a crucial role in business expansion and local employment generation.

Research director Center for Policy Dialogue (CPD) Dr Khondaker Golam Moazzem said that the import of billions of dollars of raw materials and machinery by each industrial group is a positive sign in industrialisation. Manufacturing finished goods by importing primary and intermediate raw materials is helping save foreign currency. Industrialisation is also deepening as industrial groups focus on value

addition. Apart from this, they are playing a major role in meeting the demand in the domestic market.

Golam Moazzem also said that the supply chain of the multi-billion dollar industrial groups creates job opportunities for small and medium entrepreneurs. If more small and medium enterprises are integrated into the production network of such large industrial groups, it will create a larger scope for the industry as a whole. This will also help increase the competitiveness of small and medium enterprises. For the sake of greater industrialisation, big groups should come forward further. Government policy support is also essential. Furthermore, attention should be paid to ensuring that competition is not disrupted and consumers' interest is not undermined in this regard.

Top five industrial groups

Leading local daily Prothom Alo has prepared the list with the import information of the leading industrial groups in Bangladesh. Accounts of their joint ventures and subsidiaries



Meghna Group of Industries (MGI)

are not included in the list. In preparing the list, the exchange rate of US dollar was counted at Tk 86.30 which implies one billion dollars' value as Tk 8,630 crores. But

including plastics raw materials PVC, aviation, ceramics, chemicals, consumer and consumer goods processing, cement, paper, shipbuilding, oceangoing ship

time. In the last fiscal, the group bought and launched six large vessels, investing around \$140 million. In total, the number of seagoing ships in the group's fleet has increased to 18. This year it will go up to 22.

The journey of Meghna Group started under the leadership of entrepreneur Mustafa Kamal. He started the business in 1976 by launching Kamal Trading Company. Under his leadership, the number of Meghna Group's factories has increased to 48, employing a staggering 38,000 people. MGI products are now being exported to about 25 countries.

City Group

Some 30 percent of the country's daily essential products are being marketed by City Group. It has been the leader in the import of primary and intermediate raw materials for the manufacturing of consumer goods. In the last financial year, the group imported 3.4 lakh tonnes of goods and machinery worth \$2.18 billion. The group holds the second position in the billion-dollar product import club. At present, City Group has businesses in various sectors including edible oil and sugar refining, flour and flour factories, tea plantations, shipbuilding, oilseed mills, packaging, developing economic zones, and ship management. The main brand of the group is 'Tir' (Arrow).

The City Group has established two economic zones. The City Economic Zone was established on the banks of the Shitalakkhya River in Rupganj of Narayanganj while Hossaindi Economic Zone was set up in Ghazaria upazila of Munshiganj. New factories are being developed in both economic zones. The group launched a large flour and semolina factory in Narayanganj in January this year named Rupsi Bangla Flower Mill. City Group started its journey in 1972 with entrepreneur Fazlur Rahman. In the



City Group Project

if the current exchange rate of US dollar is considered, billion US dollars will be counted as Tk 10,000 crores.

Meghna Group of Industries (MGI)

Meghna Group of Industries (MGI) tops the list of the billion-dollar club considering the imports of industrial raw materials and machinery. The pandemic and the uncertainty in the economy did not deter the conglomerate from making new investments. In this, the group has surpassed everyone in importing raw materials and machinery in the last financial year.

According to the National Board of Revenue (NBR), the country's largest conglomerate imported 8.2 million tonnes of goods worth about \$2.7 billion last fiscal, the bulk of which were industrial raw materials. There are very few sectors of the industry where MGI has no investment. It has invested in sectors

management, liquefied petroleum gas (LPG), steel structures, power, foodstuff, packaging, and development of economic zones. The products of the company are being marketed under six brands including "Fresh".

The latest addition to the group's investments is Meghna PVC Limited. It has set up its new factory in its own economic zone at Meghnaghat in Narayanganj. The investment in this factory is \$400 million, the largest investment in a factory by any Bangladeshi company. The raw material import of this factory started in the last financial year and preparations for trial production are underway. This factory will mainly produce PVC, the raw material for making plastic products, which is the first of its kind in Bangladesh. It will reduce the import dependence on such materials.

The business group has secured the second top position in the oceangoing shipping industry within a short

last two decades, new industries have been added to the fleet of the group.

Abul Khair Group

Chattogram's Abul Khair Group is the third on the list of billion-dollar



Abul Khair Group

club. The group is mainly leading in the area of heavy industries and has invested in cement, rods, plastics, ceramics, tobacco and consumer goods processing plants. It is the market leader in this industrial sector.

In the last financial year, Abul Khair Group imported 8.5 million tonnes of goods and machinery worth \$1.75 billion. Cement raw materials topped the group's import list by volume. Its Shah Cement plant has been recognised as the 79th largest plant in the world. The ranking was published in the December 2021 issue of Global Cement Magazine. Apart from cement, Abul Khair Group is the leader in sanitary products. The group is the second largest in rod production and the tea market.

The journey of Abul Khair Group started under the leadership of Abul Khair. Later his children took this group to the top, which started with

a grocery shop in 1950. The group has provided 50,000 people with employment. It has been one of the largest taxpayers to the government.

BSRM Group

BSRM Group, the leading company

manufacturing steel products. The new wire rod factory is the latest addition to the group's fleet. The National Board of Revenue data shows that BSRM imported 23.87 lakh tons of goods worth \$1.37 billion in the last financial year.

