AL, BNP Gear Up To Flex Political Muscle, Embellish Popularity

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From the Editor

IMF loan: Setting Priorities Straight

A team of the International Monetary Fund is now in Dhaka to discuss the terms and condition of its offer on providing a loan of $4.5 billion to Bangladesh. This is not the first time Bangladesh is negotiating with the IMF for a loan. In 2012, the country had to take a loan from the IMF for urgent financial help and again in 2021 for Covid-19 recovery purposes. But this time, it's an urgent need for Bangladesh against a backdrop of the global financial crisis in the wake of the Russia-Ukraine war. Normally, in any loan negotiation, the IMF as a global leader in financing asked the loan receiving country to implement some reform programmes that ensures the return of its fund. But such reforms and tough conditions are not always bad. Rather, it was proven in many countries, initially IMF's conditions and reforms proposals are very tough to implement. But once those are implemented, they ultimately bring huge benefits for the loan receiving country. Media reports are that the most asking conditions from the IMF include streamlining the banking sector, reducing the subsidy on energy sector and flexibility in bank loan interest and foreign currency market.

We believe huge reforms are needed for our banking sector which is almost on the verge of collapse as the amount of non-performing loans is rising rapidly. There are huge allegations against the banks to help the corrupt launder money. So, reforms in the banking sector are necessary for the sake of our own interest, no matter, IMF insists on such reforms or not. About the other conditions, we will ask the policymakers to cautiously deal with the IMF. Because, it is true, no country can survive by giving subsidies on different sectors for a long period. But it's also true, in a country like ours, there are some sectors which need the government's support for some more time to survive. There must be some priorities to be set where the government would continue the subsidy and where not. Similarly, spending money for the projects should be determined on the basis of their financial viability, not always on the political consideration. An economic consideration in judging the merit of a project is always better than a political consideration. But political consideration should not be left out if it brings benefit for a bigger segment of a society. ■

(Sikder Md Sadrul Hasan)
s69hasan@yahoo.com

Editor & Publisher
Sikder Md Sadrul Hasan

Managing Editor
Afroja Bilkis

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

Contributors
Zafar Malik, Syed Ishtiaque Reza
Kashem Mahamud

Staff Correspondent
Shahed Farid

USA Correspondent
Waliul Alam

UK Correspondent
Nurul Akbar Bhuiyan

Photo Department
Bulbul Ahmed, Sheikh Mamun

Cartoonist
Syed Rashad Imam (Tanmoy)

IT and Graphic Design
Rizoanul Islam
Tonmoy Rajbongshi

Head of Marketing
Basiruzzaman Akond

Marketing Operation
Chandan Rajbangshi

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

Telephone : 01819 200 641, 01627 140 427
Email : bdbusinessoutlook@gmail.com

Website
www.businessoutlookbd.com

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POLITICS

Bangladesh Received $769.88mn Remittance In 2 Weeks Of Oct

Bangladesh received USD USD 769.88 million in remittance in two weeks of October (2-13), Bangladesh Bank data revealed on October 16. Bangladeshi expatriates sent inward remittance of USD 1.54 billion in September – the lowest in last 7 months. After a decline in September, remittances showed a slow pace in October as well. In first two weeks of October, Bangladeshi expatriates sent inward remittances of USD 769.88 million. It indicates that at the end of this month, remittance flow could be USD 1.6 billion. Despite increasing the cash incentives to 2.5 percent, from 2 percent, in the current fiscal year (2022-23), inward flow of remittance saw a fall in September. Bangladesh is receiving an average of USD 59.22 million in remittance per day through banking channels. The fiscal year started with growth trend of inward remittance while the country received USD 2.09 billion remittance in July and USD 2.03 billion in August. But the trend fell in September with the fall of exchange rate of the dollar. Financial sector insiders believe that expatriate workers prefers Hundi for inward remittance as the exchange rate of the US dollar is Tk 8 to 14 higher in the kerb market. ■

Most Commodity Prices Declined In Sept: WB

Most commodity prices declined globally in September, according to the World Bank, a relief for the import-dependent countries under pressure for higher import bills and runaway inflation. Energy prices fell 8.1 per cent in September, led by a decrease in natural gas and crude oil prices, the World Bank's Pink Sheet reported. Natural gas prices were down 15.6 per cent and crude oil dropped 8.1 per cent last month. Non-energy prices fell 1.7 per cent. The Pink Sheet is a monthly report that monitors commodity price movements. Agricultural prices eased 0.8 per cent in September. Food prices changed little as a group as a 6.9 per cent increase in grains was balanced by a 3.8 per cent fall in edible oils, the WB said. Beverage and raw material prices declined 0.5 per cent and 4.8 per cent, respectively. Fertiliser prices gained 6 per cent. Metal prices dropped 5.7 per cent in September with declines across the board, except nickel. Precious metals declined 4.6 per cent, the World Bank added. ■

Mongla Port Activities See Sharp Rise After Padma Bridge Opening

Amid import control and inflation in the economy, the Mongla Port, the country's second-largest seaport, saw huge export and import in the last three and a half months in the current fiscal year (2021-22) after the inauguration of Padma Bridge. Fertilizer, wheat, raw materials of the cement industry, coal and car import has increased while the export of fish, shrimp, crabs, garments, jute goods, fruits, vegetables, ceramics, electrical wire, mud tally, betel-nut and others product export has boosted, an MPA official said recently. Besides, huge machineries, equipments, raw materials of some mega projects including those of Rooppur nuclear power plant, Rampal power plant, metro rail, Bangabandhu and Khanjahan Ali Railway Bridge have been unloaded through the port in last four months. According to Mongla Custom House, a total of 4.04 million tonnes of commodities were exported and imported from July 1 to October 16 in the current 2022-23 FY. Among the imported items, raw materials of cement industry, LPG, coal, fertilizer, wheat and raw materials of government's different mega projects are on the top of list. Chairman of Mongla Port Authority (MPA) Rear Admiral Mohammad Musa that ships arrival have enhanced after the inauguration of the Padma Bridge and the government has taken many initiatives to enhance capability of Mongla port. Customs officials said that the Mongla Sea Port sees huge import activities compared to exports as the government is importing huge machineries and raw materials for different mega projects and cost of import has reduced after inauguration of the Padma Bridge. Sayed Zahid Hossain, President of Shipping Agents Association said navigation is necessary in front of the Port Jetty the arrival of more ships. "Due to regular siltation and lack of container carrying ships through Mongla channel, maximum foreign ships are anchoring at the Chittagong Port," he added. ■

Pound Rises As Chancellor Moves To Calm Markets

The pound rose and government borrowing costs fell on October 17, as investors welcomed the news that Chancellor Jeremy Hunt is to fast-track tax and spending measures. Sterling gained 1% against the dollar to trade around $1.13 in morning trading. The news also saw the interest rate - or yield - on UK government bonds fall. The drop in yields suggests financial markets are welcoming the prospect of changes to economic plans. October 17 was the first time the UK government bond market has reopened since the Bank of England's emergency support programme ended on October 14. On October 14, Prime Minister Liz Truss sacked Kwasi Kwarteng as Chancellor and said the mini-budget "went further and faster than markets were expecting". The mini-budget was blamed for causing turmoil in the financial markets. The aftermath of Mr Kwarteng's announcements on 23 September saw the pound slump to a record low of $1.03 and the cost of government borrowing rise sharply. ■

US Commercial Service Opens New Office In Dhaka To Boost Trade Ties

The United States has formally opened a new commercial service office at the US Embassy in Dhaka, which will play an important role in strengthening trade ties between the two countries.

US Assistant Secretary of Commerce for Global Markets and Director General of the US and Foreign Commercial Service Arun Venkataraman and US Ambassador to Bangladesh Peter Haas announced the opening of the office on October 27. “As the United States and Bangladesh celebrate 50 years of bilateral relations, it is an opportune moment to expand upon the strong foundation of our bilateral and commercial relationship,” said Venkataraman. “The new Commercial Service office here in Bangladesh will play an important role in strengthening trade ties between our countries, and how we support US companies doing business in such a dynamic and fast-growing economy.

Trade between our two countries accounts for an estimated $10 billion, showcasing the vast existing and potential opportunities in this country.” The US Department of Commerce will station a senior Foreign Commercial Service officer at the US Embassy in Dhaka to maximise US export opportunities and work collaboratively with Bangladesh to assist US companies considering entry into or expanding their presence in the Bangladeshi market.

The office will help facilitate one-on-one business counseling, provide tailored export expertise and information on the Bangladeshi market, and work to connect US businesses with potential Bangladeshi partners through business matchmaking and other services. The US Foreign Commercial Service is the export promotion arm of the International Trade Administration, a bureau of the US Department of Commerce. The commercial service has an extensive global network consisting of 122 offices around the world and in over 100 US cities.

The new office in Dhaka will increase the number of international markets to 81. Across Asia, the wing will have a presence in 19 markets, including Bangladesh.

The International Trade Administration (ITA) at the US Department of Commerce is the premier resource for American companies competing in the global marketplace.

ITA has more than 2,200 employees assisting US exporters in more than 100 US cities and 81 markets worldwide. ■

AL, BNP Gear Up To Flex Political Muscle, Embellish Popularity

SMS Hasan

The last national election was a piece of cake for the Awami League but times have changed. Overwhelming global pressure for a "free and fair" election – a phrase that's been used frequently in recent months by foreign diplomats and local politicians alike – is changing the game.

The BNP appears to be trying to show everyone, particularly the global community, that it is still one of the biggest and most popular political parties in Bangladesh despite its absence in two consecutive parliaments by mobilising its supporters across Bangladesh.

As verbal jousting gets intense and politics begins heating up ahead of next year's national election, the ruling Awami League and BNP are making utmost efforts to arrange bigger gatherings to show off their popularity and flex political muscle. Many political analysts believe the BNP's recent success in arranging public meetings at district and divisional levels despite, what they called tactics of the ruling party, has put big political pressure on Awami League which seeks a precedent-breaking fourth-term in office. As a result, the Awami League has to arrange public gatherings to assure its supporters and show the international forces that it is the biggest political party with overwhelming popularity. Many believe both parties will continue with their current tactics until the next general election. In this way, BNP has already announced it would organise a grand rally in Dhaka on December 10 but the Awami League already announced that it would not allow the BNP to occupy the streets in December, the historic month of liberation. This has ignited apprehensions of mass political unrest that could put a break on the country's impressive economic progress with a global recession just around the bend. With both parties at loggerheads, the people are growing curious to see what happens in December if the arch-political foes face each other on the streets. Many historic incidents took place in December in our country and that's why the month is significant to both sides.

BNP's Pressure on AL

Until next December, Awami League is preparing for a big rally around the conference and central programme of the party's district

Sheikh Hasina, President, AL

and affiliated organisations in and around Dhaka. The policy makers of the party say that the pressure on the party has increased following the successful big gatherings of BNP. Awami League also wants to respond to BNP's rally with a big rally.

Highly placed sources in Awami League said the party will hold a big gathering before and after the grand gathering announced by BNP in Dhaka on December 10. Among them, a big rally was held in Narayanganj October 27 on the occasion of the party's district conference. For the party's Dhaka district conference on October 29, the venue for the international trade fair at Agargaon has been decided.

