

Country Gears Up For Confrontational Politics

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Let There Be Austerity

The country's economy is feeling the pinch of Russia-Ukraine war, soaring energy prices and costs of commodities, the lingering coronavirus pandemic and US-China faceoff, among others. Economists say the current scenario of different sectors of the economy is indicating a slowdown. The country's inflow of remittance dropped last month and its economic woes since the early calendar year are set to deepen further with no improvement in the power situation. There has been no major improvement in power outages although the policymakers earlier said that there would be a respite from blackouts by September. Moreover, the grid failure affecting more than half of the country on Oct 4 raised serious doubts about the government's capacity in maintaining the grid. Against the backdrop of poor investment in the sensitive area, grid failure becomes common every five years and threatens energy security. The country suffered similar grid failures in 2014 and 2017. Bangladesh's export earnings in September witnessed a fall after 13 months as the demand for apparel products dropped on the global market due to an economic slowdown caused by the Russia-Ukraine war. Export earnings in September fell by 6.25 per cent to \$3.90 billion year-on-year from \$4.16 billion in the same month of 2021 following export receipts from RMG fell by 7.52 per cent to \$3.16 billion from \$3.42 billion in the same month of last year. It has long been said that heavy reliance on ready-made garments and Bangladesh's protective tariff regime inhibits diversified export growth. Over 80 per cent of the country's export income comes from the shipment of ready-made garments. The export orders had decreased by 30 per cent in recent months due to high inflation in western countries caused by the Russia-Ukraine war. BGMEA leaders said that given the situation, they predicted that the export earnings would be negative from September. The remittance inflow dropped by 10.84 per cent to \$1.53 billion in September from \$1.72 billion in the same month of the last FY. Strong and effective measures are needed to protect the country from any recession. Prime Minister Sheikh recently asked all to make their best effort to increase food production amid a strong prediction that the world may face a severe food crisis followed by famine next year.

We believe, the PM's call is a time-befitting one and we all should maintain austerity and make our best effort to check misuse of the resources considering any future situation. ■



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Tejgaon

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New Commercial Hub?*



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**Recession Creeping: Can Bangladesh's
Economy Handle Mounting Pressure?**



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Ms Intex Link Garments (BD) Limited is going to set up a Garments industry in Chattogram Export Processing Zone (CEPZ) with an investment of US\$ 9.58 million. Fully foreign owned this Chinese company will produce annually 61 million pieces

of T-shirt, woven pants and jacket, ladies bra and panty, mans' boxer and sleepwear, said a press release. A total of 2659 Bangladeshi nationals will get employment opportunity in this factory. An agreement to this effect was signed on October 3 between Bangladesh Export Processing Zones Authority (BEPZA) and Intex Link Garments (BD) Limited at BEPZA Complex in the city. Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Junting Tan, Managing Director of Intex Link Garments signed the agreement on behalf of their respective organizations. The Executive Chairman of BEPZA Major General Abul Kalam Mohammad Ziaur Rahman witnessed the signing ceremony. Among others, Member (Engineering) Mohammad Faruque Alam, Executive Director (Administration) Md Zakir Hossain Chowdhury, Executive Director (Public Relations) Nazma Binte Alamgir, Executive Director (Investment Promotion) Tanvir Hossain and Executive Director (Enterprise Services) Md Khorshid Alam were present during the signing ceremony. ■

5% VAT On Edible Oil Extended To Dec 31

The government on October 6 extended the reduced 5 per cent value-added tax on edible oil for another three months to continue the relief for consumers from the indirect tax burden. The extension up to December 31 comes after the benefit expired on September 30, according to a notification by the finance ministry. The National Board of Revenue slashed the VAT on soybean oil and unrefined palm oil from 15 per cent to 5 per cent during imports and exempted the indirect tax at the production and trading stages in March amid public outcry over the soaring prices of the key essential commodities, slow delivery by mills, and stockpiling by a section of traders. At one stage, the prices of soybean oil shot up over Tk 200 per litre. ■

Load shedding: No hope of improvement before November



State Minister for Power, Energy and Mineral Resources Nasrul Hamid has said that there is no hope of improvement in the ongoing load shedding situation before November, as gas could not be imported. He made the remark while talking to reporters at his ministry on October 10 – referring to the 5-6 hour long load shedding throughout the day in and around Dhaka. He said the government has to operate some power plants on an alternative basis, due to the lack of adequate fuel

supply. "We keep some power generation units closed during daytime while others are shut down at night. That's why the extent of load shedding has increased", he said. He said the current load shedding situation will continue for some more days and things may improve from November. The state minister had earlier made an assurance that after September, power supply situation would improve and there will be no load shedding from the first week of October. When attention was drawn to his previous statement, Nasrul Hamid said that recently the demand for gas from industries has increased that prompted the government to divert some supply to them from the power plants. Production in industries has increased after pandemic, he said. The state minister also hinted that the situation in energy supply may persist for a longer period as the global situation is different again. He reiterated his call to people to be more patient regarding power and gas supply. ■

Govt Cuts Palm Oil Price, Raises Sugar Price

The government on October 6 reduced the palm oil (super) price by Tk 8 per litre and raised the sugar price by Tk 6 per kg. The new price will come into effect soon as refiners will publish a circular to this effect by tomorrow, Senior Commerce Secretary Tapan Kanti Ghosh told reporters after a meeting with edible oil importers and refiners at his office in Dhaka. As per the new rate, the price of one litre palm oil will be Tk 125, from Tk 133 now. Loose sugar price has been fixed at Tk 90 per kg from Tk 84 per kg and packaged sugar price will be retailed at Tk 95 per kg from Tk 89 currently. ■



Cheaper Cotton Raises Hopes Of Higher RMG Work Orders



the higher price of US dollar, he added. As such, Bangladesh cannot take the opportunity of lower cotton price now, Haider said. Bangladesh imports 9.5 million tonnes of cotton annually at a cost of more than \$3 billion. Global cotton production is up 1.4 million bales at 118.4 million, and stocks are projected higher this month and unchanged from the previous year, according to United States Department of Agriculture (USDA) last month. Consumption is down slightly at 118.6 million bales with lower projected use in Pakistan and Vietnam. Global trade is unchanged though as higher US exports more than offset lower shipments of the fibre from Brazil. The US balance sheet shows higher beginning stocks, production, exports, and ending stocks. Production has grown to 1.3 million bales with larger prospects for most major producing states compared with last month, the USDA report said. ■

The slowdown in demand and stronger US dollar worldwide has pushed down cotton prices in the international market, raising hopes of increased work orders from global brands and retailers among local garment makers. Cotton prices fell to around 84-85 cents per pound in the International Futures yesterday from the previous rate of between \$1.05 and \$1.06 per pound last month. "We may receive more work orders from abroad because of the price fall of cotton but at the same time, global retailers and brands will

put pressure on local suppliers to reduce prices," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association. So ultimately, local garment suppliers might not be greatly benefited from the significant price fall of cotton, he added. Similarly, local spinners, millers and cotton importers may not have reason to cheer for the fall in cotton prices because they already have unsold stockpiles of yarn. Razeeb Haider, director of the Bangladesh Textile Mills Association, said

spinners currently have a lot of unsold yarn in their mills because of lower demand from garment manufacturers. So, the spinners might not be benefited from the price fall of cotton in international markets, he said, adding that higher inflation and lower demand has put them in a tight corner. Moreover, spinners cannot spin cotton adequately because of low gas pressure that has restricted production by almost 50 per cent. In addition, importers do not feel encouraged to import more cotton because of



At Each Other's Throats: Country Gears Up For Confrontational Politics

SMS Hasan

Is the government under a pressure from the Western powers to give space to its political arch rival BNP ahead of national election scheduled for

2023? Or is the BNP under pressure from the general people to launch an anti-incumbency movement? These questions are being discussed most in political circles in recent days. But

the reality is that the BNP is getting more aggressive in its anti-government movement and the government has to allow BNP on the streets though the ruling party activists create resistance in some places. However, the battle of words continues between the two parties. BNP leader and former DUCSU vice-president Amanullah Amran has already said that the country will run at the directive of BNP chairperson Khaleda Zia after Dec 10. On that day, the BNP is scheduled to hold a grand rally in the capital. Before that it has announced to hold big rallies in divisional districts and major cities to drum up its support for a final push for its oust-government movement. It has been discussing with other political parties to launch a united movement under a broader political alliance.



On the other hand, the Awami League is not sitting idle. It has already announced that the govern-

the demands on which we'll start the movement." He said they agreed on the issues like the formation of a

there will have a surprise in the upcoming anti-government movement mainly for the restoration of democracy. Ibrahim, a freedom fighter and a former military official, said he believes that the struggle to restore democracy is another war. "We'll fight this war together and return victorious. We've no option but to win this battle."



Prime Minister Sheikh Hasina said the government wants the participation of all political parties in the next parliamentary election

ment would not allow any movement that would lead to violence and anarchy. Prime Minister Sheikh Hasina has asked her party leaders and activists to launch campaign to raise awareness both in and outside the country. BNP Secretary General Mirza Fakhru Islam Alamgir alleged that the government is using force to resist the anti-government movement. The recent grid failure and subsequent excessive load shedding in power supply has created an embarrassing situation for the government. Many raised questions about the sustainability of its development.

BNP initiates 2nd phase of talks

BNP has reached a consensus with Kalyan Party to launch a simultaneous movement by giving priority to bring back a caretaker government to oversee next general elections. As part of its move to launch a united anti-government movement, the party began its second round of dialogue with political parties through the first meeting with the leaders of Kalyan Party at the BNP chairperson's Gulshan office. BNP Secretary General Mirza Fakhru Islam Alamgir said: "We've reached an understanding that we'll forge a greater national unity to initiate a movement. We've also agreed on

polls-time caretaker government, the resignation of the current government, the dissolution of Parliament and the formation of a new Election Commission under the caretaker administration to conduct the next polls. Fakhru said both sides also agreed on some other issues, including the release of Khaleda Zia and all other opposition leaders and the withdrawal of all

Explaining the reason for the second round of dialogue, Mirza Fakhru said they agreed in principle to build national unity and begin a simultaneous movement during their first phase of talks. "In the second round of dialogue, we have reached a consensus on the issues and demands for which we'll carry out the movement." He also said they have a plan to hold discussions with all political parties except Awami League in the second phase.

A nine-member delegation of the Kalyan Party, led by its chairman Ibrahim joined the talks with Mirza Fakhru and Nazrul Islam Khan, a standing committee member of BNP and 20-party coordinator.



Whether convicted BNP leader Khaleda Zia can take part in the next parliamentary polls will be decided under the law, said Law Minister Anisul Huq

"false" cases filed against them. Kalyan Party Chairman Syed Muhammad Ibrahim said they had fruitful discussions on kicking off a simultaneous movement. "But we've agreed not to disclose the exact date to start the movement." He said

Other members of the Kalyan Party delegation include its secretary general Abdul Awal Mamun, central leaders Nurul Kabir Pintu, Abdullah Al Hasan Shakib, Rashed Ferdous, Mahbubur Rahman Shamim, Jamal Hossain, Abu Hanif and Abu Yusuf.

Earlier, BNP had discussions with 23 parties during its first phase of talks that began on May 24 to work out the outline for launching a united movement to 'restore' democracy and people's voting rights.

BNP to hold rallies in 10 divisional cities from Oct 8

BNP has recently announced to



*Obaidul Quader
General Secretary, AL*

hold public rallies in 10 divisional cities from Oct 8 as part of its move to continue the pace of ongoing movement. Besides, the party organised two mourning rallies in all divisional cities and all district towns on Oct 6 and 10 respectively in memory of five leaders of BNP and its associate bodies killed in the current movement since July 31.

Mirza Fakhru announced the programmes at a press conference at BNP's Nayapaltan central office. After holding 14 rallies in the capital, the BNP standing committee worked out the fresh programs at a meeting.

As per the schedules announced by the party, it will organise a rally from Oct 10 to Dec 3 in Chattogram, Mymensingh, Khulna, Rangpur, Barishal, Faridpur, Sylhet, Cumilla, in Rajshahi and the largest meeting will be held on Dec 10 in Dhaka. Fakhru said they want to mobilise public opinion and enhance people's involvement with

their movement through the programmes: "We want to mount pressure on the government (to accept our demands) through a strong mass movement with the active participation of people.

PM urges all parties to contest next national election

Prime Minister Sheikh Hasina said the government wants the participation of all political parties in the next parliamentary election, but it's up to a political party to join it or not.