The group started in 1952 and now has eight factories with an annual rod production capacity is 16 lakh tonnes and billet of 18 lakh tonnes. This group has led the way in producing high-strength rods in Bangladesh. Due to groups like BSRM, rods did not have to be imported to construct world-class infrastructure including the Rooppur Nuclear Power Plant and Padma Bridge.

Deputy Managing Director of BSRM Group, Tapan Sengupta said, "The wire rod factory of the group came into operation last financial year. Imports of raw materials have increased to over billions of dollars. We have increased the import of raw materials at the risk of high prices so that the supply of rods in government projects is not disrupted.

Bashundhara Group

Bashundhara Group, which started



BSRM Group



Bashundhara Group

with the housing business, has investments in many industrial sectors such as cement, housing,

paper, bitumen, LP gas, steel, tissue paper, and consumer goods processing plants. This is the first time the

group has entered the billion-dollar product import club. The group imported goods worth \$1.29 billion in the last financial year. The amount of imported goods is about 65 lakh tonnes. The group has made new investments in the bitumen production sector.

On the way to the billion-dollar club

Apart from the five industrial groups, the imports of many industrial groups exceed half a billion dollars. Akiz Group, Walton Group, Jamuna Group, and S Alam Group of Chattogram are waiting to enter the prestigious billion-dollar import club. ■

FBCCI Demand Actions Against Egg Price Manipulators



Business Outlook Report

The Federation of Bangladesh Chambers of Commerce and Industry at a programme demanded punitive measures against the manipulators in the egg market. The country's apex trade body came up with the demand at the discussion on essential commodities arranged by the FBCCI held at its seminar room in the capital Dhaka on August 22.

FBCCI president Md Jashim Uddin who was connected with the programme virtually said, 'Prices of eggs went up by Tk 3 each overnight and declined right after the drive of the government agencies which clearly meant there was a certain manipulation.'

He urged the Directorate of National Consumers Right Protection to go for punitive measures against the culprit if the agency finds anybody liable for the recent price hike of the eggs. It's a common trend of raising prices while the global market goes up. A handful of businesspeople always try to misuse the

opportunity, he said. He said, 'If the tendency continues, it will hamper the reputation of the business community and we have to be united to find the culprits.' He also urged the government to break the monopoly. FBCCI senior vice-president Mostofa Azad Chowdhury Babu said the market manipulation raised question about business ethics.

'It distorted the image of the business community. If there was any breach of law, any inconsistency, the government must take punitive measures and the FBCCI would stay by the government,' he added. Directorate of the National Consumer Rights Protection director general AHM Shafiquzzaman said that the manipulation in the egg market was clear and those who had done it, deprived the whole business society.

'The price of the eggs declined by Tk 30 to Tk 35 in a 3-day drive, proving that a party manipulated the market mechanism,' he said.

Amongst others, FBCCI vice-presidents Md Amin Helaly, Md Habib Ullah Dawn, directors and secretary general Mohammad Mahfuzul Hoque were also present. ■

Bangladesh To Purchase 500 MW Electricity From Nepal PPA To Be Signed With Indian Companies



Business Outlook Report

Bangladesh is going to sign a power purchase agreement (PPA) with Indian companies GMR Karnali Hydropower Company Limited and NTPC Vidyut Vyapar Nigam (NVTN) to buy 500 MW of electricity.

In the joint steering committee (JSC) meeting between the two countries held on August 25, the Bangladeshi side expressed its commitment to sign a PPA with the Indian companies, according to the Ministry of Energy, Water Resources and Irrigation of Nepal, as reported by Kathmandu-based news portal Urja Khabar. The signing is expect-

ed to take place within the month of September, that features the visit of the Bangladesh prime minister to Delhi. The PPA is sought to be a strategic move to carry out cross-border energy trade between Nepal and Bangladesh. Bangladesh has been consistently expressing its interest in purchasing electricity from Nepal.

Bangladesh industry insiders said the import of 500 MW of electricity will be an addition to the country's current generation capacity of over 25,000 MW of which more than 40 percent remains unutilized, while the power utilities have to resort to about 2000 MW of loadshedding

daily under a rationing programme due to shortage of primary fuel. They also said although Bangladesh will import electricity from Nepal, it has to sign PPA with two Indian companies as the Indian generation company GMR will generate electricity from Nepal while the NVTN will supply it through Indian territory.

As per a bilateral arrangement between Dhaka and New Delhi, if Bangladesh wants to import power that will come from Indian territory, it has to purchase it from an Indian company, they said. GMR Karnali Hydropower Company Limited is a subsidiary of the New Delhi-based

GMR Group while NNVN is a power trading in the country formed by Indian state-owned NTPC Ltd in the year 2002. It may be mentioned that the Cabinet Committee on Government Purchase (CCPP) in a meeting in December 2019 approved the proposal of the Power Division to import 500MW electricity from the Indian company's power plant in Nepal. The bulk electricity will be imported through Indian company NNVN complying with the Indian regulatory commission's terms and conditions.