Party sources in the Awami League said that in the recent past, the conference of Dhaka district was not held in the capital. The last conference of 2017 was held in Savar. Usually party chief Sheikh Hasina does not attend the district conference. This time, it has been decided to hold the Dhaka District Conference in the capital to respond to the BNP's big gathering. Sheikh Hasina has been requested to attend. All upazila unit leaders and party members of parliament and public representatives have been instructed to ensure the presence of a large number of people on that day. Several extended meetings have already taken place.

After the signing ceremony of a Metrorail agreement on October 27 at Bangabandhu International Conference Center, Awami League General Secretary Obaidul Quader said in response to a question from journalists, "What is the counter-balance with BNP? Every day we have programmes. Millions of people will see. The next Dhaka district conference will be held on the 29th. I have invited Mirza Fakhrul in the afternoon to see how many people attend a district conference.

On the occasion of Jubo League's 50th anniversary, the organisation will hold a rally at Suhrawardy Udyan on November 11. In order to hold a big gathering there, Jubo League held an extended meeting in Dhaka on October 22 with district and upazila level leaders from all over the country.

AL Feels The Heat

Awami League sources said that the party does not want the BNP to boycott the upcoming parliamentary elections. Although BNP's programme has been attacked by Awami League and police but the party still managed to show huge presence of people. The opposition has taken over a large part of the media coverage in recent months, something unseen in the last seven-eight years. As a result, BNP has made common people all over the country and even foreign diplomats curious. Awami League workers have also developed some anxiety. There is also the apprehension whether the people who are suffering due to the increase in the price of goods will come down on the streets at the call of BNP. In this situation, the ruling party Awami League will allow BNP to carry out its programme without leaving the field completely. Besides, the party has decided to show its strength by organising large gatherings.

A central leader of Awami League said on condition of anonymity that the BNP is being given the impression that the Awami League can stop the rally if it wants to.

Abdur Razzak, a member of the presidium of Awami League said that the work of organising the party and preparation for election will continue simultaneously. Awami League is the power of the streets. Leaders and workers also want to see themselves in the field. The upcoming conferences and programmes will have huge attendance.

Programmes in November-December

Although the date is not fixed, the central conference of Awami League is going to be held in December. The date of the convention is likely to be finalized at the meeting of the party's highest policy-making forum, the Executive Parliament, on October 28. Party sources say that in addition to councillors and representatives from all over the country, a large number of workers-supporters will be brought to Suhrawardy Udyan in this two-day conference. Before this, there may be conference of Dhaka Metropolitan North and South and allied and fraternal organisations.

This process will begin in late November, which will continue until the central conference of the party. Apart from this, there will be a program for the month of victory.

Affiliated and fraternal organisations of Awami League are Chhatra League, Jubo League, Jubo Mahila League, Mahila Awami League, Tanti League, Volunteer League, Krishak League, Sramik League and Fishermen League. All these three-year committees will expire in November.

In Narayanganj District meeting on October 27 Awami League General Secretary Quader said to BNP, "Today you are talking big things. All will be dealt with on the streets.

The month of victory will be played in December. He said even after targeting 10 lakh, the BNP failed to gather 1 lakh, and in some places, even after targeting 5 lakhs, they did not reach even 50,000. This is the appearance of the BNP rally.

Khaleda Zia, Chairperson, BNP

Target for 'Simultaneous Movement'

Buoyed by the party's apparent 'success' in the ongoing anti-government street protests, opposition BNP is now planning to begin a 'simultaneous' movement with most opposition parties at the end of this year. Jatiya Party led by GM Quader is a major target to bring it under its election-time political alliance. BNP insiders say the main and initial objective of their planned movement is to force the Awami League government to step down by restoring the caretaker government.

BNP's rally in Chattogram attended by a huge number of supporters

They say their many other demands, including withdrawing cases against political leaders, unconditional freedom for Khaleda Zia and formation of a new neutral Election Commission, will easily be realised if the current government steps down and hands over power to a neutral administration. The party has already finalised the draft of a set of demands for waging the 'simultaneous movement' along with other parties and platforms with outcome from its discussions during the first round of political dialogue.

After weeks of street demonstrations in Dhaka and outside, BNP has begun its second round of dialogue with like-minded political parties. On October 22, the first meeting was held with Kalyan Party to finalise the demands and issues that would be highlighted in the movement.

Though they had 23 parties in the fold for launching the simultaneous movement during the first phase of talks, senior BNP leaders say they want to include some more like-minded parties including Jatiya Party. BNP also wants to take some other left and Islamic parties that are against holding the next polls under a partisan government.

Jatiya Party, which was an electoral partner of Awami League in the last three national elections, has recently been harshly criticising the government on various issues and raising voices against the plan to use EVMs and the polls under a partisan government.

GM Quader has recently expelled some party leaders, who are loyal to Raushon Ershad and have a strong connection with the government, seemingly to establish his full control over the party leadership so that he becomes strong enough to take any tough decisions on the next polls without any major challenge.

'Khaleda Zia to Lead '

BNP Secretary General Mirza Fakhrul on October 24 said their planned 'simultaneous' movement' with different political parties to oust the government would be carried out under the leadership of Khaleda Zia, a statement seen by many as an effort to keep the party activists and leaders united.

"We've taken united steps (to wage a simultaneous movement) …We've already announced the name of the (top) leader of our movement. Begum Khaleda Zia is our leader. In her absence, our acting chairman Tarique Rahman is our leader," he said. Fakhrul made the remarks while talking to reporters after a dialogue with Jatiya Party (Kazi Zafar), a partner of the 20-party alliance, at the BNP chairperson's Gulshan office.

BNP Chairperson Khaleda Zia, convicted in two graft cases, was freed through an executive order of the government on March 25, 2020, with conditions that she must stay in her Gulshan house and would not leave the country. Under such circumstances, a convicted person like Khaleda is not eligible to participate in politics and lead a movement, and her physical condition is not suitable too.

But BNP leader Syed Moazzem Hossain said that there is no problem to wage the movement under Khaleda.

He said Bangabandhu Sheikh Mujubur Rahman was in Pakistan's jail in 1971, but the war took place under his leadership.

"If Sheikh Mujib could lead the war from jail in Pakistan, then there is no problem for Khaleda to lead our movement staying in her house in the country," he said. 'Talks may end by November' Mirza Fakhrul said they would start the "simultaneous movement" after completing the second round of dialogue with all the opposition political parties.

Mirza Fakhrul Islam Alamgir, Secretary General, BNP

BNP standing committee member Amir Khosru Mahmud Chowdhury said that their party is likely to complete the second round of talks by November this year.

"We've our scheduled programmes till December 10. We may initiate the simultaneous movement after the end of our programmes," he said.

As his attention was drawn to Kalyan Party chairman Syed Muhammad Ibrahim's comment that there will have "a surprise" in the upcoming anti-government movement, Khosru said he was not aware of anything like that.

'Efforts to Woo Jatiya Party'

A senior BNP leader, wishing not to be named, said their party is trying to convince Jatiya Party led by GM Quader and some left parties to involve with the simultaneous movement.

Amir Khosru said they want all parties, which are against next general elections under a partisan government, to join their movement for the restoration of the caretaker government.

"We'll welcome Jatiya Party to our talks and our planned movement. The main point is if Jatiya Party wants to contest next polls under the current regime. Our door is open. If Jatiya Party says it is not willing to join polls under a partisan regime, then it will not be a problem for them to join us," he said.

'Jatiya Party Not Sure Yet'

Meanwhile, GM Quader recently told reporters in Rangpur that they have so far not taken any decision on the formation of an electoral alliance. He also said there was no decision yet whether they would join the next polls or not.

"Our future political existence depends on this decision. So, we'll finalise a decision after discussions with the grassroots and senior leadership," he said.

Asked whether they reached an understanding with BNP, Quader said, "We don't go for any secret entente. Whatever we will do will be transparent," he said.

BNP Sets Nine Demands

BNP is likely to start a simultaneous movement with other opposition parties for the fulfilment of a nine-point demand, including the resignation of the Awami League government and the restoration of the election-time caretaker government system.

"We are now holding the final round of dialogue with political parties to finalise the outline of our movement as well as demands, while at least nine demands have been finalised following the first-round dialogue," said a BNP standing committee member.

He said that some of the demands may be elaborated or curtailed during the discussion with the parties adding that but no parties have objections to the nine demands that have been worked out.

The seven other demands are the dissolution of the current parliament, formation of a new Election Commission under the caretaker government, containing the price of commodities and ensuring necessary monitoring, the cancellation of the Digital Security Act, Special Power Act and other reppressive laws, the unconditional release and withdrawal of 'false' cases against BNP chair Khaleda Zia, other political leaders and activists, Islamic preachers and scholars and journalists, the return of the victims of enforced disappearance and ensuring punishment of the people involved in enforced disappearances and bringing back laundered money from abroad and ensuring punishment of the people involved in the capital flight or money siphoning.

The party, the BNP leader said, would make public the demands and the complete outline of the simultaneous movement by the end of November or early December.

Senior BNP policymaker Khandaker Mosharraf Hossain said that the party standing committee, the highest policymaking forum of the BNP, assigned its secretary general Mirza Fakhrul Islam Alamgir to run the dialogue process with the parties interested in the simultaneous movement.

He went on to say that Fakhrul would hopefully be public with the outline and the demands 'soon'.

The BNP has started the second round of dialogue with like-minded parties on October 2 with the aim of bringing all opposition organisations together to oust the Awami League from power.

The BNP has already held meetings with the Bangladesh Kalyan Party, the Jatiya Party (Kazi Zafar) and the Liberal Democratic Party.

During the first-round dialogue the BNP held with opposition political parties over a month from late May, at least 23 parties expressed their interest in joining an anti-government movement with the BNP.

In the ongoing second-round dialogue, the BNP is sharing its ideas of national government and plans on constitutional, judicial and administrative reforms in order to achieve a democratic transformation of the state.

The reform programme will be implemented by a 'national government' to be constituted with the political forces contributing to the ouster of what the BNP calls the fascist Awami League government, BNP standing committee member Iqbal Hasan Mahmud said.

The reform plan will include constitutional amendments, election-time party-neutral caretaker government, forging national reconciliation, establishing a bicameral legislature, judicial reform and reform of the civil administration, according to Iqbal.

'The party policymakers are considering the reform package titled "Declaration of State-Transformative Reforms" to solve longstanding issues that have put the nation on the back foot,' he also said.

A bicameral legislature will be introduced, incorporating eminent educationists, professionals, political scientists, social scientists and people with experience in the field of administration, he said.

Under the proposed reform package, the party will form a 'constitution reform commission' to ensure the democratic rights of the people while the provision for referendums will be reintroduced in the constitution towards a better democratic system. ■

Obaidul Quader, General Secretary, Awami League

BSCIC Estates In Sylhet

Factories Weighed Down By Weak Infrastructure

Business Outlook Report

Some 132 small and cottage industrial units inside two estates of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Sylhet have long been suffering due to the poor infrastructure and other facilities available to them.

Owners of the affected industries have been reporting their grievances to the estate authorities and related government offices for decades now, yet the problems persist.

The two BSCIC industrial estates in Sylhet are located at the Gotatikor and Khadimnagar areas on the outskirts of Sylhet city.

During a recent visit to the Gotatikor estate, this correspondent found that the key problem for industries present is that the estate's drainage system is almost completely clogged.