"It is the decision of any political party whether to participate in the election or not. We can't impose anything there. Yes, we definitely want all parties to join it," she said while replying to a question at a press conference on Oct 6 at Ganabhaban on the outcome of her recent official visit to the UK and the US.

She said the Awami League, along with its allies and all others, made all improvements and reforms in the country's electoral system. "What can we do even if anyone doesn't join?" she said.

"Yes, we want all parties to join the election. Awami League will never come power rigging votes at least and didn't do so (in the past)," she said.

Pointing at BNP, she said they blamed the government when they lost the national election, giving nomination to 700 aspirants in 300 constituencies in 2018.

"Do the people vote for those who killed people through arson violence? They (the people) can never do that," said Hasina, also the president of Awami League.

She said Awami League came to power time and again working for the people, winning their hearts and cashing in their votes. AL never came out from the pocket of any military dictator. "AL always came to power through votes and

elections," she added.

Khaleda-Tarique to run country from Dec 10: BNP

Aman at a discussion in Dhaka on Oct 8 said that the country will be administered under the leadership of party Chairperson Khaleda Zia and acting Chairman Tarique Rahman from Dec 10 this year. Pointing to



*Mirza Fakhru Islam Alamgir
Secretary General, BNP*

party leaders and activists, the BNP leader said: "Get ready, a new programme will be announced. Entire Bangladesh, including Kanchpur Bridge, Tongi Bridge, Mawa Road, Aricha Road, Teknaf to Tentulia and Rupsha to Pathuria will be blocked."

He was speaking marking the 43rd founding anniversary of Bangladesh Jatiyatabadi Ulema Dal. Urging the party leaders and workers to get ready to sacrifice their lives, he said: "If necessary, we will be martyrs but no election under Sheikh Hasina in Bangladesh will be allowed."

"We will return home after ensuring the ouster of this government," he added. He said that the incumbent government is in power without any elections and is an illegal one. He said that Sheikh Hasina has no right to be in power as she has not been elected by the people. Aman, an advisor to the BNP Chairperson and also convener of Dhaka north

BNP, also said that if an election is held under the current government then the country will witness a

streets. Reiterating that the next general election will be held in time as per the country's constitution,



BNP Chairperson Khaleda Zia (on the left) and BNP Acting Chairman Tarique Rahman (on the right)

repeat of the 2014 and 2018 polls.

AL ready to face BNP on street, in polls: Quader

Awami League General Secretary Obaidul Quader has said the ruling party is ready to face the BNP on the streets and in elections, noting that the Awami League is now better organised and united under the leadership of its president, Sheikh Hasina, than at any other time in the past. "BNP leaders are still daydreaming about the fall of the government, and they are making ridiculous statements demanding the government's resignation," he told a press briefing at his Secretariat office on Oct 10. Quader, also road transport and bridges minister, said sitting on the banks of the Thames River, convicted fugitive BNP acting Chairman Tarique is daydreaming about defeating the Awami League, a party that emerged from the streets. Bangabandhu's daughter Prime Minister Sheikh Hasina has not learnt to be defeated and she never breaks down, he said, adding that the Awami League was on the streets, remains on the streets and will stay on the

Quader said the election is supposed to be held at the end of 2023 or at the beginning of 2024, as the chief election commissioner has hinted. He said BNP leader Tarique fled abroad on an undertaking that he would not do politics in the future. Asking BNP leaders to return to the path of democracy and elections, Quader warned: "Otherwise, you will not find an escape passage".

54 sued over BNP-cop clash in Gazipur; 15 held

A case has been filed against 54 people in connection with BNP's clash with police in Gazipur.

Al-Amin, sub-inspector of Gazipur sadar police station, filed the case on Monday night for attacking police, causing mass suffering blocking road and obstructing police from discharging their duties. Ziaul Islam, officer-in-charge of the police station, confirmed the matter to Dhaka Tribune on Oct 11.

The accused people include - Dr SM Rafiqul Islam Bacchu, member of BNP central committee, AKM Fazlul Haque Milon, president of Gazipur district BNP unit, its gener-

al secretary Shah Riazul Hannan and former general secretary Kazi Sayedul Alam Babu. Meanwhile, police arrested 15 people from the spot during the clash. The arrestees were sent to Gazipur court on Oct 11 seeking a 5-day remand for each. At least 20 people, including four policemen, were injured during the clash between BNP men and police in Gazipur city on Oct 10. The clash ensued as police obstructed a procession brought out by leaders and activists of BNP and its associate bodies as part of the central program. However, according to the case statement, a group of leaders and activists of the BNP led by district unit president and secretary gathered on Rajbari road in front of the BNP office and blocked the road without taking any police permission.

On information, police went to the spot and requested the BNP men to clear the road. However, denying the request, they continued their rally, said the statement. At one stage, BNP men locked into a clash with police and hurled brick chips towards police when they obstructed them in holding a rally. It was also alleged in the case that the BNP men attacked police. Later, police opened fire to bring the situation under control and for self-defense. Four policemen were injured in the attack carried out by BNP men, added the case statement.

'Law to determine Khaleda Zia's election eligibility'

Whether convicted BNP leader Khaleda can take part in the next parliamentary polls will be decided under the law, Law Minister Anisul Huq said on Oct 10.

"Only law can determine whether Khaleda Zia can participate in the national election or not but as per the current law, I believe that she can't take part in any election," he said. Anisul was talking to reporters after inaugurating a special basic training course for assistant judges at

Judicial Administration Training Institute here. Citing article 66 of the constitution, the law minister said if any person is convicted of a criminal offence and sentenced to imprisonment for two years he/she can't take part in election for five years after the release. Replying to a question about the Digital Security Act (DSA), the minister said there is nothing to worry about the law as it has been made to prevent cyber-crimes and not to curtail the freedom of the media.

Govt trashes HRW statement

The HRW said that Bangladesh authorities should respect the rule of law and protect political opposition supporters' right to freedom of association, and peaceful assembly. Human Rights Watch said on Oct 10 that they were getting complaints that authorities and the ruling Awami League supporters were attacking opposition politicians and harassing them ahead of national elections in 2023. But Home Minister Asaduzzaman Khan categorically

minister said that police have some regular duties to follow and sometimes they visit homes of the citizens



US Deputy Secretary of State Wendy Sherman met with State Minister for Foreign Affairs Md Shahriar Alam

to inquire when they need to do so.

DCs, SPs ask EC to reduce polling centres

The deputy commissioners (DCs) and the superintendents of police (SPs) have urged Election Commission (EC) to reduce the number of polling centres, so a sufficient amount of law enforces can be

Atiqul Islam also participated. Later, CEC Awal assured the officials that EC would consider their proposals

related to the polling centres.

US wants peaceful polls, better human rights record in Bangladesh

US Deputy Secretary of State Wendy Sherman has reaffirmed the importance of upholding human rights and holding "free, fair, and peaceful" national elections in Bangladesh. The statement by Sherman came as she met with State Minister for Foreign Affairs Md Shahriar Alam and discussed issues of mutual interest in the US on Oct 8, according to a message received from the US State Department. "I met with Bangladeshi State Minister Md Shahriar Alam and discussed the wide-ranging US-Bangladesh partnership. We also talked about human rights, the importance of free and fair elections, and Russia's illegal attempt to seize land from Ukraine," Sherman tweeted. The deputy secretary expressed condolences for the three Bangladeshi UN peacekeepers, who were killed on October 4 in the Central African Republic, said US Department of State Spokesperson Ned Price. Sherman and Alam discussed the US-Bangladesh partnership as two countries commemorate the 50th anniversary of the establishment of diplomatic relations.



BNP Secretary General Mirza Fakhrul Islam Alamgir had separate meeting with the leaders of the Two 20-Party alliance partners at the BNP Chairperson's Gulshan office

rejected the claims and said "it is nothing but mere propaganda" to tarnish the image of the government as well as the country. "Such allegations are baseless. The allegations of mass arrests and police raids are not true," he told UNB when reached for his response to the statement by the human rights group. "Nothing is happening like that." The home

deployed during the polls. They have also requested the EC to increase the number of booths at each polling centre during a meeting held at the Commission's auditorium in Dhaka on Oct 8. CEC Kazi Habibul Awal presided over the meeting, while the Ministry of Home Affairs Senior Secretary Akhter Hossain and Additional IGP



Policy Sets Six-Year Action Plan To Develop Light Engineering Sector



Business Outlook Report

The government has issued Light Engineering Industry Development Policy 2022, setting an action plan with a timeframe to ensure developed infrastructure, industrial park, easy financing and industrial incentives for the sector in 2022-2027.

The industries ministry on September 29 issued the policy through a gazette notification

saying that the policy would help flourish the sector to attain the goal of increasing industrial sectors' contribution to GDP to 40 per cent by 2027.

The policy termed light engineering a promising industry and said that the government would implement the action plan with a timeframe to make the sector sustainable and competitive in the global arena. To implement the action

plan, the policy has set 11 strategic targets, including infrastructural development, modernisation of technology, development of forward and backward linkages, human capital development, market expansion, research and development, industrial cluster development, establishing common facility centre, quality assurance and certification, financing and development of investment environment, and industrial incentives.

According to the policy, the government would ensure utilities, industrial sheds for entrepreneurs and IT infrastructure by 2027.

It said that Bangladesh Industrial Technical Assistance Centre would establish a raw material bank and the National Board of Revenue would ensure buy-back management and tax incentive for the light engineering products by 2025. To ensure sustain-

able development of the light engineering sector, the Bangladesh Small and Cottage Industries Corporation would establish industrial clusters across the country by 2022.

The policy also said that the Finance Division and the Bangladesh Bank would take initiatives to establish a venture capital fund to ease the production process of light engineering products by 2025. According to the policy, the industries ministry, the commerce ministry and the NBR would ensure protection for the sector through providing export subsidies and updating tax policy by 2025.

The policy also said that light engineering sector entrepreneurs would get tax holiday facility and loan from the Green Development Fund for establishing compliant factories.

The government has framed the policy to address the challenges of the 4th industrial revolution by developing its infrastructure, quality of products and expanding its market.

According to the policy, a special low interest-rated fund would be generated to encourage modern technology use and expand their usage in the local light engineering sector. ■



DCCI President Requests Turkey To Relax Tariffs On RMG

Business Outlook Report

Dhaka Chamber of Commerce and Industry (DCCI) President Rizwan Rahman requested Turkey to relax tariffs on RMG and ceramic products for Bangladesh's export growth. The DCCI President made the request when he met Turkish Minister for Trade Dr. Mehmet MUS at his Ministry in Ankara on October 2, said a press release.

Bangladeshi ceramic products do not get duty-free and quota-free access to Turkish market rather 19 percent tariff is imposed on this product. Turkey added an extra 17 percent tariff for Bangladeshi RMG products. During the meeting, Rizwan said that the bilateral trade between Bangladesh and Turkey is around \$900 million which is not satisfactory at all.

The existing bilateral trade can be enhanced to over \$2 billion through more trade diversification. He also said that the progress in public-private and B2B partnership between the two countries remain low. Rizwan said that Turkish investors can consider Bangladesh's 100 economic zones and

28 high-tech parks as their preferred investment destination. He also requested the minister to extend the current duty-free and quota-free tariff line facility to Bangladesh which is now 79.9 percent for trade growth.

Moreover, Joint Economic Commission meetings should be held regularly to arrange effective joint exhibitions and seminars on bilateral economic issues and address trade issues. Furthermore, Bangladesh and Turkey can work and advocate together to form an effective D-8 economic bloc. Turkish Minister for Trade Dr. Mehmet MUS agreed that the bilateral trade between these two countries is not up to the expected level. Terming Bangladesh as an attractive investment destination, he said both the countries should work together to enhance this trade volume. Mehmet said that few Turkish companies are already doing their business in Bangladesh and they are doing very well. "And this success will be an example for others to invest in Bangladesh." Ambassador of Bangladesh in Ankara Mosud Mannan was also present at the meeting. ■

Rampal Power Plant To Take Time To Start Running



Business Outlook Report

One of the Rampal power plant's two units was inaugurated last month but it still requires some machinery to practically start running. Moreover, a lack of synchronisation has led to the government incurring extra costs in the form of demurrage being paid to ships which have already arrived with coal but are having to await construction of the plant's jetties.