As per the proposal, Bangladesh will import the electricity from Indian firm GMR at a tariff rate of \$7.7172 (equivalent to Tk 7.36 if current US dollar rate is considered at Tk 95.49) per kilowatt hour (each unit) for over a period of 25 years. For the import, the government will have to pay a total amount of over Tk

40,000 crore to GMR through NNVN over the period, said the Power Division sources. Under the Power and Energy Increase of Speedy Supply Act (SPA) 2018, now the BPDB will sign power sales agreement with the NNVN to import the electricity from the GMR. The Nepalese news portal reports that the meeting also reached a five-point bilateral consensus on energy cooperation between the two countries.

The discussion has pointed out the possibility that Bangladesh could utilize the unexploited capacity of its high voltage direct current structure at Veramara power plant to import 40-50 MW of electricity from Nepal in the initial phase. With this possibility in place, the energy authorities of the two countries, Nepal Electricity Authority and Bangladesh Power Development Board will be requesting the Indian NNVN to sign a

trilateral PPA. Similarly, Nepal will be providing the environmental assessment report of 683 MW Sunkoshi-3 Hydropower Project to Bangladesh. In this regard, Bangladesh has consented to come up with necessary comments over the report soon to expedite forming a joint team to take forward the project construction.

Nepal and Bangladesh would like to initiate a trilateral agreement with India to construct a dedicated transmission line on the Indian land, prepare an agreement draft for cooperation in renewable energy including solar home systems, collaborate on providing training and make a future guideline for bilateral capacity building, according to the clauses that the two countries consented to in the meeting, reports the Urja Khabar. ■

FRC Complains Against Accounting Bodies Over Its Omission

The Financial Reporting Council (FRC) has lodged a complaint to the authorities concerned that some accounting bodies of the government were bypassing it when preparing laws, rules, and standards.

Established in 2017 to regulate auditors, chartered accountants, cost accountants and actuaries in the country, the FRC also requested the authorities not to approve any law that contradicts and bypasses it, said officials having knowledge about this ongoing practice. The regulatory body wrote a letter, signed by its chairman Hamid Ullah Bhuiyan, to the ministries of

commerce, finance, and law, justice and parliamentary affairs on August 11 last, expressing its concern over the misdeed. The FRC was formed in light of the recommendations placed after the capital market debacle in 2010 as there were many allegations against the auditing firms about manipulating financial statements.

The FRC seeks to promote transparency and integrity in business by setting its target to work for investors and others who rely on company reports, audits, and high-quality risk management. It is learned that the ICAB has already submit-

ted the draft to the Ministry of Commerce for its finalization. After the formation of the FRC, the landscape of the ICAB has changed a lot. Earlier, there was no regulator to monitor the activities of the auditors in the country.

On the other hand, the Institute of Cost and Management Accountants of Bangladesh (ICMAB), which is now being administered under an act passed in 2018, has many sections that are also contradictory to the FRC act. It (ICMAB) is empowered with the law to prepare standards and issuance of licences for the cost management profes-

sionals. In the letter, the FRC argued that it has the sole authority to look after the professional accountancy institutions in Bangladesh. It also argued that the organization also monitors the public interest entities.

According to the letter, the professional accountancy bodies, for example the ICAB and ICMAB, will work under the monitoring and supervision of the regulatory body.

It urged the ministries concerned not to approve any law or regulations that contradict the FRC act. ■

WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit
(Policy Support Wing)
25 August 2022

	24 August 2021	30 June, 2022 ^R	31 July, 2022 ^R	24 August 2022
1. Foreign Exchange Reserve (In million US\$)	48043.02	41826.73	39599.91	39359.10
2. Interbank Taka-USD Exchange Rate (Average)	85.1473	93.4500	94.7000	95.0000
3. Call Money Rate	1.66	4.42	5.56	5.50
Weighted Average Rate (in Percent)				
Broad/Overall Share Price Index				Percentage change
	24 August 2021	30 June, 2022	24 August 2022	From June, 2022
4. a) Dhaka Stock Exchange (DSE) [®]	6884.68	6376.94	6280.35	-1.51
b) Chittagong Stock Exchange (CSE)	20065.05	18727.52	18503.93	-1.19
	July, 2021	FY2020-21	July, 2022 ^P	FY2021-22 ^P
5. a) Wage Earners' Remittances (In million US\$)	1871.49	24777.71	2096.91	21031.68
b) Annual Percentage Change	-27.97	36.10	12.04	-15.12
	June, 2021	FY2020-21	June, 2022 ^P	FY2021-22 ^P
6. a) Import (C&F) (In million US\$)	6969.00	65594.70	7665.80	89162.30
b) Annual Percentage Change	44.95	19.73	10.00	35.93
	June, 2021	FY2020-21	June, 2022 ^P	FY2021-22 ^P
a) Import (I.o.b) (In million US\$)	6447.00	60681.00	7095.00	82495.00
b) Annual Percentage Change	44.97	19.71	10.05	35.95
	July, 2021	FY2020-21	July, 2022 ^P	FY2021-22 ^P
7. a) Export (EPB) (In million US\$)*	3473.43	38758.31	3984.82	52082.66
b) Annual Percentage Change	-11.19	15.10	14.72	34.38
	FY2020-21	July-June, 2022 ^P	FY 2019-20 ^R	
8. Current Account Balance (In million US\$)	-4575.0	-18697.0	-5435.0	
	June, 2021	FY2020-21	June, 2022 ^P	FY2021-22 ^P
9. a) Tax Revenue (NBR) (Tk. in crore)	39809.27	259881.80	48764.27	301633.84
b) Annual Percentage Change	33.18	18.99	22.49	16.07
	June, 2021	FY2020-21	June, 2022 ^R	FY2021-22 ^R
10. Investment in National Savings Certificates (Tk. in crore)				
a) Net sale	4573.56	41959.54	1749.63	19915.75
b) Total Outstanding	344093.90	344093.90	364010.13	364010.13
	June, 2020	June, 2021	June, 2022 ^P	Percentage change
				From June, 2021
11. a) Reserve Money (RM) (Tk. in crore)	284483.40	348071.80	347162.10	22.35
b) Broad Money (M2) (Tk. in crore)	1373735.00	1560895.20	1708122.40	13.62
				FY2020-21
				FY2019-20
				FY2018-19