As a result, many low-lying areas become waterlogged during heavy rain, according to the mangers and other officials of several factories inside the estate. Meanwhile, the Khadimnagar estate is plagued by damaged and muddy roads that become submerged when it rains, as witnessed by this correspondent. Alimul Ahsan Chowdhury, managing director of Alim Industries Limited, said other than poor infrastructure and waterlogging, industries at the estates are being deprived of certain benefits owed to them.

For example, Jalalabad Gas Transmission and Distribution System Limited, a state-owned gas distribution company in Sylhet, is charging the industrial rate for gas connections even though a reduced rate for small and cottage industries is in effect.

"Similarly, the Power Development Board is charging the commercial rate for electricity without providing the promised rebate," said Chowdhury, who is also president of the Sylhet chapter of the National Association of Small and Cottage Industries of Bangladesh. "Besides, the ongoing load-shedding is causing difficulties in production," he added.

The managing director of Alim Industries, a leading agricultural machinery manufacturer in Bangladesh, went on to say that certain laws, especially those related to tax, are troubling industrialists.

The BSCIC, Department of Inspection for Factories and Establishments, Fire Service and Civil Defence, and Department of Environment have separate rules for establishing a factory.

"As a result, investors at times face harassment by a few unethical officials," he said.

Chowdhury then suggested a broader government development initiative for small and cottage industries at the BSCIC industrial estates.

The BSCIC had initiated the One-Stop Service back in July 2021 to ease new investments and facilitate smooth business operations inside its industrial estates. However, the service in Sylhet seems ineffective as no concerned government

offices have agreed to be a part of it yet. Tahmin Ahmed, president of the Sylhet Chamber of Commerce and Industry (SCCI), sent a letter to the Prime Minister on September 6 earlier this year, demanding a reduction in the 15 per cent VAT imposed on industries at BSCIC estates in Sylhet even though the law says it should be 4 per cent.

He also demanded a new industrial estate in the region considering the high demand from existing industries as well as potential investors.

Likewise, the BSCIC has been planning to establish a new industrial estate in Sylhet for years now.

After selecting 165 acres of land on September 14, 2020, the BSCIC forwarded a memorandum to the additional deputy commissioner of revenue of Sylhet for further processing.

M Suhel Hawladar, acting deputy general manager of the BSCIC office in Sylhet, said they are pushing the matter with higher authorities but the establishment of a new estate is still stalled on the decision over land.

Regarding the poor infrastructure of existing estates, he said the BSCIC is implementing a Tk 10 crore project at Khadimnagar, where new drainage systems and roads will be constructed.

Another Tk 1.3 crore has been proposed for upgrading the Gotatikor estate while an express power connection for industrial estates is being planned, Hawlader added. He then said many industries at BSCIC estates are not complying with certain regulations as they do not clear their VAT and other taxes accordingly.

"40 per cent of the industries at estates are of the food industry, and most investors are from outside Sylhet as locals are not keen on industrial investment. Still, we are offering entrepreneurship development training to youths and arranging start-up loans from Karmasangsthan Bank to change the scenario," he added. ■

Plots still Vacant At 60-Year Old Industrial Estates

BSCIC Officials Say Allotments Will Be Made Soon

Business Outlook Report

Although the Bangladesh Small and Cottage Industries Corporation (BSCIC) had established some industrial estates as far back as the 1960s, a number of plots at these estates remain unallocated as work on land filling, constructing roads, ensuring security services and other utilities is still ongoing.

The industrial estate in Barishal is one such case as it was established back in 1960 on 130 acres of land, 33 acres of which remain low. As a result, 109 of the 470 plots available are yet to be allotted. Sources say the fact that the plots are still unused is depriving the government of revenue, people of jobs, and small-and-medium enterprises (SME) of serviced land.

Besides, the lack of proper roads and security services has resulted in a lack of interest among entrepreneurs, they said. Golam Rasul, industrial estate officer of the bscic district office in Barishal, said a project was taken up in 2015 to ready plots on the 33 acres of low land. The project is set to expire this December, but the authorities do not expect it to be completed on time.

"It will take another six months to complete the entire work as the construction of roads and boundary walls is underway. The work on filling lowlands with sand is over though," he added. Sydur Rahman Rinto, president of the Barishal Chamber of Commerce and Industry, said the BSCIC had previously taken several initiatives to convert the lowlands into plots but has so far been unable for various reasons. The industrial estate is located at the heart of Barishal city with business activities in the district having grown significantly in the last five decades.

Rinto then said the main approach road to the industrial estate is too narrow while the estate itself lacks the required facilities to set industries. "For these reasons, the plots remain empty even after so many years since their establishment," he added. There are currently 127 manufacturing units operating at the Barishal Industrial estate, of which

119 are in production while eight are underperforming. Another age-old industrial estate is the one in Pabna. Established in 1962, five of the 172 plots at the Pabna Industrial estate are yet to be allotted. Rofikul Islam, deputy general manager of the BSCIC district office in Pabna, said work is underway to allocate these plots soon as a list of applications has been sent to the head office.

These plots were once allotted but the BSCIC ultimately withdrew the allotments due to non-compliance issues among the related entrepreneurs. Apart from this, industrial estates in Rajbari, Sylhet and Cox's Bazar that were built in the 1960s still have some vacant plots for various reasons, including legal complications. For example, many entrepreneurs that secured allotments through political affiliation have gone abroad, leaving their plots unused for a long time and the BSCIC has been unable to reclaim them due to legal complications. However, there are no plots vacant in the Comilla, Feni, Tongi, Mymensingh and Faujdarhat industrial estates established in the 60s.

ANM Mujibur Rouf, deputy general manager of the industrial estate division at the BSCIC, said the plots that remain unallocated are not serviced in most cases, unlike the central plots.

Some of the plots were allotted at different times but the allotments were later cancelled as the related industry was not established as per the rules.

Only Eight Of 500 Vacant Plots Allotted

In March earlier this year, the BSCIC published newspaper advertisements seeking applications from entrepreneurs to allot 500 plots that have been lying vacant for years, even at the more recently established industrial estates.

According to the BSCIC, the industrial estate in Gopalganj has the highest number of vacant plots with 131 while the one in Moulvibazar closely follows with 119.

Meanwhile, some 50 plots at the industrial estate in Chuadanga, 43 in Jhalakathi, 40 in Barguna, 38 in Madaripur and 33 in Khagrachari are still unused.

Rouf said applications for the allotment of 165 plots have been received but only eight of them have been allocated so far.

The plots will be allotted through a "district plot allocation committee" with each one to be leased out for 99 years.

The BSCIC was set up in 1960 to develop industrial plots equipped with utility connections and connectivity to spur industrialisation.

Today, there are 11,922 plots in 80 industrial estates of the BSCIC across the country.

There are about 4,570 factories in production, of which 901 are export-oriented, at these estates. They employ over 62 lakh people with a total investment of Tk 63,318 crore so far, as per data from the BSCIC. ■

Exports To Russia Returning To Normalcy

Business Outlook Report

Many thought exports from Bangladesh to Russia would come to a halt after the Russia-Ukraine war began in February as the transcontinental nation was slapped with numerous sanctions and embargoes that restrained its import activities.

However, shipments to Russia have since almost returned to full swing thanks to the establishment of alternative shipping channels and payment systems.

Russia emerged as a high potential export destination for Bangladesh in recent years but the war briefly paused the shipment of goods, especially apparel items. However, Bangladesh shipped goods worth $33.52 million to Russia in the first two months of the ongoing fiscal year while exports amounted to $638.30 million in fiscal 2021-22, indicating that trade is back on track despite its slowed growth.

Before the war, local exporters would ship goods from Chattogram port to Finland, where they were routed to the final destination in Russia's Saint Petersburg for distribution among importers.

But the routes have since changed amid the war as many alternative paths have opened up. As such, exporters now transit their goods through ports in Turkey, South Korea, Germany, China, Hong Kong, Singapore and Poland for shipping them to Russia.

Some exporters are even sending goods on a direct route to Russia and do not face any trouble in the process. For example, exporters are not facing any trouble in receiving payments from Russian buyers as they are paid from a third country in US dollar or China's renminbi.

Exporters are also receiving payment directly as only six banks of Russia have been sanctioned by the Society for Worldwide Interbank Financial Telecommunication (SWIFT). Shahidul Islam, managing director of Rupa Group, a local sweater and knitwear exporter, said he has been sending goods to Russia through alternative routes.

"I am receiving payment from a third country," he said, adding that he got more than $7 lakh in payments from Russian buyers since the outbreak of the war. Islam went on to say that he has agreed to take payments in the Chinese currency from a Russian importer.

Mohammad Hatem,

executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said he is sending goods to Russia through alternative channels and is not facing any major challenge as business is almost normal.

Like Hatem and Islam, many other exporters are using alternative channels for shipping goods to Russia. Hatem also said the situation has improved a lot now as the vessels can carry goods the country without issue.

Md Ruhul Amin Sikder, secretary of the Bangladesh Inland Container Depots Association, said a lot of consignments were stuck at Chattogram port during the initial days of the war as shipping lines were reluctant to carry goods to Russian.

However, there are no such complaints at present as shipping lines have started carrying goods to Russia through alternative channels. On the other hand, Rajiv Chowdhury, managing director of the Fatullah-based Young 4 Ever Textile, said he will not send any goods to Russia for the time being as he is observing the situation.

Chowdhury is hopeful of resuming shipments to Russia in the future though as the situation is returning to normalcy. ■

Modern Training Centre Opened At Rooppur Power Plant

Business Outlook Report

Following the strict rules and regulations, a new and modern training centre was established to train operating personnel for Rooppur Nuclear Power Plant (RNPP) at Ishwardi, Pabna.

"Bangladeshi personnel will be trained in specialized classrooms and other facilities with state-of-the-art equipment," Director General of Rosatom State Corporation Alexey Likhachev said.

The Russian side has developed all the necessary training and methodological programs, which in the future will allow the Bangladesh side to independently train its personnel, he said.

Likhachev opened the newly built modern training centre inside the RNPP site at Rooppur after joining the Reactor Pressure Vessel installation ceremony at the second unit of the country's maiden RNPP on October 19.

Earlier, Prime Minister Sheikh Hasina virtually joined the installation ceremony of the Reactor Pressure Vessel (RPV) at the second unit of the under-construction RNPP. "Together, every day we are moving closer to the launch of the nuclear power plant, which the people of Bangladesh are eagerly waiting for," said the Director General of Rosatom.

He emphasised the importance of the installation of the second reactor vessel and positively highlighted the cooperation with Bangladesh.

"We see that the construction of the first nuclear power plant in Bangladesh is actively progressing, despite the obstacles that the pandemic has created for us. I am sincerely grateful to the entire team of active constructors for their well-coordinated work. I express my gratitude to the authorities of the Bangladesh for their full support to the project," Likhachev said.

He said, "Acquiring knowledge in the most modern technology like nuclear will facilitate special skills and competencies among new generation people. For not emitting carbon, it is environment friendly and will help combat the adverse effects of climate change". ■

BD, Indonesia, Pakistan, Vietnam Align On RMG Chemical Action

Business Outlook Report

Four Asian garment producing countries-Bangladesh, Indonesia, Pakistan and Vietnam-have united to fight against pollution by reducing hazardous chemicals use in textile production that pose significant risks to human health and environment.