The Maitree super thermal power project is being implemented by Bangladesh-India Friendship Power Company, a 50:50 joint venture between Bangladesh Power Development Board and Indian government-owned electric utility company National Thermal Power Corporation. It is located at Rampal in Bagerhat district, which is 14 kilometres north-west of the Sundarbans mangrove forest. The plant is approximately costing \$2

billion, of which \$1.6 billion is being sourced as Indian Development Assistance under a concessional financing scheme. Bangladesh Premier Sheikh Hasina and India's Prime Minister Narendra Modi virtually inaugurated one of the plant's two units on September 6 during an official visit of the former to Delhi. At that time, it was announced that the plant would start running on the first week of October.

"We have started trial...production capacity showed 160MW so technical setups are required to take the generation capacity of a single unit to the targeted 660MW," said Sayeed Akram Ullah, managing director of Bangladesh-India Friendship Power Company last week. "We are expecting it would take at least mid-November to go into commercial generation of power as it is not the type of work that can be completed

overnight...it is a technical work related to technology," he said. Akram hopes for the second unit to start running in April next year. Regarding the construction of the plant's three jetties, he said one was complete. The three will enable unloading 5,000 tonnes of coal in four hours, which is the amount of fuel the two units will need every day to produce 1,320MW of electricity, he said. Sources informed that coal-laden ships were already at the site awaiting unloading and being paid demurrage.

Another issue was that draft of the Pasur river adjoining the plant was less than four metres, for which multiple lighters were needed instead of the mother ship coming right in. This requires dredging, said Akram. Subash Chandra Pandey, director of the project, did not provide any comment in this regard. ■



Increasing Repo Rate Will Not Tame Inflation

Business Outlook Report

The new repo rate — the interest rate at which banks borrow short-term funds — from the central bank was implemented on October 2. With this, Bangladesh Bank changed its policy or repo rate for the third time in just four months. The central bank said this was done to control inflation.

However, economists believe that this policy of increasing the repo rate without increasing the general lending rate will not have a practical impact on inflation like it did not have an effect that last two times. In a surprise move, Bangladesh Bank raised its repo rate or repurchase agreement rate by 25 basis points to 5.75%. The decision comes three months after the previous hike on

June 30, when it raised the repo rate by 50 basis points to 5.50%. Before that, it was raised by 25 basis points to 5.00% on May 29. Regarding the new repo rate's impact, a central bank official told Dhaka Tribune: "We want banks to borrow from one another at a rate lower than the repurchase agreement rate. After this new repo rate, I think banks will borrow fewer loans from Bangladesh Bank from October 2."

Zahid Hussain, lead economist consultant for World Bank said: "There is no indication of any policy adjustment other than the 25 basis point increase in the repo rate. The role of the bank lending rate in the transmission of monetary policy is in a deep freeze." "The 75 basis point increase in the policy rate so far has

less than 200 basis point room to move the lending rates industry-wide. Meanwhile, the differential between the rates on safe assets and the lending rate cap has shrunk massively," he added.

Asked about any possible impact on the call money rate on inflation because of the policy rate hike, Zahid Hussain said: "Usually, if the policy rate gets raised, so does the lending rate. The rise in lending rate leads to a fall in credit demand. Thus, demand for goods and services falls, causing reduced inflation. But, this theory will not be effective in our country because of the lending rate cap." But he also agrees that due to this decision, the call money rate — the interest rate at which banks borrow funds from one

another — may increase the amount of lending and cost for the banks.

Interbank Call Money Rate Rises

Call money is any type of short-term, interest-earning financial loan that the borrower has to pay back immediately whenever the lender demands it. According to Bangladesh Bank data, the average inter-bank repo rate or call money rate was 5%-8.5% on October 3. Data analysis shows that the interbank's highest interest rate hit 6.25% for short notice overnight (1 day) borrowing. Short notice three days and seven days' interest rate is 7.25% and 7.75%.

No Inflation Data Published In Two Months

Generally, the inflation rate of the previous month is published in the first week or the beginning of the second week of the following month. But the inflation rate for

August has not been published yet. Although July data was published on August 3 when the inflation came down a bit. After that, two months have passed and no data has been published. Insiders said that inflation crossed the 9% mark in August and the regulatory bodies may want to conceal it. However, since January this year, the inflation graph has been rising sharply. According to Bangladesh Bureau of Statistics (BBS) data, the general inflation rate was 7.48% in July and 7.56% in June. From January to May this year, this rate was 5.86%, 6.17%, 6.22%, 6.29% and 7.42% respectively.

Repo Rate And Private Sector Credit Growth

Policy rate is a monetary tool, which is used to dampen credit demand. But the credit growth remained upward even after the policy rate was hiked on a previous couple of occasions owing to the lending rate

cap. Economists said that the policy rate became ineffective when the lending rate was fixed at 9% as banks could not make loans costlier for borrowers. The Bangladesh Bank raised the policy rate from 4.75% to 5% in May when the private sector credit growth was nearly 13%. Later in the monetary policy for the current fiscal year, the central bank hiked the rate for the second time in June to 5.50% when credit growth was 13.66%.

Finally, the credit growth crossed 14.07% in August, very close to the monetary target of 14.1% set for the current fiscal year. It prompted the central bank to further raise the rate.

The Bangladesh Bank raised the policy rate at a time when global central banks are also tightening monetary policy to guard against inflation. ■

Bangladesh To Buy Fertiliser At Lower Cost



The government has approved three separate proposals on fertiliser import at lower costs as the price of the product declined in the international market. The approval came at a meeting of the Cabinet Committee on Government Purchase (CCGP) at a meeting on October 12. Finance Minister AHMMustafa Kamal presided over the Cabinet purchase body meeting. As per the proposals

Bangladesh Chemical Industries Corporation (BCIC), a subsidiary body of Ministry of Industries, will import 30,000 metric tons (MT) of bulk granular urea fertilizer from Fertiglobe Distribution Limited of UAE at Tk 204.72 crore. Each metric ton will cost \$632, down by about \$46 from the previous purchase of the product at \$678 per MT. Similarly, the BCIC will import another

30,000 MT of bulk granular urea at about Tk 204.72 crore from Muntajat of Qatar, with \$632 per metric ton, down by \$46 from earlier purchase. Bangladesh Agriculture Development Corporation (BADCO) will import 40,000 MT of DAP fertiliser from MA'ADEN of Saudi Arabia at a cost of Tk 309.77 crore under a state-level contract. Each metric ton will cost 726.50, down by \$139.5 from the previous rate of \$866 per MT. Following the start of the Russia-Ukraine war in February this year the price of both urea and MOP fertilisers had crossed \$900 per metric ton. The Cabinet body also approved a proposal of the Local Government Engineering Division to award a Tk 105 crore contract to local firm Max Infrastructure Ltd to execute civil construction works of a 614 metre PSC guarder bridge on the Kalinga River at Nesarabad upazila of Pirojpur district. ■

Govt Seeks \$6.15bn Loans From WB



Business Outlook Report

Tangladesh has sought \$6.15 billion in loan support from the World Bank to implement a total of 54 projects in the next three years. A formal proposal has been put forward to the Washington-based lending agency to obtain the required loans from the lender's soft loan window International Development Agency (IDA)-20, official sources said. The government expects to get \$2.05 billion IDA credit per year during the 2022-2025 period to implement projects.

Besides, the government has also sought \$1 billion in budget support from the lender. In total, \$7.15 billion loans have been sought from WB, sources said. Bangladesh has sought the loans from the WB at a time when it is struggling with an acute US dollar crisis triggered by the Russia-Ukraine war that has put the country's strong corona recovery in jittery. The country's import bills have witnessed an unprecedented jump recently because of the war-induced global food and energy price volatility. The country's foreign

reserves came under tremendous pressure with import bills surpassing the exports and remittance inflow. Former World Bank lead economist Dr Zahid Hussain said: "Bangladesh can get \$3.30 billion from IDA-20 to implement projects. In that case, the sector and character of the project may be considered." He also thinks that the country can get budget support as well, but in that case financial sector, energy price, social security and trade sector may require some reforms.

Recently, a report was placed before the WB vice-president, which says that the lender has so far committed \$37.4 billion in loans to Bangladesh since 1972. Of the committed funds, WB has so far disbursed \$26.64 billion which has been utilized in the field of education, health, power, improving the water discharge system, and sanitization besides the financial sector and sustainable development. Currently, some 54 projects are underway with financial assistance from the WB, of which \$2.54 billion will be spent on seven projects. Bangladesh, on the other

hand, has repaid \$6.37 billion in credit, including \$5.6 billion as principal amount and \$770 million as loan interest. Its total outstanding loans to the WB now stand at \$19.4 billion, which is 32 percent of its total overseas loans. Bangladesh is a key IDA loan recipient in the world. It received a \$2,161 million loan commitment from IDA in the 2021-22 fiscal year, the second highest loan commitment after Nigeria which fetched \$2.40 billion.

Bangladesh got \$1.67 billion fund released from the IDA's committed \$2.16 billion loans, finance ministry data showed.

IDA's loan receipt was \$1.57 billion in 2020-21, \$1.51 in 2019-20, \$2.03 billion in 2018-19 and \$1.42 billion in 2017-18 fiscal year, according to the finance ministry.

In the wake foreign currency crisis, the government has stepped up efforts to get foreign loans. Besides the World Bank, budget support has also been sought from the Asian Development Bank. ■



Better Coordination Needed Amongst Tax Departments

Business Outlook Report

Experts at a webinar on October 3 said that income tax, value added tax (VAT), and customs management system of the National Board of Revenue (NBR) need to be more taxpayer-friendly.

Speedy completion of various automation activities of the NBR and better coordination among the three departments should be focused in this regard, they said at a webinar organized by the Institute of Chartered Accountants of Bangladesh (ICAB). "There is no inter-departmental connectivity for proper coordination among the three departments, Mohammad Humayun Kabir," the former ICAB president pointed out. Although online tax payment has been talked about for many years, the progress, in reality, is very little, Md Farid Uddin,

former NBR member said at the webinar presided over by ICAB President Md Shahadat Hossain.

Speakers participating in the discussion expressed their dissatisfaction with the current status of the three laws of the NBR. They raised the issue of Income Tax Law and Customs Law not yet being passed despite long discussions. They also said that the new VAT law has also been distorted from the proposed law of 2012. Farid Uddin questioned the rationale of the existing 15% VAT rate. He said it was necessary to consider how effective VAT will be at 15% rate because although large companies have the opportunity to take rebates, it becomes more than 15% in some cases due to the cascading effect for small companies. Former NBR member Ranjan Kumar Bhowmik pointed out sever-

al inconsistencies and misinterpretations in the latest circulars (directives) issued by the Finance Act and Tax Department. He also said that due to these misinterpretations, the stock market has been affected recently.

He also asked how much benefit the tax amnesty given in the budget will actually provide in bringing the assets held abroad into the country. He said it needs to be seen whether people use this opportunity and smuggle wealth out of the country and then bring it back with the benefit of 7% tax.

Professional accountants Snehashish Barua and Lutful Hadee presented the keynote paper, while NBR members Mohammad Jahid Hasan, Abdul Mannan Skiker spoke among others. ■

Save Money, Produce Food To Face Tough Days Ahead: PM Hasina



Business Outlook Report

P rime minister Sheikh Hasina has asked all to make their best effort to increase food production amid a strong prediction that the world may face a severe food crisis followed by famine next year. “During my recent visits to the UK and the USA I had talked to many world leaders and heads of organisations, and everybody was very much anxious about the issue (food security). They think that 2023 will be a very dangerous year when there might be famines and food crisis,” she said.

The Prime minister made the statement delivering her introductory speech in the weekly meeting of the Executive Committee of the National Economic Committee (ECNEC) held at the NEC Bhaban in the city on October 11. The prime minister joined the meeting virtually from her official residence --Ganobhaban. ECNEC is an executive committee

under the Cabinet Division to verify and approve all national important development projects. “We must increase food production and preserve those. We must give special attention in preserving and processing food. Our land is very much fertile, and we have to increase our food production,” she said.

She reiterated her call to maintain austerity in every sphere of life, avoiding any unnecessary expenditure. “All have to be cautious and maintain austerity in using electricity, fuel, water, gas and everything else. I will request every family to go for savings whatever they can. And this is applicable for our government also,” she said. She said that the government will not go for any unnecessary expenditure. “We will just use whatever we need, not more than that. We do not have any scope for that, because, I saw anxiety among the world leaders and heads of organisations. So, we must maintain

enough cautionary steps,” she said. The prime minister said that the country must be advanced, overcoming all odds, and the government will do that as long as people are with them. “They (people) are the biggest power for us. We do not have any tension as long as people are with us. We have to encourage the people and utilise them as we did while facing the coronavirus pandemic,” she said. She said that the country needed to be free from the impact of recession that is stemming from Ukraine war.