	July, FY2021-22			July, FY2022-23 ^P			Percentage change				
	Opening	Settlement	1307633.70	Opening	Settlement	1439899.00	Opening	Settlement	16.10	10.11	14.02
Total Domestic Credit (Tk. in crore)											
a) Net Credit to the Govt. Sector	450.92	501.28	181150.70	558.35	652.61	1671748.90	23.82	30.19	28.18	22.01	59.92
b) Credit to the Other Public Sector	499.24	341.37	29215.10	221.16	623.62	283314.60	-55.70	82.68	23.92	2.75	25.09
c) Credit to the Private Sector	366.93	417.16	1097267.90	450.76	476.30	37198.70	22.85	14.18	13.66	8.35	8.61
	505.83	427.96		975.75	1289.19	1351235.60	92.90	201.24			
	2101.66	1688.95		1893.91	2563.02		-9.88	51.75			
	1220.77	1323.85		1591.09	2059.92		30.33	55.60			
Total	5145.35	4700.57		5691.02	7664.66		10.61	63.06			
Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)	December, 2018	June, 2019		December, 2020	June, 2021	September, 2021	December, 2021	March, 2022	June, 2022	July, 2022	
a) Twelve Month Average Basis	5.55	5.48		5.69	5.56	5.50	5.55	5.75	6.15	6.33	
b) Point to Point Basis	5.35	5.52		5.29	5.64	5.59	6.05	6.22	7.56	7.48	
Corresponding Period	December, 2017	June, 2018		December, 2019	June, 2020	September, 2020	December, 2020	March, 2021	June, 2021	July, 2021	
a) Twelve Month Average Basis	5.70	5.78		5.59	5.65	5.59	5.69	5.63	5.56	5.54	
b) Point to Point Basis	5.83	5.54		5.75	6.02	5.97	5.29	5.47	5.64	5.36	
Classified Loan	December, 2018	June, 2019		December, 2019	June, 2020	December, 2020	June, 2021	December, 2021	March, 2022	June, 2022	
a) Percentage Share of Classified Loan to Total Outstanding	10.30	11.69		9.32	9.16	7.66	8.18	7.93	8.53	8.96	
b) Percentage Share of Net Classified Loan	2.18	2.53		1.02	0.15	-1.18	-0.47	-0.43	-0.07	0.49	
Agricultural and Non-farm Rural Credit (Tk. in crore)	June 21	July 21		FY2020-21	June, '22 ^P	July, '22 ^P	FY2021-22 ^P	FY 2019-20	FY 2018-19	FY 2017-18	
a) Disbursement **	3540.96	942.11		25511.35	2867.48	1664.77	28834.21	22749.03	23616.25	21393.55	
b) Recovery	3686.82	1687.71		27123.90	3402.15	2045.80	27463.41	21245.24	23734.32	21503.12	
c) Outstanding	45939.80	45195.81		45939.80	49802.28	50757.43	49802.28	45592.86	42974.29	40601.11	
SME Loan (Tk. in crore)	Apr-Jun '19-20	Oct-Dec '20-21		Jan-Mar '20-21	Apr-Jun '20-21	Jul-Sep '21-22	Oct-Dec '21-22 ^P	Jan-Mar '21-22 ^P	2021	2020	
a) Disbursement	28063.70	48980.98		44445.67	41788.73	42075.49	57118.60	51716.69	185428.48	153496.15	
c) Outstanding	221695.35	237653.44		240169.54	243074.82	245325.67	252082.09	259704.21	252082.09	237653.44	
Industrial Term Loan (Tk. in crore)	Apr-Jun '19-20	Oct-Dec '20-21		Jan-Mar '20-21	Apr-Jun '20-21	Jul-Sep '21-22	Oct-Dec '21-22 ^P	Jan-Mar '21-22 ^P	FY 2020-21	FY 2019-20	
a) Disbursement	12132.03	16499.23		17379.01	19430.74	14834.23	18772.59	17340.49	68765.25	74257.02	
b) Recovery	10187.76	15538.37		16893.10	14734.86	12979.47	18477.42	16572.97	58488.71	69723.89	
c) Outstanding	277351.09	275311.09		299048.73	315294.16	303329.12	308918.45	310572.40	1163938.15	277351.09	
	FY2013-14	FY2014-15		FY2015-16	FY2016-17 ^N	FY2017-18 ^N	FY2018-19 ^N	FY2019-20 ^N	FY2020-21 ^{NR}	FY2021-22 ^P	
GDP Growth Rate (in percent, Base: 2005-06=100)	6.06	6.55		7.11	6.59	7.32	7.88	3.45	6.94	7.25	