The $43 million initiative will support businesses to manage risks to workers and eliminate the most toxic chemicals from their production processes, according to a UN Environment Programme (UNEP) statement issued on October 17. Employing over 10 million people, the four nations' textile sectors account for near 15 per cent of global clothing exports, it said.

However, the economic benefits of the industry come at a cost, with the sector being one of the world's major users of Persistent Organic Pollutants (POPs) and per- and polyfluoroalkyl substances (PFAS), a family of approximately 12,000 synthetic chemicals which do not break down and accumulate in the environment, threatening human and ecosystem health. Wet processing factories, where materials are turned into fabrics through bleaching, printing, dyeing, finishing and laundering typically use 0.58 kg of chemical inputs for every 1 kg of fabric produced, it noted. These

compounds leak into the environment at all phases of the textile lifecycle, from production to use, disposal and recycling. Led by the UN Environment Programme (UNEP), with the financial backing of the Global Environment Facility (GEF) and the support of the Basel and Stockholm Convention Regional Centre South-East Asia and the Natural Resources Defence Council, the reducing uses and releases of chemicals of concern in the textiles sector programme will provide technical support and tools for SMEs and manufacturers to improve their knowledge and management of hazardous chemicals, guiding them to manage risks to workers, and eventually eliminate the worst chemicals from their production processes.

"The textile sector is a major user of toxic 'forever chemicals' which pollute local and global ecosystems," UNEP Chemicals and Waste Programme Officer Eloise Touni said.

"While governments have agreed global bans of the worst chemicals through the Stockholm Convention on POPs, value chains still use thousands of hazardous chemicals like PFAS. UNEP is proud to work with governments and front-runner companies to scale up best practices and phase out chemicals of concern across the whole sector".

The five-year programme will bring the four countries together to align public policy on the textile sector with international best practice, including on supply chain transparency, investment for chemical management and eco-innovation, and occupational health and safety, creating the enabling environment needed to phase out PFAS and other chemicals of concern, said the statement. ■

Discarded Human Hair Brings Big Business

Apu Ahmed

Human hair was once considered a throwaway thing in the country.

Hair Becomes a Commodity

Nowadays, human hair has emerged as a commodity in the country thanks to Chinese and South Korean businessmen and the Covid pandemic. Human hair turning into costly wigs and fashionable hair extensions has long been a sophisticated trade in the global market. The trade depended mostly on the availability of natural hair. In the past, Chinese and South Korean entrepreneurs collected human hair from Bangladesh and sent those for manufacturing wigs and hair extensions in China. But the Covid pandemic has led to the closure of many factories in China. The desperate Chinese and South Korean entrepreneurs who dominate the global hair products market have been forced to impart the skill and techniques of making wigs to local entrepreneurs for the past one and a half years.

Chaina Dominates Hair Trades

The Chinese have taught local entrepreneurs wig-making techniques for keeping their supply of hair products to the global market intact. China is the top country in exporting wigs, beards and eyelashes from human hair. In 2021, China's income stood at $2.8 billion from supplying the products in the world market, according to Worldstopexports. South Korea used to rely heavily on exports of wigs before its full-scale industrialisation began in the 1980s. The wig industry boomed in South Korea throughout the 1970s. According to 'How Women—and Their Hair—Transformed South Korea' by Wendy Wei, wig sales jumped over $93 million by 1970 from only $14,000 in 1964. Wigs made up 9.3 per cent of South Korea's exports and became the country's number two export item at one stage.

China's hair business growing amid pandemic and industry irregularities

Technology Transfer Begins

The transfer of technology from the Chinese entrepreneurs by this time has almost revolutionised the export-oriented hair products industry in Bangladesh, said convenor of the Bangladesh Hair Products Processors and Exporters Association Abul Kalam. Assisting a number of Chinese businesses and operating a small factory for the past two years, Kamal pointed out that half a dozen renowned factories had already been operating in Bangladesh. The factories include Evergreen Products Factory (BD) Ltd, MGL Company BD Ltd and YCL International Industries Ltd. All are Chinese joint-venture companies operating in Uttara Export Processing Zone in Nilphamari, Iswardi Export Processing Zone in Pabna, and Mongla Export Processing Zone in Bagerhat respectively for the past decade.

Leading Factories

Of them, Hong Kong-based Evergreen Products Factory and its products from the factory in Bangladesh won praise from international buyers. The company operates on 38,000 square metres of space and employs around 11,000 workers. It manufactures and sells a wide range of hair products like wigs, hair pieces, braids and high-end human hair extensions. Md Shamim Uddin, general manager of Evergreen Products (BD) Ltd, told a local newspaper that they exported their items to 100 countries including Japan, China, South Korea, the US and the EU. MGL Company BD Ltd, according to the entrepreneurs, is a leading human and synthetic hair wigs and extension manufacturer in China and Bangladesh for almost 20 years. The company's factories in Hunan, Shenzhen, China and Bangladesh develop over 200 of hairstyles and supply around 3,000 items for consumers.

Cheap Labour

But the established factories are not involved in the technology transfer, said the local entrepreneurs. They said a growing number of local entrepreneurs by the influence of the Chinese and South Korean businesses who used to collect raw hair in the past have become involved in the hair trades. The number is growing day by day because of the availability of cheap labours, said Abul Kalam. The Chinese entrepreneurs also like the natural craftsmanship of local women who comprise the majority of over 3 lakh workers in Dhaka, Chuadanga, Kushtia, Naogaon, Rajshahi, Dinajpur, Sherpur, Jamalpur, Mymensingh, Tangail and Gazipur in wigs making and hair extensions. Abul Kalam said the wig and hair extension factories are spreading very fast thanks to the strong appetite of Chinese buyers.

Check Illegal Activities To Boost Exports

In 2021-22, Bangladesh earned $105.89 million from exporting human hair and wigs, according to the Export Promotion Bureau. The government has fixed export incomes from human hair and wigs at $130 million in the current financial year. In the first two months of

Bangladeshi workers making wigs

the fiscal or the July-September period, the county's exports from human hair and wigs stood $34.76 million, an 80 per cent increase over the corresponding period of the past financial year. The export will grow if the National Board of Revenue checks loopholes in illegal practices of Chinese businesses to send wigs and hair extensions by courier services in the pretext of sending samples. At present, wigs and human hair products weighing five kilogramme are allowed to be sent by courier services, according to industry experts. The quantity sent through the courier services is a big amount, they said, adding that a large number of hair products were exported from the country this way. But the export incomes were not reflected in the EPB statistics. Once the NBR will be able to check the illegal practices, the country's income from wigs and hair products exports will grow.

New Importing Sources

The country's growing wig trades may face trouble as India imposed a ban on human hair export. India has done so to grow its own export-based industry. India is one of the top sources of human hair. Industry operators said Indian hair is sneaked into Bangladesh for better price. Bangladeshi entrepreneurs believe that Indian ban would not hamper the rising wig industry in the country's newfound export product that has almost reached at the cottage level. They said plenty of raw materials will be made available from Nepal and Myanmar besides being outsourced from the local level.

Study Imperative

There has been no available study by academicians on hair trade in Bangladesh. The government should appoint research organisations for a thorough survey of the future prospects of the industry. Bangladesh has been cautioned for its less diversified export basket dominated by readymade garments products. Local entrepreneurs believe that the government should extend support to sustain the growth of the industry that has potential to fetch foreign currencies the country needs like that of South Korea in its early stage of industrialisation. ■

World Cups Fuel Demand For Large Screen TVs

Business Outlook Report

The demand for large-screen and premium-branded televisions has picked up in Bangladesh as sports-loving fans are gearing up to watch cricket and football world cups. However, the sales of general TVs have not kept pace since a majority of consumers across the country have been feeling the pinch of economic pressure for several months because of the higher cost of living. Television sales in Bangladesh usually treble during world cups, whether it is cricket or football. Ritesh Ranjan, head of business at Transcom Digital, says the demand for high-end TVs

has gone up for a week after the 2022 ICC Men's T20 World Cup kicked off in Australia. Bangladesh's national cricket team is taking part in the tournament.

High-end TVs usually are introduced targeting the higher-middle and high-income groups. TVs with sizes between 55 inches to 98 inches are considered premium brands. Transcom Digital sells 800 to 1,000 units of premium-branded TVs annually. "But I believe sales will rise three times when the Fifa Football World Cup kicks off," Ranjan said.

Md Shariful Islam, chief manager (product planning) of the consumer electronics division at Samsung Electronics Bangladesh, said the sales of premium TVs have increased by around 80 per cent in the last two months. The demand for the general segment TVs has gone up by 40 per cent during the period, he said. Mostafa Nahid Hossain, chief business officer of Walton Television, said the sales of Walton-branded TVs centring the T20I Cricket World Cup and the Fifa World Cup have increased remarkably. The 43-inch to 55-inch Walton TVs have huge demand, he said.

According to industry people, general customers are yet to move to bring in any new TV set to their drawing room although the 2022 ICC Men's T20 World Cup has started, while the Fifa World Cup is just a month away. So, the festive mood among TV manufacturers and retailers is not visible yet.

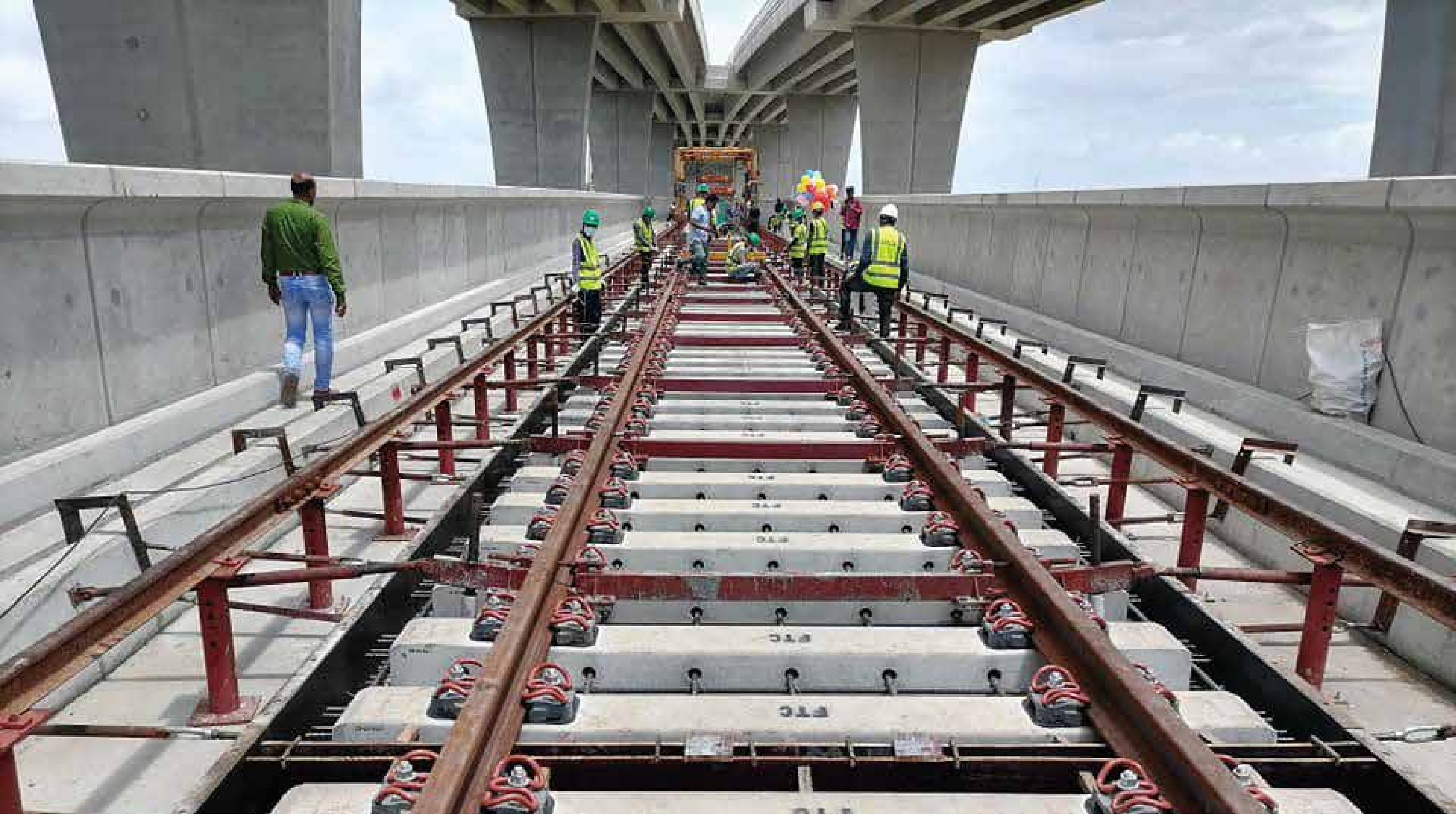
Still, manufacturers and distributors of TV companies such as Samsung, Sony, LG, Singer, Toshiba, Walton, Vision, Transtec, Jamuna, Sharp, Konka, and Minister have launched several new models of big-screen TVs to entice sports lovers. They have also introduced various offers, including cash incentives, equated monthly instalment (EMI) facilities and exchange offers. Transcom Digital, which retails Samsung and Transtec-branded TV at its outlets aiming to cater to the middle class to higher income people, is offering six to 36 months of EMI facilities to attract customers with credit cards from 34 banks and non-bank financial institutions.