Sheikh Hasina also requested the Planning Commission not to spend their valuable time to discuss inflation every time.

“Because many countries around the world do not discuss this issue (too much). The USA and the European countries ...do not discuss very much about the issue in their own countries,” she said. ■



Twin Towers of Shanta Group at Tejgaon-Gulshan Link Road

Tejgaon: From Industrial To New Commercial Hub?

Apu Ahmed

After conquering Bengal in the late 16th century, the Mughal rulers allowed the Portuguese to settle at present-day Tejgaon in Dhaka.

The Portuguese Connection

According to historians, the Mughals, surprised with the skills of Portuguese sailors, used to call them ‘tej’, a farsi word meaning sharpness, pungency, spirit, energy, strength and power. Since then, people called the area Tejgaon. One of its flanks grew along with the Hatirjheel, a water body where the herd found its place on sultry summer days. The transfer of the capital to Murshidabad from Dhaka by the Mughal and subsequently the passage of

British rule in this part of the world had sent Tejgaon into oblivion for many years. However, the place was revived and became spirited again during the country’s pre-independent period when the then West Pakistan government identified the area as the city’s first industrial zone.

Early Industries

Many of us have grown up with the taste of lozenges manufactured by Nabisco Company in its Tejgaon factory. Many people become nostalgic with glucose biscuits packed in the neon pink colour of the Nabisco. There are many other factories --Haque Biscuit, Gaco, Cosco, Kohinoor and Mimi—which earned popularity with their products from Tejgaon. Contribut-

ing to the country’s industrialisation for about 50 years, Tejgaon has now shown promise to transform itself into another form of the century-old city. It has emerged as the most lucrative commercial zone. In fact, the transformation of Tejgaon industrial area as a new commercial hub of the capital had started before the government decided to turn the place as a commercial-residential zone in 2014.

Realtors Start the Changes

The imagination of the private sector realtors over the prospect of the Tejgaon-Gulshan link road and the development of Hatirjheel as a new attraction of the city helped the area to revitalise its importance. The Shanta Western Tower, built by



The prospects of the Tejgaon-Gulshan link road and the development of Hatirjheel as a new attraction of the city helped the Tejgaon area revitalize its importance

Shanta Holdings on a 60 khata plot in 2011, became the first multi-storey commercial building on the Tejgaon-Gulshan link road. The building has host offices of multinational banks HSBC, New Zealand Dairy, Qatar Airways. World famous brand BMW car dealership will soon be opened there. Multinational giant Unilever has opened an office at another multi-storey building in the same area by Shanta.

Tallest Tower

Meghna Corporation, a well-known name in the country for exporting bicycles is an owner of the building. Its owner Lutful Bari said they had shifted their factory in Gazipur many years ago from the area. He said they had planned to construct a multi-storey building for the growing commercial prospects of the area. The plan has been translated into reality under a joint initiative with Shanta. Meanwhile, the successful construction of the 14-storey building encouraged the same developer to start construction of a 40-storey building in 2019. Dubbed as the tallest building in the city, the tower on 45 kathas is expected to be completed this year.

Realtors Views

Shanta Holdings' Senior General

Manager Shihab Ahmed said the advantage of the area is its large plots. You can hardly find so many large plots available in any other area of the city. So, it is possible to build multi-storey buildings. Apart from the Gulshan-Tejgaon link road, the roads in the inner areas are also wide. Being close to Gulshan, it is very easy to come from Banani, Baridhara and Bashundhara. He hoped that Tejgaon industrial area was going to

be the commercial centre in near future with more presence of banks, hospitals, universities, markets and shopping malls.

Survey on Tejgaon

Many business entities are now showing interest in opening their offices after the government decision eight years ago has accelerated the commercialisation of the city's first industrial hub. A survey by Jahangirnagar University's Department of Urban and Regional Planning in 2015 found that around 64.6 per cent of Tejgaon area was under various industries in 2005 and the rest of the area had been used for commercial purposes. The commercial activities gained momentum as land use in the area by both types became almost equal in 20015. Out of a total 430 plots, 141 were industrial plots and the rest 147 were commercial. There were also 61 plots under the possession of institutes, 61 residential and 20 under service providers. Some 38 per cent buildings of the area were one



Newly Built Hatirjheel Administrative Building

or two-storey. Some other 39 per cent of buildings were under three or five-storey buildings. Only one-fifth of the buildings were six to nine-storey and four per cent of buildings were above 10-storey.

PWD Plans

Four years after the government decision, the Public Works Department prepared a master plan to turn Tejgaon into an industri-

commercial use. The master plan aimed at turning the place into an iconic zone larger than the capital's Motijheel with optimum uses of its land.

Enthusiasm Runs High

The businesses are excited and enthusiastic about establishing new multi-storey commercial buildings. According to Rajdhani Unnayan Kartipakhha or RAJUK officials,

government. Besides, too much congestion will hamper the ecology of the area supported by the Hatirjheel Project.

Open Space Imperative

Many also argue that there should be a sufficient portion of open space in the area. The shifting of government establishments to other places will ensure the availability of open space. But the PWD's moves to



Many new constructions are taking place at both sides of the Tejgaon-Gulshan Link Road

al-cum-commercial and residential area in 2016. The plan suggested the Bangladesh Film Development Corporation, Tejgaon Central Storage Depot and illegal parking places for trucks will be removed from there. In the master plan, PWD recommended business centres, corporate offices, convention centres, international hotels, and serviced apartments on privately-owned industrial plots for

many developers have applied for the construction of high-rise buildings over 20-storey. City planners said the government should be careful regarding the enthusiasm of the developers for sustainable growth of the new look Tejgaon. They said permitting too many high-rises in the area would make traffic management tough – and a dysfunctional traffic system would not benefit the ultimate aim of the

construct multi-storied buildings on government establishments sound fishy. For example, they said the multi-storey building at some portion of Bangladesh Film Development Corporation had now been constructed. The rest of the area should not be leased out to the private sector. Some lands should be kept for maintaining open space. ■



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Recession Creeping

Can Bangladesh's Economy Handle Mounting Pressure?

Apu Ahmed

The country's export incomes took a beating in September, which, economists say is the first real sign of adverse impacts out of recessions in major economic powerhouses across the world following price hikes of essentials amid the war between Russia and Ukraine.

Grid Failure

Not only the export income but also the country's inflow of remittance dropped last month. The country's economic woes since the early calendar year are set to deepen further with no improvement in the power situation. There has been no major improvement in power outages although the government policymakers earlier said that there would be a respite from blackouts by September. Moreover, the grid

Key Points

- Country's Inflow Of Remittance Dropped
- No Improvement In The Power Situation
- Export Earnings Would Be Negative From September
- Export Earnings In September Witnessed A Fall After 13 Months
- Export Orders Had Decreased By 30 Percent In Recent Months Due To High Inflation
- Remittance Inflow Dropped By 10.84 Percent To \$1.53 Billion In September From \$1.72 Billion In The Same Month Of The Last FY

failure affecting more than half of the country on Oct 4 raised serious doubt about the capacity of the government in maintaining the grid. Against the backdrop of poor investment in the sensitive area, grid failure becomes common every five years and threatens energy security.

The county suffered grid failure in 2014 and 2017.

Poor investment

In FY22, according to the Centre for Policy Dialogue, power generation capacity increased by 16 per cent against a 2.5 per cent increase in



distribution network and 5.52 per cent increase in transmission network. But the investment in transmission and distribution capacities should have been 1.5 times of the investment in generation capacity, according to the 2016 power sector master plan. An estimate by the Bangladesh Working Group on External Debt showed that Bangladesh invested three times more in generation than transmission and distribution over the past decade. Bangladesh's current installed power generation capacity is over 25,500MW, but the maximum electricity the national grid can handle is 14,782MW.

Mismanagement Bogs Energy Sector

Mismanagement has been blamed for the abysmal power sector while inept policy and lack of farsighted-

ness should be blamed for the lack of strength to tackle external shocks. The World Bank in a recent report said the country's higher GDP growth in the last decade had not translated into faster poverty reduction as in the preceding past two



decades. "The current episode of high growth has not been as inclusive as it was earlier," said the country's leading multilateral lending agency in its report titled 'The Country Economic Memorandum – Change of Fabric'. WB lead economist consultant Zahid Hussain said the country's current pace of growth would be difficult to sustain without reforms in the banking sector, trade competitiveness and urbanisation. The country's growth in GDP will drop to 5 per cent in 2036-40 if there are no major reforms, predicted the WB.

Reliance on RMG

It has long been said that heavy reliance on ready-made garments and Bangladesh's protective tariff regime inhibits diversified export growth. Over 80 per cent of the country's export income comes from the shipment of ready-made garments. So, it is not surprising that the country's export earnings in September witnessed a fall after 13 months as the demand for apparel products dropped on the global market due to an economic slowdown caused by the Russia-Ukraine war. The country's export earnings in September fell by 6.25 per cent to \$3.90 billion year-on-year from \$4.16 billion in the same month of 2021 following export receipts from RMG fell by 7.52 per cent to \$3.16 billion from

\$3.42 billion in the same month of 2021, according to update by the Export Promotion Bureau.

Export Decline to Continue

Policy Research Institute executive director Ahsan H Mansur said export earnings growth in September was disappointing but expected as the world economy is not in a good shape. He said it was discussed that the export orders had decreased by 30 per cent in recent months due to high inflation in western countries caused by the Russia-Ukraine war. “Negative growth in export

“Considering the situation, we predicted that the export earnings would be negative from September,” said the BGMEA president.

Surprising Drop in Remittance

Remittance inflow dropped by 10.84 per cent to \$1.53 billion in September from \$1.72 billion in the same month of the last FY. The inflow in September was the lowest after February 2022 when it was at \$1.49 billion. The fall came despite the country sending over 7.8 lakh people overseas for jobs in the first eight months of the current calendar

year.

Check Hundi, Capital Flight

According to Bangladesh Bank insiders, the country’s macroeconomic indicators have been facing pressure since 2016–17. The current account balance has been negative since that fiscal but the government showed little interest in the sensitive issue. The government did not adjust the exchange rate of the local currency against the dollar although many countries did. Moreover, the government took loans from reserves to fund development



earnings in September is the reflection of the sluggish demand for RMG on the global market,” he added. He said that the future export growth would depend on the capacity of Bangladesh to grab export orders which would be shifted from China. Bangladesh Garment Manufacturers and Exporters Association president Faruque Hassan said that export orders had been decreasing for the past few months as the world economy was facing inflation.

year. The number was 6.17 lakh in 2021 and 2.17 lakh in 2020, according to data from the Bureau of Manpower Employment and Training. The decline in remittance will hurt foreign exchange reserves falling to \$36 billion in September from \$48 billion a year ago. The volatility in exchange rate of Taka against the US Dollar for the past several months has been blamed for the situation. The local currency lost its value by 25 per cent in the past

projects. Former BB governor Salehuddin Ahmed said that increase in export incomes would be difficult following recessions in the US and Europe, the country’s major export destinations. He noted that the county had to stop Hundi and capital flights to tackle the deepening crisis. He also noted that the government should restrict overseas loans taken by the private sector. ■

Chevron Signs Deals To Drill More Wells At Expanded Bibiyana Gas Field



Business Outlook Report

Chevron Bangladesh has signed several agreements with the Energy and Mineral Resources Division and also with state-owned Petrobangla to drill more wells at the expanded Bibiyana gas field, reports news agency UNB.

The deals are Supplemental Agreement to the Block 12 Production Sharing Contract for Bibiyana Flank Area Extension, amendment of Jalalabad Gas and Condensate Purchase and Sales Agreement and Amendment of Moulvibazar Condensate Purchase and Sales Agreement for Block 13 and 14.

Energy and Mineral Resources Division deputy secretary Morsheda Ferdous, Petrobangla secretary (senior general manager) Ruchira Islam, and Chevron, Bangladesh president Eric M. Walker

signed the agreements at a city hotel on October 2. Petrobangla chairman Nazmul Ahsan said the main objective of Chevron's Bibiyana Flank Area Extension is to drill new wells there. So far, Chevron has dug 26 wells at the Bibiyana gas field. It will begin drilling the BY-27 development well in 2023 in the extended area.