Weekly basis commodity Statement of LCs Opened and Settled for the month of July/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	10.85	0.02	9.62	0.00	15.33	1.84	15.01	3.35	1.84	4.81	52.65	10.02
	i) Private Sector	10.85	0.02	9.62	0.00	15.13	1.84	15.01	3.35	1.84	1.12	52.45	6.33
	ii) Public Sector	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	3.69	0.20	3.69
2.	Wheat	0.22	6.16	0.26	4.72	0.75	29.52	1.86	50.22	7.03	1.70	10.12	92.32
	i) Private Sector	0.22	6.10	0.26	4.72	0.75	29.42	1.86	50.22	7.03	1.70	10.12	92.17
	ii) Public Sector	0.00	0.05	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.15
3.	Sugar	14.68	0.00	0.00	5.40	4.70	34.77	24.43	9.19	0.00	0.56	43.81	49.91
	a. Raw	14.68	0.00	0.00	5.40	4.70	34.77	13.10	9.12	0.00	0.56	32.48	49.84
	i) Private Sector	14.68	0.00	0.00	5.40	4.70	34.77	13.10	9.12	0.00	0.00	32.48	49.28
	ii) Public Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56	0.00	0.56
	b. Refined	0.00	0.00	0.00	0.00	0.00	0.00	11.34	0.07	0.00	0.00	11.34	0.07
	i) Private Sector	0.00	0.00	0.00	0.00	0.00	0.00	11.34	0.07	0.00	0.00	11.34	0.07
	ii) Public Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Milk Food	12.70	9.35	1.79	4.69	1.45	10.48	4.32	10.55	0.24	0.89	20.50	35.97
5.	Edible Oil (Refined)	45.65	30.14	0.17	23.00	61.23	72.91	133.70	134.75	36.31	0.03	277.07	260.83
	a) Soyabean	8.93	6.17	0.00	9.26	8.69	5.36	0.00	29.53	1.31	0.00	18.93	50.32
	b) Palm Oil	32.38	23.96	0.00	13.58	52.52	63.37	61.75	54.66	0.00	0.00	146.66	155.57
	c) Others	4.34	0.01	0.17	0.16	0.02	4.19	71.95	50.56	35.00	0.03	111.49	54.94
6.	Edible Oil (Crude)	24.99	44.52	10.81	36.00	30.36	58.80	75.98	138.88	8.78	13.75	150.92	291.95
	a) Soyabean	4.65	44.52	4.65	35.98	16.88	34.05	11.86	28.52	0.00	2.67	38.03	145.75
	b) Palm Oil	4.70	0.00	6.16	0.00	12.77	0.02	46.85	29.20	0.00	3.70	70.47	32.92
	c) Others	15.65	0.00	0.00	0.02	0.72	24.73	17.28	81.16	8.78	7.37	42.42	113.28
7.	Dry Fruits	0.22	0.40	0.02	0.14	0.45	0.72	0.05	0.35	0.08	0.07	0.81	1.68
	a) Dates	0.00	0.29	0.02	0.02	0.06	0.30	0.03	0.18	0.03	0.00	0.14	0.79
	b) Others	0.22	0.10	0.00	0.12	0.38	0.43	0.03	0.18	0.04	0.07	0.67	0.89
8.	Pulses	2.31	14.45	0.53	0.33	3.15	2.86	0.27	8.45	0.37	0.24	6.62	26.33
	a) Masur Dal	2.12	8.32	0.47	0.30	1.09	2.21	0.24	1.85	0.04	0.22	3.96	12.90
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.19	6.13	0.06	0.03	2.06	0.65	0.03	6.60	0.33	0.02	2.67	13.43
9.	Onion	4.75	0.16	1.67	0.27	5.09	1.26	4.86	3.19	1.05	0.91	17.42	5.80
10.	Ginger	0.58	0.83	0.05	0.27	0.42	0.63	0.31	0.54	0.00	0.15	1.36	2.43
11.	Drugs & Medicines	0.84	1.12	2.00	0.45	0.76	0.36	0.97	2.06	0.00	0.02	4.57	4.00
12.	Poultry Feeds	6.27	25.06	2.98	4.76	10.82	14.17	10.94	11.33	0.40	1.73	31.40	57.05
13.	Coal	0.10	18.12	0.02	0.51	11.88	1.11	0.58	0.94	0.23	0.25	12.81	20.93
14.	Cement	3.17	1.24	0.92	2.79	0.09	1.20	2.00	1.30	0.00	3.97	6.38	10.50
15.	Clinker	5.54	13.23	5.41	2.32	19.71	17.21	25.27	26.09	0.02	1.53	55.95	60.39
16.	B.P Sheet	0.63	0.85	0.00	9.33	0.07	1.17	0.65	1.21	0.52	5.89	1.87	18.45