Recently, it started selling Sony televisions as well as those of ROWA, a TV brand in China. Samsung Electronics Bangladesh plans to introduce some special gifts and cash discounts throughout the Fifa World Cup. Walton is going to release some new models of the high-end premium series and looks to unveil special offers centring the World Cups.

Esquire Electronics, the sole local distributor of Japanese electronic brands General and Sharp, has introduced promotional offers for the two events. "TV sales are almost the same as in normal times," said Md Manzurul Karim, general manager of the company. "We normally sell five sets a day whereas, during World Cups, it goes up to 11 to 12 units. But sales are poor this time." The demand for TVs with sizes from 32 inches to 43 inches is yet to pick up as the middle class is cautious when it comes to spending owing to economic uncertainty, caused by the Russia-Ukraine war.

The middle-income groups have been forced to put their purchases of luxury items largely on hold as their incomes have eroded by the persistently higher inflation and the ongoing macroeconomic uncertainty. Consumer prices have been rising since the beginning of the war on February 24. Inflation in Bangladesh surged to a multi-year high of 9.5 per cent in August and 9.1 per cent in September, forcing the people to tighten their belts as the war shows no sign of coming to an end. Industry people claim that 52 per cent of the country's television market is controlled by local manufacturers, with Walton topping the list with more than 25 per cent stake. Singer holds a 9 per cent share, Minister 4 per cent, Vision 3 per cent, and Jamuna 2 per cent. The rest 48 per cent of the market is controlled by foreign companies such as Samsung, Sony, LG, Sharp, Toshiba, and Xiaomi. Although there is no credible data on the TV market, industry insiders have put the annual demand at around 27 lakh, worth Tk 10,000 crore, or $1 billion. It was $636 million in 2020.

Retailers expect the annual sales to cross 30 lakh units thanks to the Football World Cup. ■



Padma Bridge Rail Link Project

Is Govt Ready For Another IMF Bitter Pill?

Apu Ahmed

An International Monetary Mission is now in the capital for negotiating over $4.5 billion loans Bangladesh has sought to tackle the foreign currency crisis that has already sent once the most advanced South Asian country, Sri Lanka, into bankruptcy.

IMF's Focus on Reforms

Local negotiators have already apprehended that IMF, a highly professional entity on core economic issues in the era of open market economy, will ask the government to carry out reforms in many areas. On October 21, the IMF in a statement from Washington said that its mission led by Rahul Anand in Dhaka from October 26 to November 9 would discuss economic and financial reforms and policies. An IMF advanced team that visited the capital in July underlined the need for reform for tackling challenges the country's macro-economy is now facing. Many decisions taken by the government on political considerations during the past decade have gone against prudent financial management. Pressures have built on once sound macro-economy. The country now needs adequate foreign currency for a stable economy capable of meeting the import of fuel oils, food and fertiliser.

Can't Hide Inherent Weaknesses

Although the policymakers are blaming the war between Russia and Ukraine after the protracted Covid pandemic for the current economic woes, economists said the current situation was almost inevitable because of inherent weaknesses of the economy. The economists pointed out that little measure was taken for facing the challenges of poor revenue generation. Revenue mobilisation did not grow at all in the last decade, compared to the country's growth in GDP. Besides, the growing inequality, the swelling bad loans and the rampant capital flight indicate the lack of prudent economic policies. The absence of good governance in the country has already been criticised at home and abroad. The US has imposed sanctions on the Rapid Action Battalion and some of its former and current officials.

Colombo Alerts Dhaka

Falling forex reserves, high inflation and shortage of primary fuels to generate power since the first quarter of the current year exposed the economic weaknesses as the government sought loans from the IMF in late July. But soon after seeking the loan, the country was portrayed in the world media as yet another bankrupt nation after Sri Lanka, the country's South Asian neighbour became a debt defaulter by that time. Demonstration, street protest and attacks on the president's residence brought about a change in regime in Colombo. Many believe that the unrest in Colombo alerted Dhaka greatly. In August, the IMF officials, however, said that Bangladesh might not face an adverse situation like that of Sri Lanka. Still, there are lots of risks, they added. The officials explained that the current pressure on the macro-economy would likely continue in the coming months because of volatilities in the global economy in the wake of the war between Russia and Ukraine.

Crises All Around

The county's forex reserves fell below $36 billion in October from $48 billion in August 2021 because of higher prices of imported commodities including fuel oils, fertiliser and food items. Inflation soared to 11-year high to 9.5 per cent in August. The power outages have worsened since July because of a shortage of dollars for the import of liquefied natural gas. Meanwhile, measures taken to save power and ease pressure on forex yielded little positive outcomes since many of them were public stunts. So, the availability of the IMF loans will be very crucial for the country since the global economic turmoil and the impending recession in major economic powerhouses will linger throughout the next calendar year. Of the overall loan amount, the country has sought $1.5 billion each for balance of payment and budget support. Another $1.5 billion has been sought from the IMF's newly-created Resilience and Sustainability Trust fund.

Govt Dislikes IMF

The IMF provided a $732 million loan to Bangladesh to address the COVID pandemic in May 2020. Another loan was available for Bangladesh in the following year. But the policymakers of the present government did not take that as they did not agree with the IMF conditions of letting them know the beneficiaries of the previous loan and how those were disbursed. The IMF attached the conditions for the proposed second tranche of the loan after disbursing the first tranche without any condition because of the pandemic. Between 2012 and 2019, IMF officials had pursued the government to take loans from it but government policymakers did not show any major interest. Many said the government did not take IMF loans to avoid its conditions. The young bureaucrats who are involved in discussions with the IMF said the policymakers of the present government regarded any deals with IMF and conditions attached to those as a big disadvantage for them. The conditions hamper the independent decision-making ability of the government.

Payra Port

BIDF -- a Blunder

There is no doubt that creation of the Bangladesh Infrastructure Development Fund in March 2021 to finance the development projects from the foreign currency reserve held by the Bangladesh Bank would have not been possible had there been a loan deal with the IMF. Despite warnings from many economists and opposition from the IMF, the government established the fund and has extended loans for a dredging project in the Bay of Bengal for improving navigability of the Payra port in Patuakhali. The project has already been seen as a politically motivated one as the international experts predicted that maintaining the port's navigability through the costly dredging was not a viable option. Besides, many projects taken on short-term borrowings from foreign countries carry low economic benefits. Ahsan H Mansur has already identified the Padma rail-link project as one of them. Financed through the costly loan from China, the project might not yield quick economic benefits that can enable the government to pay back the loan to the China Exim Bank. The opening of the Padma Bridge is a good example of how it pulls away all passengers and traffic and forces traditional river transport operators to curtail their once vibrant operation between Dhaka and the southern region. The operation of the Dhaka and Khulna rail line might not generate adequate revenue so that the government can pay back the loan worth around $2.6 billion to China.

Who Needs Who?

The country received the balance of payment support from the IMF on a number of occasions in the past. Every time, it took the loans when there was no other option available. The successive governments always wanted to keep distance from the IMF and its conditions, but their errors in economic management forced them to swallow bitter pills from the Washington-based multilateral entity. ■

Prices Of Rice, Sugar, Onions Continue To Rise

Business Outlook Report

The prices of rice, sugar, onions and edible oil increased on the kitchen markets in Dhaka city over the week ending on October 21.

Although the government raised the price of sugar twice in last one month and set the price of unpackaged item at Tk 90 a kilogram as per demand of the businesses, the commodity topped Tk 100 a kilogram on the city markets. Traders said that wholesale prices of unpackaged sugar have been increasing every day and the supply of packaged item decreased in the market.

They said that the prices of rice and onions also continued to rise on the market as wholesalers increased the price of the commodities. The prices of rice increased by Tk 2–3 a kilogram over the week and the coarse variety of rice sold for Tk 50–55 a kilogram in the capital.

The medium-quality variety of rice sold for Tk 56–60 a kilogram while the BR-28 variety, also known as a lower-grade Miniket, retailed at Tk 62–65 a kilogram. The fine-variety of Miniket sold for Tk 65–75 a kilogram and Najirshail for Tk 80–90 a kilogram on the day.

The price of refined sugar increased by Tk 5 a kilogram and the unpackaged item was sold for Tk 100 a kilogram on the city markets.

The prices of onions increased by Tk 5–10 a kilogram over the week and the local variety of onions sold for Tk 50–60 a kilogram while the imported variety sold for Tk 45–55 a kilogram in the capital. The prices of unpackaged soya bean oil increased by Tk 5 a litre and the item was sold for Tk 165–170 a litre on the city markets.

As per the latest decision of edible oil refiners and the government, the price of packaged soya bean oil has been set at Tk 178 a litre and the item was sold for Tk 175–180 a litre on the city markets. A five-litre container of soya bean oil was sold for Tk 870–900.

The commerce ministry has set the price of palm oil at Tk 125 a litre and the commodity was sold for Tk 120–135 a litre on the city markets. The price of broiler chicken remained high on the city markets

and the item sold for Tk 180–185 a kilogram. The price of Sonalika variety of chicken increased by Tk 10 a kilogram and the item sold for Tk 320–330 a kilogram and the local variety for Tk 530–550 a kilogram.

The prices of eggs also remained high over the week and the item sold for Tk 45–50 a hali on the markets in the city. Rohita sold for Tk 340–400 a kilogram and Katla for Tk 320–380 a kilogram, depending on size and quality.