The multinational energy corporation also plans to drill the BY-28 infield well later, Nazmul said, adding that a significant amount of gas is expected to flow from the field. Chevron is now producing around 1481.3 million cubic feet of gas per day from three gas fields – Bibiyana, Jalalabad and Moulvibazar – about 60 per cent of the country's total gas production. It has also been producing more than 80 per cent of the total condensate production.

Earlier, the government approved Chevron's proposal to allow it to add a 60-square-kilometre "flank" area outside its existing contract zone in the north of the Bibiyana gas field. The approval came last month when the US oil giant celebrated its 25 years of operations in Bangladesh.

The newly extended area will be drilled under the same production sharing contract now applicable for the three gas fields, said the Energy and Mineral Resources Division officials. ■



Amber IT, IFIC Bank sign agreement: An agreement was signed between Amber IT and IFIC Bank to provide uninterrupted nationwide data connectivity services for Central Security Surveillance System. Amber IT's CEO Aminul Hakim and IFIC's DMD & Head of International Division Syed Mansur Mustafa inked the deal at IFIC head office. ■



SBAC Bank training workshop: A training workshop on the 'Refinance scheme of Bangladesh Bank, ADB and JICA' was held at the Training Institute of South Bangla Agriculture and Commerce Bank Ltd. (SBAC) recently. Habibur Rahman, Managing Director and CEO (CC) of the SBAC Bank, was present as the chief guest while AKM Fazlur Rahman, Principal of the Training Institute, presided over the workshop. ■



Chairman of Pally Sanchay Bank Md Akram-Al-Hossain hands over cheques to borrowers at a training and feedback session on integrity for the officials and staff of the bank of Magura district at Magura Upazila Parishad auditorium. Managing Director Khandaker Ataur Rahman attended the event, among others. ■



MTB Foundation has presented Bravery & Courage Awards to 13 firefighters who lost their lives in the Sitakunda fire incident. Family members of the firefighters received the awards at the award ceremony held at the Mutual Trust Bank's Corporate Head Office in the city recently. Syed Manzur Elahi, Founding Chairman & Director, Md Wakiluddin, Chairman, Syed Mahbubur Rahman, Managing Director & CEO of the bank, and Samia Chowdhury, Chief Executive Officer of MTB Foundation, were present at the award ceremony. ■



Uttara Bank Limited Managing Director & CEO Mohammed Rabiul Hossain inaugurating the 21st sub-branch of the bank at Navaron, Sharsha in Jashore. Deputy Managing Director Md Abul Hashem along with General Manager Md Rabiul Hasan, Deputy General Manager and Zonal Head (Khulna Zone) Mohammed Rafiq Newaz were also present on the occasion. ■



Ali Reza Mazid, member of BEPZA and Junting Tan, managing director of Intex Link Garments (BD) Limited, exchanging documents after signing the agreement on behalf of their respective organisations at BEPZA Complex in the city. ■



Southeast Bank Limited provided an ambulance to 'Professor Nazrul Rheumatology Foundation & Research (PNRFR)' as a part of its corporate social responsibility. M Kamal Hossain, Managing Director of Southeast Bank, handed over the key of the ambulance to Prof Md Nazrul Islam, chairman of PNRFR. ■



Bank Asia Limited has achieved the most prestigious Standard Information Security Certification namely 'PCI DSS'. Suresh Dadlani, President of ControlCase, handed over the certificate in a ceremony at Bank Asia Tower in the city. Rumeen A Hossain, Chairman of Board Executive Committee of the bank, was present as the chief guest. Directors Enam Chowdhury, Ashrafal Haq Chowdhury and Helal Ahmed Chowdhury and President & Managing Director (CC) of the bank Adil Chowdhury were also present. ■



Padma Bank Limited has signed a memorandum of understanding (MoU) with Momo Inn, a hotel and resort in Bogura. The MoU was signed in a brief ceremony at Momo Inn's head office in Banani in the capital. Javed Amin, deputy managing director and COO of Padma Bank, and Jewel Khan, additional managing director of Momo Inn, signed the agreement. Under this agreement, Padma Bank cardholders can avail lucrative discounts on rooms and hotel services. ■



United Commercial Bank Limited has recently been awarded the ISO/IEC 27001 certification. ISO 27001 enables organisations to manage the security of assets such as financial information, intellectual property, employee details, or information entrusted by third parties. Suresh Dadlani, President of Control Case, handed over a Memento and the ISO 27001 Certificate of Compliance to Arif Quadri, Managing Director & CEO of UCB, at the Corporate Office of the bank. ■



The closing ceremony of a month-long Foundation Training Course of Shahjalal Islami Bank Ltd. for newly recruited 36 Probationary Officers was held at the bank's Training Academy recently. Chairman of the Board of Directors of the bank Mohammed Yunus was present as the chief guest and distributed certificates among the participants. Managing Director & CEO Mosleh Uddin Ahmed was present as a special guest. ■



Mercantile Bank Limited donated an ambulance to Senbagh Upazila Health Complex as part of its corporate social responsibility. Morshed Alam, an MP from Noakhali-2 and Chairman of the bank, handed over a dummy key of the ambulance to Dr Md Mohibus Salam Khan, UH & FPO of Senbagh Upazila Health Complex, at a ceremony. Md Abu Naser Dulal, Mayor of Senbagh Municipality, and Iqbal H Patwary, OC of Senbagh Thana, along with the distinguished persons were present at the ceremony. ■

Further Delaying Climate Policies Will Hurt Economic Growth

Benjamin Carton & Jean-Marc Natal

The world must cut greenhouse gas emissions by at least a quarter before the end of this decade to achieve carbon neutrality by 2050. Progress needed toward such a major shift will inevitably impose short-term economic costs, though these are dwarfed by the innumerable long-term benefits of slowing climate change.

In our latest World Economic Outlook, we estimate the near-term impact of different climate mitigation policies on output and inflation. If the right measures are implemented immediately and phased in over the next eight years, the costs will be small. However, if the transition to renewables is delayed, the costs will be much greater.

To assess the short-term impact of transitioning to renewables, we developed a model that splits countries into four regions—China, the euro area, the United States, and a block representing the rest of the

world. We assume that each region introduces budget-neutral policies that include greenhouse gas taxes, which are increased gradually to achieve a 25 percent reduction in emissions by 2030, combined with transfers to households, subsidies to low-emitting technologies, and labor tax cuts.

The results show that such a policy package could slow global economic growth by 0.15 percentage point to 0.25 percentage point annually from now until 2030, depending on how quickly regions can wean off fossil fuels for electricity generation. The more difficult the transition to clean electricity, the greater the greenhouse gas tax increase or equivalent regulations needed to incentivise change—and the larger the macroeconomic costs in terms of lost output and higher inflation.

For Europe, the United States, and China, the costs will likely be lower, ranging between 0.05 percentage point and 0.20 percentage point on

average over eight years. Not surprisingly, the costs will be highest for fossil-fuel exporters and energy-intensive emerging market economies, which on balance drive the results for the rest of the world. That means countries must cooperate more on finance and technology needed to reduce costs—and share more of the required know-how—especially when it comes to low-income countries.

In all cases, however, policymakers should consider potential long-term output losses from unchecked climate change, which could be orders of magnitude larger according to some estimates.

In most regions, inflation increases moderately, from 0.1 percentage point to 0.4 percentage point. To curb the costs, climate policies must be gradual. But to be most effective, they also need to be credible. If climate policies are only partially credible, firms and households will not consider future tax increases





when planning investment decisions. This will slow the transition (less investment in thermal insulation and heating, low-emitting technologies, etc.), requiring more stringent policies to reach the same decarbonisation goal. Inflation would be higher and gross domestic product growth lower by the end of the decade as a result. We estimate that only partially credible policies could almost double the cost of transitioning to renewables by 2030.

Inflation and Monetary Policy

A pressing concern among policymakers is whether climate policy could complicate the job of central banks, and potentially stoke wage-price spirals in the current high-inflation environment. Our analysis shows this is not the case. Gradual and credibly implemented climate mitigation policies give households and firms the motive and time to transition toward a low-emission economy. Monetary policy will need to adjust to ensure inflation

expectations remain anchored, but for the kind of policies simulated, the costs are small and much easier for central banks to handle than typical supply shocks that cause a sudden surge in energy prices.

Using the United States as an example, we show how climate policies impact inflation and growth under a range of scenarios. When policies are gradual and credible, the output-inflation trade-off is small. Central banks can choose to either stabilise a price index that includes greenhouse gas taxes or let the tax fully pass through prices. The former would only cost an additional 0.1 percentage point of growth annually.

If the transition is more difficult—reflecting a slower transition to clean electricity generation—the trade-off increases but remains manageable. The costs would be much higher if monetary policy were to lose credibility, a concern in today's high-inflation environment. If inflation expectations become de-anchored,

introducing climate policies could lead to second-round effects and a larger output-inflation trade-off, as illustrated by the less-credible monetary policy scenario.

Our analytical chapter shows how to design climate policies to avoid such a situation, curbing the impact of the greenhouse gas tax on inflation with subsidies, feebates or labor tax cuts. Is it reasonable to wait—as some have proposed—until inflation is down before implementing climate mitigation policies?

We ran a scenario delaying implementation until 2027 that still achieves the same reduction in cumulative emissions in the long term. The delayed package is phased in more rapidly and requires a higher greenhouse gas tax, since a steeper decline in emissions is necessary to offset the accumulation of emissions from 2023 to 2026.

The results are striking. Even in the most favourable circumstances when monetary policy is credible and the transition to decarbonised electricity is rapid, the output-inflation trade-off would rise significantly; GDP would have to drop by 1.5 percent below baseline over four years to drive inflation back to target.

Delay beyond 2027 would require an even more rushed transition in which inflation can be contained only at significant cost to real GDP. The longer we wait, the worse the trade-off.

Better understanding the near-term macroeconomic implications of climate policies and their interaction with other policies is crucial to enhance their design. Transitioning to a cleaner economy entails short-term costs, but delaying will be far costlier.

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Inflation Down Notably, Visibly

Business Outlook Report

Planning Minister MA Mannan on October 3 claimed that inflation in Bangladesh has come down notably although the Bangladesh Bureau of Statistics (BBS) was yet to publish the consumer price index for August and September. The consumer price index measures change over time in the prices paid by consumers for a representative basket of goods and services.

Inflation rose in August and came down visibly in September by a large extent, he said at a programme in Dhaka. In July, inflation, a measure of changes in prices of a basket of commodities, fell to 7.48 per cent from a nine-year high of 7.56 per cent in June, thanks to a fall in food inflation, according to the BBS. The figures for August and September have not been published

yet. However, Mannan signalled in early September that inflation would be high in August and September owing to a hike in the cost of living and the ongoing Russia-Ukraine war. According to a planning ministry official, in August, the overall inflation rate was near 10 per cent and food inflation even more.

Usually, the BBS publishes inflation figures of a month in the first week of the subsequent month. This time, the agency is yet to publish consumer prices data for August although the subsequent month has passed. "We do completely believe in transparency. We are always ready to respond to any queries with honesty. If we do not release any data timely, we may take time but it will not mislead or be engineered," said Mannan. At the event, Mannan gave the credit to the government's

strategic measures or initiatives for the inflation being reined in. At the same time, he claimed that inflation would come down further in the coming months. "Inflation has come down due to the distribution of essential commodities among one crore families at low prices through the Trading Corporation of Bangladesh across the country. Through this, at least four crore people got the benefits directly," he said.

Mannan's claim of a fall in inflation in September is in stark contrast to global inflation, which is running high amidst rising commodity costs and an energy crisis stemming from the Russia-Ukraine war. Inflation in the 19-member eurozone surged to 10 per cent in September, the highest on record, owing to soaring electricity and natural gas prices. In the US, consumer price index rose

8.3 per cent in August from the same month a year ago.

The minister made the remarks at the inauguration ceremony of a training programme on "Post Enumeration Check of the Population and Housing Census-2022" organised by the Bangladesh Institute of Development Studies (BIDS). However, he did not

mention any figure of inflation in the past months.

Besides, the BIDS announced at the event that they would conduct the post enumeration check of the recently published preliminary results of the latest population and housing census 2022 conducted by the BBS on October 10-16. BIDS Director General Dr Binayak Sen

chaired the event while State Minister for Planning Shamsul Alam was present as the guest of honour.