17.	Scrap Vessels	1.93	3.06	0.00	3.10	6.33	0.70	10.99	13.44	1.97	0.00	21.21	20.29
18.	Paper	4.40	1.71	0.43	0.91	0.86	2.18	0.98	4.07	0.62	3.51	7.29	12.37
	i) Newsprint	0.30	0.00	0.00	0.00	0.00	0.05	0.16	0.31	0.00	0.00	0.45	0.35
	ii) Others	4.10	1.71	0.43	0.91	0.86	2.13	0.83	3.76	0.62	3.51	6.84	12.02
19.	Zinc Ingot	0.64	2.22	4.03	0.00	1.17	4.28	2.53	0.26	0.00	0.00	8.36	6.75
20.	Raw Cotton	75.04	65.48	13.14	23.99	51.04	98.10	46.32	107.88	4.21	17.90	189.74	313.36
21.	Synthetic/Mixed Yarn	31.95	21.05	1.44	9.93	9.01	29.96	11.02	32.19	1.59	5.83	55.01	98.97
22.	Cotton Yarn	44.45	69.88	3.51	22.96	17.48	70.24	25.27	75.66	3.96	16.61	94.67	255.36
23.	Textile Fabrics	29.52	25.56	2.63	8.70	14.53	24.38	22.74	29.96	1.84	5.40	71.26	93.99
24.	Textile Accessories	20.76	19.15	4.88	8.89	14.30	20.69	22.25	27.28	5.63	6.06	67.82	82.07
25.	Back-to-Back LCs	241.73	172.70	8.41	75.83	98.23	188.02	137.39	226.18	27.70	49.61	513.47	712.34
	a. Fabrics	191.18	117.21	6.14	53.47	66.26	132.29	97.84	156.01	21.62	32.26	383.04	491.23
	b. Accessories	46.75	51.66	1.61	20.89	27.53	50.90	34.58	63.70	5.84	14.29	116.32	201.43
	c. Others	3.80	3.83	0.66	1.47	4.44	4.83	4.97	6.48	0.24	3.07	14.11	19.68
26.	Pharmaceutical Raw Materials	23.45	19.15	3.45	10.17	16.24	28.72	25.10	21.90	4.28	2.76	72.51	82.69
27.	Chemicals & Chemical Products	200.14	31.24	20.39	26.88	19.48	33.46	36.76	92.50	4.43	92.00	281.20	276.09
	a. Chemical Fertilizer	133.97	7.54	17.96	8.01	2.25	9.68	23.56	64.18	1.27	85.23	179.01	174.65
	i) Urea	2.21	0.31	17.65	0.00	0.01	0.84	17.95	0.64	0.00	43.10	37.83	44.90
	ii) TSP	44.47	0.42	0.00	0.00	0.06	0.08	0.01	17.59	0.07	0.24	44.61	18.33
	iii) MOP	0.03	0.05	0.00	0.01	0.00	0.07	0.00	0.03	0.00	0.06	0.04	0.22
	iv) DAP	26.88	0.05	0.12	0.01	0.14	0.00	0.09	36.99	0.00	40.94	27.23	78.00
	v) Others	60.37	6.71	0.18	7.99	2.03	8.68	5.51	8.94	1.20	0.88	69.29	33.20
	b. Other Chemicals & Chemical Product	66.17	23.70	2.43	18.87	17.23	23.78	13.20	28.32	3.16	6.77	102.20	101.44
28.	P.O.L.	302.03	217.16	121.96	263.84	136.76	214.57	47.89	315.12	0.35	0.52	608.99	1011.20
	i) Crude	0.47	3.04	0.02	0.00	0.05	13.03	0.27	15.29	0.00	0.00	0.81	31.35
	ii) Refined	301.56	214.13	121.94	263.84	136.71	201.54	47.61	299.83	0.35	0.52	608.17	979.85
29.	Capital Machinery	84.26	252.55	10.59	74.63	32.86	155.16	83.68	90.58	7.20	44.13	218.58	617.05
30.	Machinery For Misc Industries	47.64	43.59	8.22	17.28	33.46	59.21	43.89	78.01	6.34	10.18	139.54	208.28
31.	Motor Vehicle	22.55	11.32	7.44	6.70	10.96	15.43	8.58	10.94	1.89	4.56	51.42	48.94
32.	Computer, Its Accessories & Spares	6.51	5.43	0.69	3.53	1.69	12.83	3.74	5.96	3.17	2.38	15.79	30.13
33.	Medical, Surgical & Dental Equipments	3.75	3.42	0.82	0.85	1.28	3.63	2.27	3.72	0.71	1.61	8.83	13.24
34.	Others	818.56	431.88	77.87	266.05	307.05	580.34	410.64	561.79	49.55	120.46	1663.66	1960.51
	Grand Total	2093.00	1562.19	326.14	919.21	938.96	1790.93	1243.22	2099.85	182.31	420.03	4783.63	6792.21