Pangas sold for Tk 180–190 a kilogram and Tilapia for Tk 150-170 a kilogram. The prices of atta remained high over the week and unpackaged atta sold for Tk 55–58 a kilogram while the packaged atta sold for Tk 58–60 a kilogram in the city. The prices of most of the vegetables remained unchanged in the city over the week.

Aubergine sold for Tk 70–80 a kilogram, papaya for Tk 20–30 a kilogram, bitter gourd for Tk 60–80 a kilogram, bottle gourd for Tk 60–70 apiece, cucumber for Tk 50–60 a kilogram, pointed gourd for Tk 50–60 a kilogram, potatoes for Tk 25–30 a kilogram, carrot for Tk 120–130 a kilogram and tomatoes for Tk 120–140 a kilogram.

Green chillies sold for Tk 80–120 a kilogram in the city on Friday. The prices of red lentil remained high over the week and the coarse variety sold for Tk 100–110 a kilogram and the medium-quality variety for Tk 120–125 a kilogram. The fine variety of red lentil sold for Tk 130–135 a kilogram.

Beef sold for Tk 680–720 a kilogram while mutton sold for Tk 900–950 a kilogram.

The local variety of garlic sold for Tk 80–100 a kilogram while the imported one sold for Tk 120–140 a kilogram.

Ginger sold for Tk 180–200 a kilogram and the local variety for Tk 200–225 a kilogram.

The fine-quality packaged salt retailed at Tk 35–38 a kilogram and the coarse variety at Tk 20–25 a kilogram. ■

A.. B. M. Mokammel Hoque Chowdhury, Managing Director & CEO of Union Bank Limited, inaugurated the Rajshahi, Khulna, Sylhet, Barishal, Rangpur, Mymensingh, Cumilla and Noakhali area Quarterly Business Review Meeting-2022 as the chief guest at the bank's Head Office at Gulshan-1 in Dhaka. ■

Md. Abdul Mannan, Director, Department of Off-site Supervision, Bangladesh Bank, attended the inaugural ceremony of the Annual Risk Conference 2022 of BRAC Bank as the chief guest at the bank's head office in Dhaka recently. ■

Chowdhury Akhtar Asif, Additional Managing Director & GCRO of Mutual Trust Bank Ltd. (MTB), received the award from Rashmi Kumar, Editor, Global Capital Asia & Asiamoney, and Manju Dalal, journalist and writer, at a ceremony in Singapore recently. ■

Bank Asia has entered into an Issuing Bank Agreement with Export-Import (EXIM) Bank of India to avail Trade Assistance Programme (TAP). The facility will enable exporters and importers to access to trade finance as well as provide liquidity and stability in trade finance system. Adil Chowdhury, President & Managing Director (CC) of Bank Asia, and Tarun Sharma, Chief General Manager & CFO, EXIM-India, signed the agreement in the city recently. ■

Md. Jaker Hossain, Director of SME and Special Programme Department of Bangladesh Bank, spoke as the chief guest at the closing ceremony of the month-long Entrepreneurship Development Programme of Islami Bank Training and Research Academy (IBTRA) at the IBTRA Auditorium. Muhammad Qaisar Ali, Managing Director (Current Charge) of Islami Bank Bangladesh Ltd, presided over the ceremony. ■

Mohammed Younus, Chairman of Shahjalal Islami Bank Limited (SJIBL), presides over the 348th meeting of the board of directors of the bank at its corporate head office. Mosleh Uddin Ahmed, Managing Director & CEO of the bank, was also present in the meeting. ■

Janata Bank Limited held its Branch Managers' Conference for Dhaka North at the Conference Centre of its Divisional Office recently. Managing Director and CEO Md Abdus Salam Azad was present as the chief guest. ■

ONE Bank Limited signed an agreement with Bangladesh Land Port to set up a bank's collection booth at Bhomra Land Port. Md. Monzur Mofiz, Managing Director of ONE Bank, and Md Alamgir, Chairman of Bangladesh Land Port, signed the agreement at a city hotel. Under this agreement, users of Bhomra Land Prot will get all kinds of banking facilities from this collection booth. ■

DCCI President Rizwan Rahman speaks at a workshop titled 'Competitive tariff structure: Post-LDC graduation context', organised by the DCCI in the city. ■

Social Islami Bank arranged a view-exchange meeting with the female employees at its head office recently. Zafar Alam, Managing Director and CEO of the Bank, was present as the chief guest at the meeting. ■

Syed Waseque Md. Ali, Managing Director of First Security Islami Bank Limited, celebrates along with others the 23rd anniversary of the bank at the bank's head office in the city. On the occasion, the bank arranged free thalassemia screening and awareness camp and programme for children of special needs and disabilities. ■

Dr. H.B.M. Iqbal, Chairman of the Board of Directors of the Premier Bank Limited, inaugurates a programme to celebrate 23 years of success and prosperity of the bank. M. Reazul Karim, Managing Director and CEO of the bank, presided over the ceremony attended by members of the Board of Directors B.H. Haroon, M. Imran Iqbal, Jamal G Ahmed and Nahyan Haroon, and Independent Directors Kaiser A. Chowdhury and Naba Gopal Banik, among others. ■

BB Chief Discusses $5.5bn Loans With IMF, World Bank To Build A Buffer

Business Outlook Report

Bangladesh Bank Governor Abdur Rouf Talukder recently sat with top officials of both the International Monetary Fund, or the IMF, and World Bank, or the WB, in back-to-back meetings to discuss Dhaka's request to get $5.5 billion in total in loans in the next three years. The governor was in Washington, DC and had these meetings on the sidelines of the week-long annual joint summit of the two most influential global lenders. He was leading the Bangladesh delegation instead of Finance Minister AHM Mustafa Kamal.

While speaking to reporters after the meetings, Abdur Rouf said he met an IMF vice-president to discuss at length the country's request to get $4.5 billion over the next three years. According to Dhaka's proposed credit request schedule, Bangladesh has requested $1.5 billion a year for the next three fiscal years under the global lender's Resilience and Sustainability Trust, or RST. Sources said the governor sought to iron out the details on behalf of the government before official negotiations begin in Dhaka this week with an IMF delegation. Anne-Marie Gulde, deputy director of the Asia and Pacific Department at the IMF, said the global lender is ready to start negotiations with Dhaka, "We are preparing for initial negotiations with Bangladesh, scheduled to kick off next week," she said at a briefing on October 16. Member countries have access to loans from the IMF under three programmes- Extended Credit Facilities, or ECF, Extended Fund Facility, or EFF and RST to address climate change impacts. IMF rules dictate borrowing under any scheme that requires member countries to also borrow under ECF and EFF.

Reuters earlier reported Bangladesh will need a regular IMF-supported programme such as a stand-by agreement or an extended fund facility to be able to get this new type of financing. RST funds are capped at 150 per cent of a country's quota or, in Bangladesh's case, the maximum of $1 billion. According to Rouf, who was the top official at the Ministry of Finance before taking up the new position of the central bank governor in July, Bangladesh can take up to $7 billion in loans in total from the IMF facilities. He said Bangladesh sought loans for budget support to get the funds quickly because the IMF clears these funds at a time while funds for projects are cleared gradually. Rouf believes the loans from the IMF will help Bangladesh tackle the ongoing shortage of dollars.

Meeting With World Bank

In the meeting with the World Bank, Rouf said Dhaka made an additional $750 million credit request from the top global development cooperation agency, along with the $250 million it already requested in the form of budget support. The additional $750 million loan was asked under a programme known as Green Resilience Inclusive Development or GRID.

"We have discussed this total loan of $1 billion," he said. ■

PM Sheikh Hasina with Brunei Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah

Bangladesh & Brunei Agree On Energy Cooperation

Business Outlook Report

Bangladesh and Brunei Darussalam on October 16 agreed to explore mechanisms for long-term collaboration in the energy sector, particularly in the supply of Liquefied Natural Gas (LNG) and other petroleum products to Bangladesh.

Visiting Brunei Sultan Haji Hassanal Bolkiah and Bangladesh Prime Minister Sheikh Hasina agreed for a long-term collaboration in the energy sector, said a joint statement issued after the official talks between the two leaders at the Prime Minister's Office in Dhaka.

"In view of Bangladesh's growing demand for energy and Brunei Darussalam's standing as a stable and key regional exporter of energy, both leaders agreed to explore mechanisms for long-term collaboration in the energy sector, particularly in the supply of Liquefied Natural Gas (LNG) and other petroleum products to Bangladesh," said the statement. Following the official talks, the two countries also signed four bilateral instruments, including a memorandum of understanding (MoU) on the Field of Cooperation in the Supply of Liquefied Natural Gas (LNG) and other Petroleum Products.

Three other instruments are 'Air Services Agreement,' 'MoU on the Employment and Recruitment of Bangladeshi Workers,' and 'MoU on the Recognition of Certificate Issued under the Provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 as amended.'

In the talks, both sides identified trade and investment as areas of vital bilateral cooperation and expressed their optimism to work to increase the volume of two-way trade, which is currently far below the potential. The two countries also welcomed discussions to explore the possibility of a mechanism between the Ministry of Commerce of Bangladesh and the Ministry of Finance and Economy of Brunei Darussalam to widen cooperation in trade, commerce and investment, as well as to seek support for enhanced business-to-business relations and cooperation.

Both leaders also agreed to deepen collaboration in the field of Halal trade.

Bangladesh offered Brunei Darussalam the advantages of the opportunities for investment in the Special Economic Zones of Bangladesh. Brunei Darussalam took note of the offer and looked forward to discussing potential areas of investment cooperation for the mutual benefit of both countries, according to the joint statement. Brunei Darussalam also invited Bangladesh to consider investing in its economic diversification activities, such as in the food, agriculture and aquaculture industries. In the official talks held in a warm and cordial atmosphere, the two leaders reviewed the entire gamut of bilateral relations.

The two leaders acknowledged with satisfaction that the relationship has reached a new height with the visit of the Bangladesh Prime Minister to Brunei Darussalam in April 2019 and the Brunei Sultan's visit to Bangladesh now. Both sides agreed to work closely together as development partners in view of the strong commonalities existing in faith, tradition and culture, and shared vision of prosperity, peace and stability.

The Brunei Sultan appreciated the visionary leadership of Prime Minister Sheikh Hasina in the development journey of Bangladesh.

Sheikh Hasina also congratulated Haji Hassanal Bolkiah on his extraordinary leadership in preserving peace, stability and prosperity of Brunei Darussalam and the region.

Both the leaders underscored the need to tap the available synergies and stressed the importance of increased interaction and engagements at various levels between the government agencies, as well as of enhancing people-to-people contacts between the two countries. The two leaders agreed to strengthen the existing bilateral mechanisms between the two countries, including regular meetings at the level of Foreign Minister.

Both sides agreed to strengthen cooperation to counter the adverse impacts of the COVID-19 pandemic. The Bangladesh PM conveyed gratitude to the visiting Sultan for the support extended to Bangladesh expatriates living and working in Brunei Darussalam during the difficult period of the COVID-19 outbreak.

Bangladesh and Brunei Darussalam signed four instruments on cooperation in the areas of energy, aviation, manpower recruitment and recognition of certificates for two countries' seafarers

Brunei Darussalam acknowledged the contribution of the Bangladeshi expatriates in its continued development process.