Among others, Planning Commission Secretary Md Mamun-Al-Rashid, Statistics and Information Division Secretary Shahnaz Arefin, BBS DG Md Matiar Rahman also spoke at the event. ■

BB Emphasises More To Develop Bond Market: Governor



Business Outlook Report

The Bangladesh Bank has given more emphasis on bond market development for long-term financing to rein in banks' rising defaulted loans, said its governor Abdur Rouf Talukder on October 3.

He made the comment at the opening session of 'World Investors Week-2022' at the Bangladesh Securities and Exchange Commission office in the capital Dhaka. The programme will continue until October 13.

Abdur Rouf said, 'Our stock market is equity based, the debt or bond market is yet to be developed.' Non-performing loans are one of the major problems of the banking sector, he said. The NPL is rising

due mainly to long-term financing by banks from their short-term deposits as it created maturity mismatch, he said. Businesses in neighbouring countries raise capital through the capital market for business purposes while everybody takes loans from banks in Bangladesh, he said.

Businesses became defaulters after missing loan repayment for a quarter that put pressure on banks, he said. So, the bond market must be developed for long-term financing, the governor said.

'Banks used to issue bond for strengthening capital base and subscribers of bonds were the other banks. But I have made it mandatory to sell 50 per cent of the issued bonds

to other investors instead of banks.' Government treasury bonds would also be traded on the stock market soon, Abdur Rouf said.

The government has also reduced interest in national savings certificates and set ceiling of Tk 50 lakh for an individual buyer, which would help the stock market to flourish, he added.

Sheikh Mohammad Salim Ullah, secretary of Financial Institutions Division of the finance ministry, also put an emphasis on the bond market development.

'The size of bond market in developed countries is huge, but it is minimal in our country,' he said.

He also said that the prevailing problems on the path of capital market development must be identified and be solved.

BSEC chairman Shibli Rubayat-Ul-Islam said that the commission formed capital market stabilisation fund to bring stability on the market amid increasing liquidity flow.

BSEC commissioner Sheikh Shamsuddin Ahmed, Bangladesh Merchant Bankers Association president Sayedur Rahman, DSE Brokers Association president Richard D' Rozario were also present at the event. ■



Private Sector Credit Growth Soars To 14.07pc

Business Outlook Report

Private sector credit growth rose to 14.07 percent year-on-year in August mainly driven by a strong US dollar against the local currency Taka, suggests the latest data from Bangladesh Bank.

This growth is 3.5-year high and is very close to Bangladesh Bank's private growth credit target of 14.10 percent for the current fiscal year. Economic analysts and bankers think the healthy growth in private sector credit is a good sign for the economy despite the woes created by the

Russia-Ukraine war, but they say the high dollar price might have contributed to the growth. Banks had to pay more for Letter of Credit (LC) settlement because of the high dollar price in the local market, they explained.

The growth nosedived during the corona pandemic as most of the economic activities squeezed in the country. It stood at 11.07 percent in January this year after rising for the previous eight months. But the growth faltered again and slipped to 10.72 percent in February after the economy had suffered a blow

due to the Russia-Ukraine war. In the following three months the growth rate was 11.29 percent, 12.48 percent and 12.94 percent. In June, the private credit grew by 13.66 percent year-on-year, while it grew further to 13.95 percent in July and surpassed 14 percent in August.

The central bank projected a 14.80 percent credit growth for the private sector for 2021-22 fiscal year, which eventually ended up with 13.66 percent growth. "The credit flow in the private sector was on the rise for

the last few months, where the government's corona incentive loans had a great contribution. Moreover, a congenial investment climate was also created in the country with the waning of the corona crisis," said Dr Ahsan H Mansur, executive director of Policy Research Institute (PRI).

He said investors came up with a new investment plan after the Padma bridge and with the news of the opening of metro rail, Karnaphuli tunnel and some economic zones, while banks also responded positively to it. "As a whole, the private

sector has witnessed momentum.

The volume of loans has also risen because the importers had to open LCs at a higher cost due to unusual hike in US dollar price," he observed. However, he thinks that it is high time to rein in the dollar price, otherwise,

the economy may fall into deep trouble.

The dollar price started rising in August last year after a surge in imports after the economy returned to normal from the pandemic-induced slowdown. In the last one year, Taka shed Tk 20 or 23.55 percent price

against the greenback. The Interbank dollar price was Tk 105.35 on Monday, whereas it was over Tk 85 in late September last year.

The private credit growth was 13.20 percent in January 2019 and later it kept falling. The situation aggravated by the

onslaught of the Corona pandemic since late March 2020.

It hit the bottom at 7.55 percent in May last fiscal year hit hard by the negative impacts of the corona pandemic, the lowest in the country's history. ■

Bangladesh Invites Malaysian Businesses To Invest In ICT Parks

Business Outlook Report

The Bangladesh high commissioner to Malaysia has highlighted the remarkable digital transformation of Bangladesh and underlined the importance of establishing institutional linkages to promote greater bilateral collaboration in ICT and digital economy. 'We are determined to work closely with Malaysia to find ways and means to establish Bangladesh-Malaysia Digital Economy Corridor in terms of enabling policy support and stakeholders' integration and participation,' said high commissioner Md Golam Sarwar

The envoy mentioned about the achievements of Bangladesh in the field of ICT and digital economy and invited Malaysian entrepreneurs to invest in high tech parks in Bangladesh for a mutually beneficial partnership in the field of digital economy. Following two years' Covid-19 break, Wisma Putra, the Malaysian Ministry of Foreign Affairs in collaboration with Multimedia University and Axiata organised the first in-person workshop under the Malaysian Technical Cooperation Programme from October 3 to 7. A 15-member Bangladesh delegation

led by Brigadier General Md Nasim Parvez, director general (system and services), Bangladesh Telecom regulatory Commission and comprising senior officials of the concerned regulatory organisations of Bangladesh participated in the workshop on ICT/Digital economy. The concluding ceremony of the workshop, held at MMU, Cyberjaya was also attended by Hafizah Abdullah, undersecretary, International Cooperation and Development Division, Ministry of Foreign Affairs of Malaysia, Vivek Sood, joint acting group CFO Axiata and group CFO Berhad and dato Mazliham Mohd Su'ud, president of Multimedia University.

While attending the concluding ceremony, the Bangladesh envoy expressed his deep appreciation to the govt of Malaysia for organising the timely event under G2G initiative. The undersecretary of the Malaysian foreign ministry highlighted the existing bilateral relations between Bangladesh and Malaysia. She informed the participants about MTCP, including Malaysia's strong commitment to strengthen South-South cooperation, and Malaysian Govt's initiatives on digital transformation. President and CEO

of MMU informed about various activities at MMU and apprised that the toppers at the University are from the 228 Bangladeshi students studying in MMU. Earlier, the opening ceremony of the workshop was organised on October 3 in presence of Mohammad Khorshed A Khastagir, deputy high commissioner of Bangladesh, Hairul Azhar Bin Abdul Rashid, vice-president of MMU and Farah Fazarina Binti Mohamad, principal assistant secretary (ICDD) of Malaysian MOFA.

In her speech, the principal assistant secretary (ICDD) of the Malaysian foreign ministry informed that till date some 800 Bangladeshis have been benefitted from MTCP programme.

She expressed hope that the participants would be able to know about Malaysian experience in digital transformation and its best practices in the field of digital economy.

During the weeklong workshop, beside attending academic sessions, the Bangladeshi delegates paid study visits to relevant government institutions of Malaysia. ■

WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit
(Policy Support Wing)
06 October 2022

	04 October 2021	30 June, 2022 ^R	29 September 2022	04 October 2022
1. Foreign Exchange Reserve (In million US\$)	46243.49	41826.73	36476.41	36551.11
2. Interbank Taka-USD Exchange Rate (Average)	85.5000	93.4500	103.6901	103.6238
3. Call Money Rate	2.22	4.42	5.54	5.79
				Percentage change
Broad/Overall Share Price Index	04 October 2021	30 June, 2022	04 October 2022	From June, 2022
a) Dhaka Stock Exchange (DSE) [®]	7327.55	6376.94	6544.83	2.63
b) Chittagong Stock Exchange (CSE)	21473.15	18727.52	19288.83	3.00
	September, 2021	July-Sept, FY22	September, 2022 ^P	July-Sept, FY23 ^P
5. a) Wage Earners' Remittances (In million US\$)	1726.71	5408.30	1539.49	5672.74
b) Annual Percentage Change	-19.73	-19.44	-10.84	4.89
	August, 2021	July-Aug, FY22	August, 2022 ^P	July-Aug, FY23 ^P
6. a) Import (C&F) (In million US\$)	6587.60	11728.70	7379.60	13713.40
b) Annual Percentage Change	73.08	45.99	12.02	16.92
	July, 2021	July-Aug, FY22	August, 2022 ^P	July-Aug, FY23 ^P
a) Import (I.o.b) (In million US\$)	6095.00	10852.00	6830.00	12692.00
b) Annual Percentage Change	73.10	46.02	12.06	16.96
	September, 2021	July-Sept, FY22	September, 2022 ^P	July-Sept, FY23 ^P
7. a) Export (EPB) (In million US\$)*	4165.45	11021.95	3905.07	12496.89
b) Annual Percentage Change	37.99	11.37	-6.25	13.38
	July-Aug, FY22	July-Aug, FY23 ^P	FY 2021-22 ^R	FY 2021-22 ^R
8. Current Account Balance (In million US\$)	-1412.0		-1502.0	-18697.0
	July, 2021	FY2020-21	July, 2022 ^P	FY2019-20
9. a) Tax Revenue (NBR) (Tk. in crore)	15344.25	259881.80	17760.68	301633.84
b) Annual Percentage Change	4.00	18.99	15.75	16.07
	August, 2021	July-Aug, FY22	August, 2022	July-Aug, FY23
10. Investment in National Savings Certificates (Tk. in crore)	3628.58	5732.58	8.08	401.20
a) Net sale	349826.47	349826.47	364411.32	364411.32
b) Total Outstanding				
	August, 2021	June, 2022	August, 2022 ^P	Percentage change
			Aug'22 over Aug'21	Aug'22 over Jun'22
11. a) Reserve Money (RM) (Tk. in crore)	325861.00	347162.10	341336.50	4.75
b) Broad Money (M2) (Tk. in crore)	1579543.00	1708122.40	1710814.10	8.31
			Aug'22 over Jun'21	Aug'21 over Jun'21
			0.16	-6.38
			1.19	9.43