Data downloaded on 07.08.22

Lanka Eyes South Asian Tourists



Business Outlook Report

Sigiriya, Northern Matale District, Sri Lanka

Heavily plagued by the corona virus in 2020 and 2021, Sri Lanka is eyeing the South Asian tourists, including Bangladeshis, to give a boost to its tourism sector, sources said.

Sri Lanka has dubbed 2022 'Visit Sri Lanka Year,' and authorities are prioritizing the recovery of tourism as the country sinks deeper into its worst economic crisis since independence.

Tourism has long been a key source of capital for Sri Lanka. In 2018 the tourism sector accounted for \$4.4 billion — 5.6 percent of the country's GDP. But this dropped to just 0.8 percent in 2020, as the COVID-19 pandemic put the brakes on global travel. Tourism

of the island has long been a key source of capital for Sri Lanka. In 2018 the tourism sector accounted for \$4.4 billion — 5.6 percent of the country's Gross Domestic Product (GDP).

After India and the Maldives, Bangladeshi tourists hold the third position in Sri Lanka among the South Asian countries. A total of 6031 Indians visited Sri Lanka, a total of 1,207 Maldives and a total of 176 Bangladeshis visited Sri Lanka during the period of July, 2022, according to statistics prepared by the Sri Lanka Tourism Development Authority

The Bangladesh economy has been clocking 7.00—8.00 per cent growth over the years and

the country successfully contained the corona virus. Bangladesh has also become a member of the middle-income country this year.

Bangladesh today enjoys a steady economic growth of nearly 7 per cent per annum and as a result, a mere \$35 billion economy of the mid-1990s grew more than nine-fold to become a \$330 billion economy in 2020.

Bangladesh is expected to become the 24th largest economy in the world by 2030 despite a rise in poverty, unemployment and income losses because of the severe impacts of the Covid-19 pandemic, according to a government report. "By 2041, Bangladesh will also become a digital economy," said the National Human Development Report (NHDR) prepared by the Economic



Relations Division (ERD).

“As Sri Lanka offers on-arrival visas to Bangladeshi travelers, our well-off citizens also like to visit the island country” said a local tour operator. In 2017, a total of 15,510 Bangladeshis visited Sri Lanka, a



Red Mosque, Colombo

total of 10,487 visited in 2018, a total of 8,261 Bangladeshis in 2019, a total of 1,986 Bangladeshis in 2022, a total of 1,496 Bangladeshis and during January-July period, a total of 1721 Bangladeshis visited the island, according to statistics prepared by the Sri Lanka Tourism Development Authority. Meanwhile, the ongoing economic crisis coupled with Ukraine-Russia war and China's zero-COVID policy has put the Sri Lanka tourism sector in jeopardy. Sri Lanka will face an uphill task in restoring a once thriving sector, says GlobalData, a leading data and analytics company.

Further compounding the country's struggling tourism industry is the Ukraine-Russia conflict, which will likely result in an absence of tourists and tourism spending from these countries in the foreseeable future.

The challenges, amidst the ongoing economic crisis which has seen inflation soar to 50%, daily power cuts and shortages of basics such as fuel, food, and medicine, will undoubtedly make the revival of the country's tourism industry

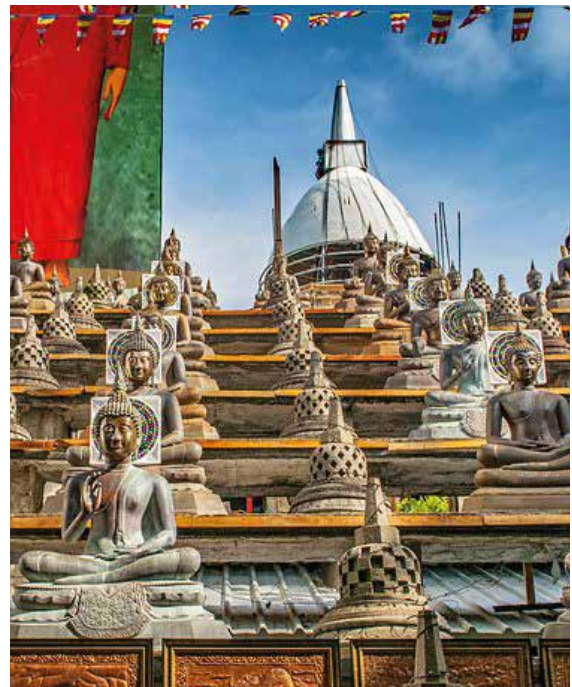
extremely challenging. “While the rest of the world has seen increased demand for tourism in recent months, Sri Lanka will have an uphill battle to revive its tourism industry. The country's initial strategy to attract inbound tourism appears to be strengthening ties with India and promoting Hindu sites.” “There is also untapped potential in the country's meetings, incentives, conferences, and exhibitions (MICE) segment particularly with India, Pakistan and Bangladesh, which could bring immediate cash-flow. However, the country may find it difficult to restore appeal in the short term – even as it starts its revival plan,” said Hannah Free, Travel and Tourism Analyst at GlobalData. The Sri Lankan tourism accounted for more than 12 per cent of the country's GDP in 2019 and the third-largest

source of foreign exchange reserves – behind worker remittances and the apparel industry.

According to GlobalData, international arrivals in Sri Lanka more than quadrupled from 448,000 to 1.9 million between 2009 and 2019, reaching a peak of 2.3 million inbound visitors in 2018. Concurrently, inbound tourism spending increased rapidly from \$394.4 million in 2009 to \$3.6 billion in 2019, with a high of \$4.4 billion in 2018. Tourism-dependent Sri Lanka suffered its first major setback with the Easter bombings in 2019. This led to the collapse of inbound tourism flows as international arrivals declined by 18% year-on-year (YoY) and tourist expenditure fell by

followed by two years of pandemic restrictions. Inbound visitors fell to just 116,600 or 6% of 2019 levels in 2021, and inbound tourism expenditure fell to as little as \$213.1 million.