Brunei Darussalam and Bangladesh agreed to discuss the possibility of recruiting more workers, including skilled workforce and professionals from Bangladesh to Brunei Darussalam in the relevant sectors, where necessary. Both sides agreed to govern the recruitment process in a transparent, orderly and ethical manner.

Recalling the respective MoUs on Agriculture, Livestock and Fisheries Cooperation signed in 2019, both sides acknowledged the ongoing discussion between the relevant authorities in both countries to explore potential projects under these MoUs. Both sides looked forward to the convening of the Joint Agriculture Working Committee (JAWC) to be held in November this year in Brunei Darussalam to progress this further.

Both sides recognised the need for quality education for human resource development. Bangladesh appreciated Brunei Darussalam's goodwill by continuing to offer scholarships to Bangladeshi students for higher education. Both sides agreed to further deepen and widen the scope of collaboration in the area of higher education for mutual benefit.

In the context of Bangladesh's growing capacity in the healthcare sector, as well as Brunei Darussalam's capacity for modern and advanced medical infrastructures, both sides noted the importance of signing an MoU on health sector cooperation for the recruitment and training of healthcare professionals, specialised services and pharmaceutical services, as well as other potential areas of cooperation that may be of mutual benefit to both countries.

The two leaders also agreed to work in new and emerging areas including ICT, green technology and blue economy for mutual benefit. Emphasising the value of peace, security and stability for socio-economic development, the two leaders agreed to broaden the scope of existing defence and security cooperation, disaster response and humanitarian operations.

Both sides stressed the need for air and maritime connectivity to enhance trade, investment, tourism and people-to-people contacts and agreed to encourage the private sector operators to become involved for better connectivity between the two countries. The two sides agreed to further deepen mutual cooperation in the regional and international fora, including the UN, OIC, the Commonwealth and ARF on issues of mutual interest and common position. Brunei Darussalam appreciated Bangladesh's continued interest to strengthen its relations with ASEAN and assured its support for Bangladesh's bid to become a Sectoral Dialogue Partner of ASEAN.

Bangladesh expressed gratitude to Brunei Darussalam for its political support for the expeditious repatriation of over a million displaced persons from the Rakhine State, temporarily sheltered in Bangladesh, in a safe, secure, sustainable and dignified manner. The Brunei Sultan appreciated the generosity and hospitality of Bangladesh rendered to the displaced persons and assured that his government would continue to support Bangladesh in seeking a durable solution, with a view to ensuring the overall peace and security of the region. Both sides reiterated that the visit of the Brunei Sultan would usher in a new chapter in the bilateral relations between Bangladesh and Brunei Darussalam. They expressed optimism for a stronger and deeper partnership for mutual benefit of the two brotherly countries.

The two leaders welcomed and witnessed the signing of the bilateral instruments and expressed their expectations for the early implementation of the provisions as envisaged in those instruments. Earlier, on his arrival at the PMO, the sultan was received by the Bangladesh prime minister at the Tiger Gate of the Prime Minister's Office. Before the formal talks, the two leaders also had a tête-à-tête for some time. Then the 50-minute official talks started where the two leaders were leading their respective sides. Brunei Minister of Finance and Economy Dr Amin Abdullah signed three instruments while its Home Affairs Minister Awang Haji Ahmaddin inked the rest one on behalf of their government. Bangladesh's Expatriates' Welfare and Overseas Employment Minister Imran Ahmad, State Minister for Power, Energy and Mineral Resources Nasrul Hamid, State Minister for Civil Aviation and Tourism Md Mahbub Ali and State Minister for Shipping Khalid Mahmud Chowdhury signed each instrument.

On Saturday afternoon, the Brunei Sultan arrived in Dhaka by a special flight on his first state visit to Bangladesh for two days. President Abdul Hamid warmly received the Sultan at Hazrat Shahjalal International Airport amid 21-gun salute.

Some 15,000 Bangladeshis are now working in oil-rich Brunei. ■

High Duty An Obstacle For Bangladesh's Export To Malaysia: Munshi

Business Outlook Report

The country could not harness the export potential of Malaysia because of high tariff imposed on Bangladeshi goods.

Commerce Minister Tipu Munshi made the comments after a meeting with Haznah Md Hashim, Malaysian high commissioner to Bangladesh, at the minister's secretariat office in Dhaka on October 20.

The high tariff has been working as a deterrent factor on shipment of goods from Bangladesh to Malaysia, the bilateral trade is swelling towards Malaysia, he said. Bangladesh is one of the major importers of Malaysian vegetable fat and palm oil. For instance, Bangladesh imported goods worth $3.28 billion and exported goods worth only $337.81 million last fiscal year, according to data of the commerce ministry. Munshi also said Bangladesh has already sent a list of potential exportable items seeking duty waiver from Malaysia, but the latter did not respond to the demand, said a statement from the commerce ministry. Hashim said Malaysia wants to export Malaysian cars to Bangladesh but the high import duty is acting as a barrier here, the statement added. ■

Shrimp Exports Shrivel In Q1

Market Players Blame Recession Fears In EU, US

Business Outlook Report

Shrimp exports from Bangladesh fell in the first quarter of the current fiscal year due to weak demand in the EU and the US markets, which have been gripped by the fears of a coming recession amid the ongoing Russia-Ukraine war. Considering the drop in export orders, overall export earnings from the sector may decline by up to 35 per cent by the end of fiscal 2022-23, according to industry operators.

Earnings from shrimp exports in the first quarter (July-September) stood at $100.10 million, down 18 per cent from $122.73 million during the same period in fiscal 2020-21, shows data from the Export Promotion Bureau (EPB). And although earnings from shrimp exports grew 24 per cent year-on-year to $407 million in the last fiscal, the sector's current performance presents a bleak picture.

"Total earnings from shrimp exports may drop by 30-35 per cent by the end of this fiscal year," said Md Amin Ullah, president of the Bangladesh Frozen Foods Exporters Association (BFFEA). The Russia-Ukraine war has caused a decline in shipments to the two nations while buyers in the EU and the US are offering lower prices in fears of a coming recession. "Whereas we would previously get $2 lakh for shipping a single container to the EU, we are now getting $1.5 lakh for the same volume," he added. Ullah then said the reduced demand comes down to the fact that people in the EU are unwilling to purchase luxury items such as shrimp considering the recent economic shocks.

S Humayun Kabir, chairman of Amam Sea Food Industry Ltd, said although the sector's performance in the first quarter of this fiscal year shows that earnings from shrimp exports have fallen by 18 per cent, overall exports have actually declined by at least 30 per cent. He then reasoned that fluctuations in the US dollar exchange rate have given them a bit of relief as exporters are benefitting from the high dollar price against Bangladeshi taka.

About getting lower orders, he said the whole of Europe is now witnessing a silent financial crisis that has greatly contributed to the fall in export orders. Besides, importers are offering at least 25-30 per cent lower prices compared to last year, he added. Kabir went on to say that local shrimp farmers are failing to secure adequate returns due to the low prices being offered in foreign markets, which will discourage them from continuing the business. "The situation is so dire that many buyers are renegotiating the prices of previously placed orders and as such, stocks are piling up at almost every processing factory," said Kabir, who is also vice-president of the BFFEA.

The volume of shrimp being exported from Khulna, a major producing region, declined by about 16 per

cent to 7,027 tonnes in the July-September period of the ongoing fiscal year, according to the BFFEA. Shyamal Das, managing director of MU Sea Food Ltd, said the demand for locally produced shrimp is declining abroad for its higher price compared to the cheaper vannamei or whiteleg varieties produced elsewhere.

"It is a very bad situation as prices are falling fast while sales are down," he said. A kilogramme of headless black tiger shrimp is now selling for $12 while it was $14 as recently as three months ago. According to Das, the demand for shrimp in the EU has declined by more than 40 per cent. "As our black tiger shrimp is usually consumed as a luxury food in restaurants and hotels, EU importers are pushing back their shipment orders in fear of a recession," he said.

"In this situation, we are falling behind the competition with vannamei shrimp, which is shipped at lower prices from countries like Vietnam and China," Das added. Each kilogramme of vannamei shrimp is currently being sold for $2-2.5 less than the same amount of black tiger shrimp in international markets.

The sector ensures the livelihood of more than 8 lakh farmers, who collectively cultivate shrimp on 2.63 lakh hectares of land in coastal areas of the country's southwest region, according to the Department of Fisheries. ■

Govt Bank Borrowing From BB Surges In July-Sept

Business Outlook Report

The government's borrowing from the Bangladesh Bank soared to Tk 72,700 crore at the end of September from Tk 55,866 crore in June.

The government's borrowing from the country's banking system including the BB, however, was around Tk 12,000 crore in the July-September period of 2022 as the government repaid loans to the scheduled banks rather than taking credits from them.

The government's net bank borrowing was Tk 4,697.78 crore in the same period in 2021. The government's borrowing from the central bank was Tk 16,834 crore in the first quarter (July-September) of the financial year 2022-23 while it repaid Tk 4,000 crore to the scheduled banks.

In September 1- 29, the government's borrowing from the BB was Tk 8,501.65 crore. The target of borrowing from the banking system has been set at Tk 1,06,334 crore for FY23.

Of the total amount, the government took Tk 18,762 crore through issuing treasury bills and Tk 51,251.33 crore through treasury bonds. The government's total outstanding borrowing from the scheduled banks declined to Tk 2.10 lakh crore on September 29 which was Tk 2.14 lakh crore on June 30.

According to Bangladesh Bank data, the government's borrowing from the central bank was Tk 24,542.14 crore as of June 30, 2021. Bankers said that government's bank borrowing increased due to the rising cost of government's expenditures while its income was not increasing significantly.

It also could not get money from selling national savings certificates, they said. In July-August, the government got only Tk 401 crore from selling NSCs.

Besides, the country's banking sector was facing liquidity shortage due to a slow deposit growth against high lending growth and a surge in the dollar purchase from the central bank to meet the foreign currency crisis. So, the government might choose the central bank for financing its expenditures to increase liquidity in the banking sector, they said.

The net outstanding position of the government's borrowing from the banking sector, including the BB, reached

Tk 2.82 lakh crore on September 20 from Tk 2.70 lakh crore in June 2022. The amount was Tk 2.02 lakh crore on June 30, 2021.

To finance the budget, the government borrows mainly from two domestic sources — banking system and other non-banking domestic sources.

The government borrowing from the banking system consists of borrowing from the central bank and the scheduled banks.

From the banking system, the government borrows mainly through advances, overdraft and issuance of treasury bills and bonds.

However, balances of government deposits and other funds are net out from the banking system borrowing. On the other hand, the government borrowing from non-banking domestic sources includes savings instruments introduced by the Department of National Savings and government T-bills and bonds held by non-bank financial institutions, insurance companies and individual investors. During July to October 13, the BB sold $4.1 billion to banks to address dollar shortage in the financial sector which on the other hand mopped up equivalent local currency from the banking system.

The government's borrowing from the banking sector was only Tk 3,4478.29 crore in FY21 that doubled to Tk 72,750 crore in FY22.

For FY22, the government targeted to borrow Tk 76,452 crore from the banking sector. ■

PM Opens Installation Of 2nd Reactor Of Rooppur Power Plant

Business Outlook Report

Prime Minister Sheikh Hasina on October 19 inaugurated the installation of the second and final reactor at the country's first Rooppur nuclear power plant. The reactor pressure vessel was installed at the second unit of the 2,400 MW Rooppur nuclear power plant (RNPP), reports UNB. She joined the programme virtually from her official residence Ganabhaban while it was held in Ishwardi of the northern district of Pabna. The country's lone nuclear power plant, being constructed at Rooppur in Ishwardi at a total cost of US$ 12.65 billion, has two units with a power generation capacity of 1200 MW each.