Chief Economist's Unit
(Policy Support Wing)
06 October 2022

	July-August, FY2021-22						July-August, FY2022-23 ^P						Percentage change					
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement		
12. Total Domestic Credit (Tk. in crore)	1449131.00	1671748.90	1689522.00	16.59	1.06	0.64	16.10	1.06	0.64	16.59	1.06	0.64	16.10	1.06	0.64	16.10		
a) Net Credit to the Govt. Sector	224512.30	283314.60	288427.40	28.47	1.80	1.58	28.18	1.80	1.58	28.47	1.80	1.58	28.18	1.80	1.58	28.18		
b) Credit to the Other Public Sector	30227.30	37198.70	38616.70	27.75	3.81	0.70	23.92	3.81	0.70	27.75	3.81	0.70	23.92	3.81	0.70	23.92		
c) Credit to the Private Sector	1194391.40	1351235.60	1362477.90	14.07	0.83	0.47	13.66	0.83	0.47	14.07	0.83	0.47	13.66	0.83	0.47	13.66		
13. L/C Opening and Settlement (million US\$)																		
a) Consumer Goods	1402.19	1136.98	1245.70	1428.80	1245.70	1.90	27.50	9.56	9.56	1.90	9.56	27.50	9.56	1.90	9.56	27.50		
b) Capital Machinery	1153.31	626.76	971.88	399.72	971.88	-65.34	40.78	55.06	55.06	-65.34	55.06	40.78	55.06	-65.34	55.06	40.78		
c) Intermediate Goods	996.00	941.02	1005.02	964.42	1005.02	-3.17	35.23	6.80	6.80	-3.17	6.80	35.23	6.80	-3.17	6.80	35.23		
d) Petroleum	1047.27	1040.55	2266.07	1879.22	2266.07	79.44	116.18	117.78	117.78	79.44	117.78	116.18	117.78	79.44	117.78	116.18		
e) Industrial Raw Materials	4733.26	3901.46	5552.65	4412.34	5552.65	-6.78	47.03	42.32	42.32	-6.78	42.32	47.03	42.32	-6.78	42.32	47.03		
f) Others	3025.31	3104.01	4257.67	3323.74	4257.67	9.86	39.46	37.17	37.17	9.86	37.17	39.46	37.17	9.86	37.17	39.46		
Total	12357.34	10750.78	15298.99	12408.24	15298.99	0.41	46.15	42.31	42.31	0.41	42.31	46.15	42.31	0.41	42.31	46.15		
14. Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)	December, 2018	June, 2019	September, 2021	December, 2020	June, 2021	December, 2021	June, 2022	September, 2021	December, 2021	June, 2022	September, 2021	December, 2021	June, 2022	September, 2021	December, 2021	June, 2022		
a) Twelve Month Average Basis	5.55	5.48	5.50	5.69	5.56	5.55	6.33	5.50	5.55	5.75	5.55	6.33	5.50	5.55	5.75	6.33		
b) Point to Point Basis	5.35	5.52	5.59	5.29	5.64	6.05	7.48	5.59	6.05	6.22	7.56	7.48	5.59	6.05	6.22	7.56		
15. Corresponding Period	December, 2017	June, 2018	September, 2020	December, 2019	June, 2020	December, 2020	June, 2021	September, 2020	December, 2020	June, 2021	September, 2020	December, 2020	June, 2021	September, 2020	December, 2020	June, 2021		
a) Twelve Month Average Basis	5.70	5.78	5.59	5.59	5.65	5.69	5.54	5.59	5.69	5.63	5.56	5.54	5.59	5.63	5.56	5.54		
b) Point to Point Basis	5.83	5.54	5.97	5.75	6.02	5.29	5.36	5.97	5.29	5.47	5.64	5.36	5.97	5.47	5.64	5.36		
16. Classified Loan	December, 2018	June, 2019	December, 2020	December, 2019	June, 2020	December, 2020	June, 2021	December, 2020	June, 2021	December, 2020	December, 2021	June, 2022	December, 2020	December, 2021	June, 2022	June, 2022		
a) Percentage Share of Classified Loan to Total Outstanding	10.30	11.69	7.66	9.32	9.16	8.18	8.96	7.66	8.18	7.93	8.53	8.96	7.66	8.18	7.93	8.96		
b) Percentage Share of Net Classified Loan Agricultural and Non-farm Rural Credit (Tk. in crore)	2.18	2.53	-1.18	1.02	0.15	-0.47	0.49	-1.18	-0.47	-0.43	-0.07	0.49	-1.18	-0.47	-0.07	0.49		
17. SME Loan (Tk. in crore)	July 21	August, 21	August, 22 ^P	July-Aug. FY22	July, 22 ^P	July-Aug. FY23	FY 2017-18	July 21	August, 21	August, 22 ^P	July-Aug. FY23	FY 2017-18	July 21	August, 21	August, 22 ^P	FY 2017-18		
a) Disbursement **	942.11	1732.67	2172.53	2674.78	1664.77	3837.30	21393.55	942.11	1732.67	2172.53	3837.30	21393.55	942.11	1732.67	2172.53	3837.30		
b) Recovery	1687.71	1681.71	2077.33	3369.42	2045.80	4123.13	21503.12	1687.71	1681.71	2077.33	4123.13	21503.12	1687.71	1681.71	2077.33	4123.13		
c) Outstanding	45195.81	45260.89	50235.40	45260.89	50757.43	50235.40	40601.11	45195.81	45260.89	50235.40	50235.40	40601.11	45195.81	45260.89	50235.40	40601.11		
18. Industrial Term Loan (Tk. in crore)	Oct-Dec, 20-21	Jan-Mar, 20-21	Oct-Dec, 21-22 ^P	Apr-Jun, 20-21	Jul-Sep, 21-22	Jan-Mar, 21-22 ^P	2020	Oct-Dec, 20-21	Jan-Mar, 20-21	Oct-Dec, 21-22 ^P	Apr-Jun, 21-22 ^P	2020	Oct-Dec, 20-21	Jan-Mar, 20-21	Oct-Dec, 21-22 ^P	2020		
a) Disbursement	48980.98	44445.67	57118.60	41788.73	42075.49	51716.69	153496.15	48980.98	44445.67	57118.60	56484.26	153496.15	48980.98	44445.67	57118.60	56484.26		
c) Outstanding	237653.44	240169.54	252082.09	243074.82	245325.67	259704.21	237653.44	237653.44	240169.54	252082.09	271448.58	237653.44	237653.44	240169.54	252082.09	271448.58		
19. GDP Growth Rate (in percent, Base: 2005-06=100)	Oct-Dec, 20-21	Jan-Mar, 20-21	Oct-Dec, 21-22 ^P	Apr-Jun, 20-21	Jul-Sep, 21-22	Jan-Mar, 21-22 ^P	FY 2019-20	Oct-Dec, 20-21	Jan-Mar, 20-21	Oct-Dec, 21-22 ^P	Apr-Jun, 21-22 ^P	FY 2019-20	Oct-Dec, 20-21	Jan-Mar, 20-21	Oct-Dec, 21-22 ^P	FY 2019-20		
a) Disbursement	16499.23	17379.01	18772.59	19430.74	14834.23	17340.49	74257.02	16499.23	17379.01	18772.59	21413.63	74257.02	16499.23	17379.01	18772.59	21413.63		
b) Recovery	15538.37	16893.10	18477.42	14734.86	12979.47	16572.97	69723.89	15538.37	16893.10	18477.42	16832.73	69723.89	15538.37	16893.10	18477.42	16832.73		
c) Outstanding	275311.09	299048.73	308918.45	315294.16	303329.12	310572.40	277351.09	275311.09	299048.73	308918.45	320410.22	277351.09	275311.09	299048.73	308918.45	320410.22		
GDP Growth Rate (in percent, Base: 2005-06=100)	FY2013-14	FY2014-15	FY2015-16	FY2015-16	FY2016-17 ^N	FY2017-18 ^N	FY2018-19 ^N	FY2013-14	FY2014-15	FY2015-16	FY2015-16	FY2016-17 ^N	FY2017-18 ^N	FY2018-19 ^N	FY2019-20 ^N	FY2020-21 ^{NH}	FY2021-22 ^{NP}	
	6.06	6.55	7.11	7.11	6.59	7.32	7.88	6.06	6.55	7.11	7.88	6.59	7.32	3.45	6.94	7.25		

Weekly basis commodity Statement of LCs Opened and Settled for the month of August/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	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	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	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
10.	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back LCs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	Pharmaceutical Raw Materials	19.59	17.20	12.10	12.53	11.21	13.11	14.78	18.77	1.99	3.77	59.67	65.37
27.	Chemicals & Chemical Products	65.36	22.53	78.18	109.53	34.82	54.94	19.88	198.75	3.89	18.13	202.12	403.88
	a. Chemical Fertilizer	39.74	6.19	20.47	88.18	23.53	40.30	3.22	179.42	0.48	3.46	87.43	317.55
	i) Urea	33.85	0.21	0.63	0.05	1.40	0.93	0.38	0.13	0.00	0.00	36.26	1.33
	ii) TSP	0.27	0.03	14.14	30.46	0.00	0.00	0.00	28.97	0.00	0.00	14.41	59.46
	iii) MOP	0.00	0.00	0.00	0.04	20.70	29.02	0.04	57.71	0.00	0.11	20.74	86.87
	iv) DAP	2.78	0.62	3.18	50.82	0.09	0.25	0.08	88.78	0.00	0.00	6.13	140.47
	v) Others	2.84	5.33	2.52	6.82	1.34	10.09	2.72	3.84	0.48	3.36	9.89	29.43
	b. Other Chemicals & Chemical Product	25.62	16.34	57.71	21.35	11.28	14.65	16.66	19.33	3.41	14.66	114.69	86.33
28.	P.O.L.	53.95	62.39	48.86	216.24	48.89	49.31	46.46	104.75	44.78	0.00	242.95	432.69
	i) Crude	2.50	0.09	0.04	0.00	0.01	0.12	0.06	0.20	0.00	0.00	2.62	0.41
	ii) Refined	51.45	62.30	48.81	216.24	48.88	49.19	46.40	104.55	44.78	0.00	240.33	432.28
29.	Capital Machinery	39.67	60.15	30.44	72.01	18.97	58.71	54.02	62.79	6.14	21.98	149.24	275.64
30.	Machinery For Misc Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
	Grand Total	1138.93	1096.19	951.28	1388.85	775.92	1076.34	944.39	1436.97	326.30	379.63	4136.82	5377.98

Data downloaded: on 31.08.22



Bangladesh Boasts 171 Leed-Certified Green RMG Factories Now

Business Outlook Report

The readymade garment (RMG) sector of Bangladesh now has 171 US Green Building Council's (USGBC) Leadership in Energy and Environmental Design (Leed) certified green factories, the highest in the world. These green factories help cut down operational costs significantly in the long run, even though setting up such facilities might cost more initially.

According to BGMEA, green factories are said to help cut down energy use by 40% and water consumption by more than 30% and also emit less carbon dioxide which further ensures environmental safety. These buildings also ensure a safe work-

place for workers as the factory owners have to follow certain rules for the construction of the buildings. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh's RMG sector has taken the lead in green manufacturing with 53 in the platinum category, 104 in gold, 10 in silver and another four Leed-certified factory buildings as of September 12.

Recently, Ashulia-based Debonair Ltd and Orbitex Knitwear Ltd, Narayanganj-based Fatullah Apparel Ltd and Ashulia-based Sharaf Apparel Washing and Dying Industries Limited, obtained the Platinum certificate from the USGBC. More-

over, 42 industrial units out of the world's top 100 Leed-certified industrial units are in Bangladesh. According to the BGMEA, another 550 factories are in pipeline or registered to get USGBC's Leed certification. Insiders say the apparel sector of Bangladesh is now standing at the threshold of becoming the global leader by facing the growing challenges in the area of sustainability, climate change, groundwater depletion, efficiency and many more.

Terming Bangladesh as a green field for investment in the growing apparel sector, BGMEA officials said that their focus is to establish a sustainable, energy-efficient, and

eco-friendly apparel industry and do more with recycling, circular economy, and innovation. Moreover, BGMEA pledges to the Green Button, which is a global seal of excellence in sustainability by the government of Germany. Mohi-uddin Rubel, director of the BGMEA said that Bangladesh is the leader in this.

“Once people questioned investing in a Leed-certified factory but today we can see fruits of the labor by visionary entrepreneurs,” he added saying that initially, green factories cost more to establish but if you think about sustainability, you have to invest here to stay competitive as there is no opportunity to move forward by ignoring the environment.” He added saying that nowadays, buyers are very cautious about protecting the environment. He also said that in the future, the Leed-certified factories will not only be an option but will be mandatory, as buyers will surely try to place orders at the green factories.

“Bangladesh is doing very well in terms of green and sustainable factories and has already made significant investments which will answer the questions that will arise about eco-friendly production in the future,” he added. The BGMEA has always encouraged entrepreneurs in this regard and Bangladesh is gradually moving towards increasing efficiency and producing high-end products. “Leed-certified factories must be ahead of the rest to implement these. The initial investment in this factory may be high, but will save costs in the long run significantly,” he added.

Green Industrialization is one of BGMEA’s many initiatives to gain sustainability as well as to further improve the image of the sector to buyers.

According to apparel manufacturers, the move towards green factory buildings helped regain Bangladesh’s image after the Rana Plaza tragedy, which claimed 1,134 lives and left more than 2,000 injured. ■

BGMEA Seeks Readjustment Of Diesel Price

Business Outlook Report

The Bangladesh Garment Manufacturers and Exporters Association has requested the government to readjust the diesel price on the local market in line with the price fall of the item on the international market.

The BGMEA on October 3 sent a letter to Prime Minister Sheikh Hasina saying that the demand for diesel was increasing in the readymade garment sector as factory owners were forced to use generators to keep production uninterrupted in their units amid a severe load shedding.

The price of diesel was Tk 80 a litre in 2021, which raised to Tk 109 a litre in 2022, the letter said.

The letter signed by the BGMEA president Faruque Hassan said that the readymade garment sector and others would be benefited if the government readjust the price of diesel on the local market in line with the fall in price of the fuel on the international market.

Seeking policy support from the government, the BGMEA president said that it became necessary to readjust the diesel price on the local market for the sake of export growth.

Considering the continuation

of employment generation, foreign currency earnings and economic development, the trade body demanded supply of diesel at the readjusted price for the export-oriented RMG factories.

The government on August 5 increased the prices of all fuel oils at the consumer level, raising the prices of petrol, diesel, octane and kerosene by almost 50 per cent.