Meanwhile, Europe became the largest source of tourist traffic to Sri Lanka with 62.8% of the total traffic received in July 2022. Pent up demand especially from countries such as the United Kingdom, Germany and France is likely to have driven this growth momentum. Asia and the Pacific accounted for 23.4% of total arrivals. The Americas accounted for 10.6% of the total traffic while the Middle East accounted for 2.7%. The gradual improvement in international travel is once again threatened and



Gangaramaya Temple

17.7% YoY in that year. This was immediately

it is anticipated that the spillovers from Ukraine

war will sharply hasten the deceleration of global economic activity. The war is leading to high commodity prices, adding to supply disruptions, increasing food insecurity & poverty, exacerbating inflation contributing to tighter financial vulnerabilities and policy uncertainty (Global Economic Prospects, 2022). Coupled with these, the internal factors such as the current economic crisis could create dual shocks on tourism industry. Monthly Tourist Arrivals Report July 2022

The United Kingdom, India, Germany, France and Canada were Sri Lanka's top five international tourist generating markets for the month of July this year. The United Kingdom was the largest source of tourist visits to Sri Lanka with 20% of the total traffic received in July. India and Germany accounted for 13% and 8% of the total traffic respectively while France and Canada accounted for 7%(both). In comparison to last month the source markets such as Germany and France have moved up the list of top ten markets whereas India and Australia have moved down the list. The negative spillovers of the war in Ukraine and the rising inflation could be the reasons behind the changing market trends which could create detrimental effects on tourism in Sri Lanka. ■



Transactions Thru MFS Soar In June

Business Outlook Report

The amount of money transacted through the mobile financial service soared to Tk 94,293 crore in June due to the diversification of the service by the operators. The transaction in June was 23.56 per cent or Tk 17,981 crore higher than the Tk 76,312 in the previous month and it was 19.98 per cent or Tk 15,707 crore higher than the Tk 78,586.2 crore in the same month of 2021, according to Bangladesh Bank data.

In June, the transactions included Tk 27,419.5 crore as cash-in, Tk 26,692.1 crore as cash-out, Tk 24,520.6 crore as person-to-person, Tk 3,126.5 crore as merchant payment, Tk 3,508.8 crore as government-to-person, Tk 3,264.1 crore as salary disbursement and Tk 2,059 crore as utility bill payment. Besides, customers purchased talk-time worth Tk 797.5 crore through using MFS in June. MFS data are compiled considering both Nagad and MFS through scheduled banks (Bkash, Rocket, Upay, Surecash).

Customers have also found making different kinds of payments through the MFS convenient amid a growing digital financial ecosystem. The latest BB data showed that the transactions in all type of services posted a notable growth in the month under consideration. MFS operators are introducing new services for the customers which played a pivotal role in the growth. The growth indicated a behavior shift of the general people to the digital transaction platforms. The coronavirus pandemic pushed customers for purchasing online

that led to the growing popularity of MFS. Besides, remittance inflows and disbursements of various government stipends, contributions, and private-sector industrial wages through MFS were the other factors behind the current growth of the sector. Now-a-days customers of MFS operators can make a wide range of payments, including utility services and talk-time purchase, through MFS. On the platforms of the MFS operators, one can now pay electricity, gas, water, internet, telephone and credit card bills, make payments for cable or DTH and education institutions and deposit government fees. Customers can add money or deposit money in their MFS accounts from different bank accounts at ease, officials said.

In addition to these, the customers now-a-days can pay street vendors, known as micro merchants, from their MFS wallets, another major development in the MFS ecosystem taken place in recently. The BB also increased the transaction limit through MFS amid a rapid adoption of the service by people. Some mobile MFS operators offered discounts against shopping payments by using their service. In the past one year, the number of MFS accounts increased by 2.62 crore to 17.86 crore from 15.24 crore. The MFS started its journey in 2011 with the launch of Rocket which is a Dutch-Bangla Bank's mobile financial service.

At present, 13 MFS operators are providing MFS services with bKash, Nagad, ROCKET, UPAY, mCash and SureCash remaining the major market players.



Pandemic Sets Back Fight Against Poverty In Asia By At Least 2 Years

Business Outlook Report

The Covid-19 pandemic has set back the fight against poverty in Asia and the Pacific by at least 2 years, and many in the region will likely find it harder than before to escape poverty, according to a report from the Asian Development Bank (ADB).

The region's economic growth this year is expected to reduce extreme poverty—defined as living off less than \$1.90 a day—to a level that would have been achieved in 2020 had the pandemic not happened, according to *Key Indicators for Asia and the Pacific 2022*, released on August 24.

Data simulations also show that people in the region with lower pre-pandemic levels of social mobil-

ity—the ability to escape poverty—may experience longer-lasting setbacks. The Covid-19 crisis interrupted a long trend of poverty reduction in Asia and the Pacific. Although economies are recovering, progress is uneven. The pandemic may also have worsened forms of poverty beyond income, such as food insecurity and inadequate access to health services and education, according to the report.

"The poor and the vulnerable have been hit hardest by Covid-19, and while economies are recovering, many people may find that getting out of poverty is even more difficult than before," said ADB Chief Economist Albert Park.

"Governments in the region should focus on resilience, innovation, and

inclusiveness to provide more balanced economic opportunities and greater social mobility for everyone."

By 2030, the prevalence of extreme poverty in the region is expected to drop below 1 per cent. At the same time, about 25 per cent of the population is projected to achieve at least middle-class status, defined as having income or consumption of \$15 or more a day, adjusted for purchasing power parity.

However, this outlook is threatened by differences in social mobility as well as other uncertainties. Developing Asia faces the potential for stagflation, ongoing conflicts involving key global actors, increased food insecurity, and energy price shocks. ■

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