The prices of diesel and kerosene were raised by 42.5 per cent to Tk 114 per litre from Tk 80, while the price of petrol was raised by 51.16 per cent to Tk 130 a litre from Tk 86.

Amid criticisms, the government on August 29 cut fuel oil prices by Tk 5 per litre and set the prices of diesel and kerosene at Tk 109 a litre from Tk 114 a litre.

The BGMEA in its letter to the prime minister said that Bangladesh fetched \$42.61 billion from apparel exports in the financial year 2021-22.

The trade body also set \$100 billion export earnings target by 2030.

Readjustment of diesel price on the local market was important to sustain the export earnings growth, the BGMEA said in its letter. ■

China-Led Trade Deal

Further Studies Underway On Joining RCEP



Business Outlook Report

The Bangladesh Trade and Tariff Commission (BTTC) is conducting further studies on possible outcomes of the country joining the world's largest China-led trade deal, Regional Comprehensive Economic Partnership (RCEP), Senior Commerce Secretary Tapan Kanti Ghosh said on October 6.

In July this year, the BTTC in a study said Bangladesh would greatly benefit in international trade if the country joins this mega regional trade deal. "However, we need to conduct more studies before joining the RCEP as some terms and conditions seem tough for us to abide by," said Ghosh. So, the BTTC has been assigned to conduct studies on the RCEP further, Ghosh said, adding that Bangladesh's target was to grab a bigger market share under the 10-member Association of Southeast Asian Nations (Asean) trade bloc

alongside another six countries by joining the RCEP. "We could see that Bangladesh imports more from the RCEP signatory countries," Ghosh said, adding that Bangladesh has been looking to find ways to export more goods by signing the RCEP agreement. Bangladesh imports textile materials and capital machinery from the RCEP nations.

Once Bangladesh makes the United Nations status graduation from a least developed country (LDC) to a developing one, preferential trade benefits will erode and Bangladesh will need preferential market access globally by signing trade agreements. "We will sign trade deals keeping in minds three important factors including protecting our domestic industries, revenue generation by the government from import tariff and market access after the LDC graduation," Ghosh said. "So, we are moving a bit slow in signing the trade deal," he

added. For instance, Bangladesh imports goods worth more than \$20 billion from China, the country's single largest source for imports, from where the government receives nearly Tk 30,000 crore in the form of import tariff. Similarly, Bangladesh imports goods worth more than \$16 billion from India, the second largest source for imports, and the government earns nearly Tk 20,000 crore from it as import tariff in a year.

Once, the country makes the graduation from an LDC to a developing nation in 2026, Bangladesh will have to gradually liberalise its tariff regime for other trading nations for which the government will lose a big amount of revenue from import duty.

In the particular case of the RCEP, Ghosh said Bangladesh has up to December next year to inform whether it would be joining the RCEP. ■

Inflation Down Marginally

*Decade High Sept Data
Down To 9.1pc From Aug Peak At 9.8pc*

Business Outlook Report

Soaring inflation descended to 9.1 per cent in September from a decade-high 9.8 per cent in August by official count, under sobering impact of slowly improving global supply system.

Planning Minister MA Mannan that the August figure, 9.8 per cent, was the highest after the year 2011, pushed by the fallout from Ukraine war. Bangladesh Bureau of Statistics (BBS) data show that the point-to-point inflation was the highest 11.40 per cent in 2011. As a result of high inflation, economists say, soaring prices of all commodities, including daily necessities, eroded people's purchasing power and made living nearly unaffordable for those in the lowest rung of society.

Two exogenous economic factors—the tapering global pandemic and the Ukraine war on its close heels—were the strongest drivers behind price rises across the world

and in Bangladesh under a knock-on effect. Alleged price-fixing on the domestic market by certain oligopolies made the situation far worse. "As far as my knowledge, the inflation rate increased to 9.8 per cent in August this year which later fell to 9.1 per cent," says Mr Mannan.

The higher prices of rice, soybean oil, vegetables and some other food items have escalated the food inflation, resulting in higher inflationary pressure in the last two months, he adds. However, the planning minister hopes that the inflationary pressure will be continuing to fall in the current month of October, too, as prices of rice, vegetables and pulses have fallen a bit.

Asked about details of the inflation data: Mr Mannan said: "I am at my village home now. I don't have detailed data in my hand. But we will disclose the figure within a few days." Planning minister said: "The government's expanded social safety-net



programmes like subsidised food and essentials to 1.0 crore (10 million) people have helped to tame the CPI pressure."

Meanwhile, Bangladeshis cannot get rid of the bite of the higher inflationary pressure as the rate of point-to-point inflation started swelling from May this year. According to the BBS, the inflation rate started rising to seven-percent club in May (7.42 per cent) from the 6.0-percent trajectory in the previous months of the year.

The point-to-point inflation till July had also maintained its trend within the "seven-percent club" which suddenly jumped to 9.8 per cent in



August and 9.1 per cent in September. The government targeted to keep the inflation within 5.6-percent limit in the current FY2022-23.

The average inflation rate in the last fiscal year (FY) 2021-22 was recorded at 6.15 per cent, same as the previous FY2021, the BBS data show. Earlier, development partners and local economists had forecast that Bangladesh's inflationary pressure would be rising in the coming days due to the impact of the Russia-Ukraine war and internal demand-supply mismanagement.

They said it would be very challenging for the government to tame the inflationary pressure as it is expected

to be higher in the days ahead. People, especially those in the middle-and lower-income groups, have already been struggling with higher prices of essentials over the months as rice, flour, pulses, sugar, cooking oils, and vegetables maintained higher rates at retail markets.

Centre for Policy Dialogue (CPD) Research Director Dr KG Moazzem said they were forecasting earlier that point-to-point inflation rate might go up to as high as double-digit figures in the last couple of months.

"Ultimately, the inflation data in August and September proved our assumptions. But we should not be complacent that it will be declining

in the coming months as Bangladesh's inflation is mostly the import-driven."

He said: "Since the oil and food prices on the global market are still high and the Russia-Ukraine war is continuing, we should not assume that the inflation will be declining. Better we should go for managing the inflation."

In that case, the government should expand its social safety-net recipes, ration-card and open-market sale (OMS) for easing the impact of the inflationary pressure on the poor and vulnerable groups of people. ■

Deposits In Poor's Bank Accounts Decline



Business Outlook Report

Deposits in poor's bank accounts declined by 18.61 per cent in the second quarter ended in June 2022 compared with that in the same period of the past year.

The hard-core poor's deposits in bank accounts stood at Tk 201.37 crore at the end of June 2022 against Tk 238.84 crore at the end of June 2021, according to the Bangladesh Bank's quarterly report.

Under the BB's financial inclusion programme, the marginalised people are allowed to open bank accounts with Tk 10, Tk 50 and Tk 100 as deposit.

The target people of these accounts include farmers, readymade garment workers, extreme poor, the

beneficiaries of the social safety net programs. Non-frill accounts also include the school banking accounts where students under 18 years can open bank accounts with an initial deposit of Tk 100.

The BB allows opening such accounts so that they can safely keep their money in bank accounts without any charges. The number of bank accounts of extreme poor people declined by 4.61 per cent in a year.

Hard-core poor's bank accounts declined to 32.61 lakh at the end of June 2022 from 34.19 lakh at the end of June 2021.

Bankers said that poor people were struggling amid rising commodity prices that might force them to

withdraw savings to meet daily household expenditures. However, the number of bank accounts with over Tk 1 crore in deposits hit 1.08 lakh at the end of June 2022.

The BB data showed that the number of bank accounts with more than Tk 1 crore in deposit in the country soared by 4,860 to 1.08 lakh at the end of June from 1.03 lakh at the end of March in 2022 as the rich continued to get richer.

As of June 2022, the cumulative deposits in bank accounts opened with Tk 10, Tk 50 and Tk 100 deposit for different purposes stood at Tk 3,476.33 crore from Tk 2,665.95 crore in June 2021.

The number of such non-frill accounts increased to 2.52 crore in

June 2022 from 2.42 crore in the same month past year.

To ensure bank accounts for all adults by 2026 as per the National Financial Inclusion Strategies, the central bank in its quarterly report (April-June) on non-frill bank accounts made some recommendations.

The Bangladesh Bank has taken diverse financial literacy initiatives

since 2014 to bring a large portion of financially excluded population under formal financial services, it said in the report.

The BB encourages banks to arrange open disbursement programme under the refinance schemes for Tk 10/50/100 account holders and the financial literacy campaigns are aligned to ensure 'Access to Finance' for this segment of people, it said. Digital financial

inclusion initiatives such as internet banking, mobile financial services, can play significant role to take the financial services to the doorsteps of the target population.

The interoperability between the no-Frill accounts and MFS accounts would bring more accessibility and flexibility for the users, the BB said in the report. ■



Transaction Records Lost For Rab

Claims Evaly Co-Founder Shamima

Business Outlook Report

Following a raid last year, the Rapid Action Battalion (Rab) did not lock up Evaly's headquarters, which enabled looting and for which registers and documents could not be provided to an audit team, claimed Evaly co-founder Shamima Nasrin on October 6. "On the day that Rab arrested us at our house, another team of Rab entered the headquarters of Evaly that afternoon and kicked out all the officers and employees without giving any time," she said. The Rab team stayed for some time and left without locking the doors or anyone in charge of the keys, she said at an online press conference on contemporary issues involving Evaly. Left unguarded and open for several days,

office furniture, computers, equipment including laptops and closed-circuit cameras were looted,



said Nasrin. "Along with these goods, all the necessary documents, and registers of the office are lost from the

office," she said. She said this theft was clearly mentioned by a former Board of Directors which submitted a report to the High Court.

She said all transactions and expenditure accounts were properly maintained in the office. However, auditors earlier found that Evaly was accountable for more than Tk 6,000 crore-worth transactions but had "very poor, unreliable, unorganised, incomplete books and records". Neither the list of customers who paid advances to the company could be obtained nor the list of merchants.

Nasrin said Evaly wants to run business uninterrupted for a year to recoup investments and pay dues of customers and merchants. "We think

that if we can do business continuously for the next one year, it will be possible to pay off all the debts from the first investment," she claimed. She said last year Evaly informed the

has other cases pending. Developing the business with money from customers and merchants was the biggest mistake that Evaly made, Nasrin acknowledged. "Our biggest

and its own report on the company on September 21. "But everyone must understand that there was no deception here. You pay an advance amount to build a house. If the devel-



RAB arrests Evaly CEO Mohammad Rassel (first from left) and its chairman Shamina Nasrin (first from right)

commerce ministry that its debt was approximately Tk 400 crore and it would take some time to collect a report of Evaly's full debt. She did not inform of the total liability of the company to customers and merchants.

"It is certainly possible to state what we exactly owe, but it is now dependent on the server recovery and will take some time," she said.

She said the total liability of Evaly cannot be determined without the release of Mohammad Rassel, CEO and managing director of the company and also her husband, from jail.

"Without him, Amazon will not give access to the server." In April, Nasrin walked out of jail on bail after her arrest on September 16 last year by Rab along with Rassel in a case filed by a customer over an undelivered order.

This is the first press conference of Evaly since her release. Although Rassel secured bail in nine embezzlement cases, he is yet to be freed as he

mistake was not raising investment at the right time." The press conference came half a month after the resignation of a High Court-appointed

Auditors earlier found that Evaly was accountable for more than Tk 6,000 crore-worth transactions but had "very poor, unreliable, unorganised, incomplete books and records..."

five-member Board of Directors of Evaly. The board resigned after turning in an audit report to the court

oper doesn't give you that house on time then it is unfair, but it is not correct to call this business unfair," Nasrin said. "Our business plan was to pay off initial liabilities with future profits.

We think we had a flaw in this plan. In this journey, we will be selling products at a profit from day one."

The court-appointed board for Evaly called for an investigation of money laundering as vast sums of cash remain traceless from the controversial e-commerce platform's accounts.

"No clear reason could be found for the large amount of cash withdrawn by the company on a daily basis from the bank, which begs the question as to where the huge amount of cash that had been raised went," said the five-member board in its report to the court.

Nasrin denied the money laundering allegations. ■

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- Alternate energy solution to natural gas
- 24/7 secured supply of LPG across the country
- Flexible LPG storage set-up solutions
- Best technical service in the industry



Industry



Vaporizer and
Regulating Station



LPG
Storage Tank

Omera
LPG



**BEST ENERGY COMPANY
AWARD 2016**

**BEST LPG OPERATOR
AWARD 2018**



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