In October last year, the prime minister inaugurated the reactor pressure vessel of the plant's first unit. According to the Rosatom, the Russian contractor of the project, the VVER-1200 reactor vessel passed the input control in accordance with all regulatory requirements before its installation Wednesday.

Rosatom officials said the operation to install the VVER-1200 reactor vessel of the second power unit in the design position was carried out in several stages.

A Liebherr-11350 heavy crawler crane lifted the reactor vessel onto the transport portal of the power unit.

Then, on a special transport trolley, it was moved to the central hall of the reactor compartment. Further, with the help of a polar crane, the reactor vessel was turned into a vertical position and installed on a support ring in the reactor shaft.

According to the RNPP officials, the first unit of the project has already made 70 per cent progress in physical work, and with the installation of the reactor pressure vessel at the second unit the project will have overall 53 percent of physical work completed.

"With the installation of the reactor pressure vessel, the project's second unit's physical work will achieve over 45 per cent of the target", Dr Md Shawkat Akbar, the project director in the country's biggest scheme in power generation, told UNB on Tuesday. The government undertook the project in 2009 and after a long discussion signed an $11.385 billion credit agreement with Russian Federation on July 26 in 2016 to implement the project through appointing the Russian state nuclear energy firm-Rosatom--as its contractor.

In addition, on August 6, 2019, Bangladesh signed a nuclear fuel supply agreement with Russia for the project. Under the deal, the Russian state-owned nuclear fuel firm TVEL Joint Stock Company will supply nuclear fuel for the entire life span of the power plant.

Each unit of the power plant will have to reload one-third of the total required nuclear fuel after every 18 months and the first, second and third reloads will be provided by the Russian firm free of cost. Each reloading of nuclear fuel will cost $62 million, equivalent to Tk 550 crore. Shawkat informed that after the installation of the pressure vessel at the second unit, the major work that will remain unfinished include pre-operational testing and fuel loading.

"We hope, we'll perform these work by June next year", he said adding, some more work will be required to be completed before commissioning the project. "Construction of power grid line and building of communication and security systems are among the important work required to be completed before mid 2024", he said.

The second half of the year 2024 is set to be the deadline to start commercial operation of the 1200 MW first unit of the nuclear power plant while the second unit in 2025, said Shawkat, also managing director of the Nuclear Power Company Bangladesh Limited (NPCBL), a dedicated company to deal with nuclear power plant.

Initially, a target was set to start the commercial operation of the first unit from 2022 and second unit from 2023 and then the target was deferred.

Officials of the NPCBL said about 14,000 foreign workers from different western countries, including Russia and Belarus, are now engaged in the project under the contractor and its sub-contractors to execute different works. ■

Rooppur nuclear power plant

Grameenphone Head Office at Bashundhara Residential Area

GP Reports 5.7% Revenue Increase In The Third Quarter

Business Outlook Report

In the first nine months of the current year, Grameenphone, the largest telecom provider in the nation, recorded total revenues of Tk11,286.75 crore. According to the operator's financial reports, it registered a growth of 5.7% from the same period last year.

The growth comes despite losing 2.9 million subscribers in the third quarter, owing to the regulatory ban on SIM sales citing the quality of service. At the end of the third quarter, the subscriber base of the operator stood at 81.8 million, of which 55.6% or about 45.5 million subscribers, are using the operator's internet services. "Grameenphone's growth momentum continued in the third quarter driven by strong market execution aided by higher revenue and usage in the midst of several external challenges," said Yasir Azman, CEO of Grameenphone Ltd. As per the top brass, the operator continued its investment in network rollout and spectrum deployment to meet the demand for high-speed internet connectivity, improving customer experience and leading to the operator currently holding 19,100 4G sites.

"As a result, our customers continue to choose Grameenphone as their preferred communications partner, leading to 52.1% higher data usage from last year and 15.9% YoY growth in 4G users, reaching 32 million," the top brass stated. Yasir Azman further also said that the third quarter was adversely affected by a regulatory ban on SIM sales from the end of June, resulting in a 3.4% quarter-on-quarter (QoQ) decline in the subscriber base. "As we continue to engage with our regulator to overcome this restriction, we received a partial withdrawal of the embargo from mid-September, allowing us to resume SIM sales immediately," he said.

The top brass of GP also pointed out that Bangladesh is facing a tense macroeconomic climate driven by higher inflation, rising energy prices and austerity measures by the government to curb energy usage, and said: "As we navigate through these external challenges, Grameenphone will continue to remain focused on our growth ambition through investment in network while focusing on innovation to meet the growing needs of Bangladesh's digitalization." The telecom operator registered six consecutive quarters of topline improvement driven by higher contributions from voice, data and bundle segments.

Total revenue for the third quarter registered a growth of 6.7%, reaching Tk3,864.93 crore, while subscription and traffic revenue grew by 6.9% from last year, according to Grameenphone. "Our investment in network rollout and spectrum deployment resulted in higher data usage of 52.1% YoY supported by a higher 4G active user base," said Jens Becker, the CFO of Grameenphone Ltd.

"EBITDA for the quarter grew by 5% YoY driven by topline growth, while EBITDA margin was 62.2%.

Net Profit After Tax for the third quarter stood at Tk907.66 crore, with a margin of 23.5%," the CFO cited.

During the third quarter of 2022, Grameenphone Ltd invested Tk278.15 crore for network coverage and expansion.

At the end of the quarter, Grameenphone's total number of sites stood at 19,719.

As per the company, it has paid Tk7,850 crore equaling 69.5% of its total revenues, to the national exchequer in the form of taxes, VAT, duties, fees, 4G license and spectrum assignment during the first nine months of 2022. ■

WEEKLY SELECTED ECONOMIC INDICATORS

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

1.		26 October 2021	30 June, 2022^{R}	29 September 2022		26 October 2022		
	Foreign Exchange Reserve (In million US$)	46492.54	41826.73	36476.41		35853.84		
2.		26 October 2021	30 June, 2022	29 September 2022		26 October 2022		
	Interbank Taka-USD Exchange Rate (Average)	85.6500	93.4500	103.6901		102.3909		
3.	**Call Money Rate**	26 October 2021	30 June, 2022	29 September 2022		26 October 2022		
	Weighted Average Rate (in Percent)	2.33	4.42	5.54		5.78		
4.	**Broad/Overall Share Price Index**	26 October 2021	30 June, 2022	26 October 2022		Percentage change		
						From June, 2022		From June, 2021
	a) Dhaka Stock Exchange (DSE)@	7005.78	6376.94	6344.35		-0.51		13.91
	b) Chittagong Stock Exchange (CSE)	20444.08	18727.52	18677.97		-0.26		14.89
5.		September, 2021	July-Sept, FY22	September, 2022^{P}		July-Sept, FY23^{P}		FY2021-22
	a) **Wage Earners' Remittances** (In million US$)	1726.71	5408.30	1539.49		5672.74		21031.68
	b) Annual Percentage Change	-19.73	-19.44	-10.84		4.89		-15.12
6.		August, 2021	July-Aug, FY22	August, 2022^{P}		July-Aug, FY23^{P}		FY2021-22
	a) **Import (C&F)** (In million US$)	6587.60	11728.70	7379.60		13713.40		89162.30
	b) Annual Percentage Change	73.08	45.99	12.02		16.92		35.93
		August, 2021	July-Aug, FY22	August, 2022^{P}		July-Aug, FY23^{P}		FY2021-22
	a) **Import(f.o.b)** (In million US$)	6095.00	10852.00	6830.00		12692.00		82495.00
	b) Annual Percentage Change	73.10	46.02	12.06		16.96		35.95
7.		September, 2021	July-Sept, FY22	September, 2022^{P}		July-Sept, FY23^{P}		FY2021-22
	a) **Export** (EPB) (In million US$)*	4165.45	11021.95	3905.07		12496.89		52082.66
	b) Annual Percentage Change	37.99	11.37	-6.25		13.38		34.38
8.		July-Aug, FY22		July-Aug, FY23^{P}		FY 2021-22^{R}		
	Current Account Balance (In million US$)	-1412.0		-1502.0		-18697.0		
9.		August, 2021	July-Aug, FY22	August, 2022^{P}		July-Aug, FY23^{P}		FY2021-22
	a) **Tax Revenue** (NBR) (Tk. in crore)	18864.63	33246.87	22471.49		40269.65		301633.84
	b) Annual Percentage Change	22.45	10.23	19.12		21.12		16.07
10.	**Investment in National Savings Certificates** (Tk. in crore)	August, 2021	July-Aug, FY22	August, 2022		July-Aug, FY23		FY2021-22
	a) Net sale	3628.58	5732.58	8.08		401.20		19915.75
	b) Total Outstanding	349826.47	349826.47	364411.32		364411.32		364010.13
11.		September, 2021	June, 2022	September, 2022^{P}	Percentage change			
					Sept'22 over Sept'21	Sept'22 over Jun'22	Sept'21 over Jun'21	FY2021-22
	a) **Reserve Money** (RM) (Tk. in crore)	323334.30	347162.10	340080.40	5.18	-2.04	-7.11	-0.26
	b) **Broad Money** (M2) (Tk. in crore)	1585817.10	1708122.40	1722827.60	8.64	0.86	1.60	9.43

12.	**Total Domestic Credit** (Tk. in crore)	1468903.40		1671748.90	1710072.80		16.42	2.29	2.01	16.10
	a) Net Credit to the Govt. Sector	227545.00		283314.60	292492.10		28.54	3.24	2.95	28.18
	b) Credit to the Other Public Sector	30636.30		37198.70	38167.50		24.58	2.60	2.06	23.92
	c) Credit to the Private Sector	1210722.10		1351235.60	1379413.20		13.93	2.09	1.84	13.66
13.		July-September, FY2021-22		July-September, FY2022-23^{P}		Percentage change				
						July-September, FY2022-23				FY 2021-22
	L/C Opening and Settlement (million US$)	Opening	Settlement	Opening	Settlement	Opening		Settlement		Settlement
	a) Consumer Goods	2475.07	1999.72	2588.00	1992.50	4.56		-0.36		27.50
	b) Capital Machinery	1771.26	926.25	606.89	1457.33	-65.74		57.34		40.78
	c) Intermediate Goods	1749.13	1518.60	1494.50	1559.28	-14.56		2.68		35.23
	d) Petroleum	1744.30	1404.93	2633.63	2971.47	50.99		111.50		116.18
	e) Industrial Raw Materials	7475.75	6483.00	6386.89	8230.81	-14.57		26.96		47.03
	f) Others	5106.85	4730.38	4871.01	6236.82	-4.62		31.85		39.46
	Total	**20322.36**	**17062.88**	**18580.92**	**22448.21**	**-8.57**		**31.56**		**46.15**
14.	**Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)**	December, 2018	June, 2019	December, 2020	June, 2021	December, 2021	March, 2022	June, 2022	August, 2022	September, 2022
	a) Twelve Month Average Basis	5.55	5.48	5.69	5.56	5.55	5.75	6.15	6.66	6.96
	b) Point to Point Basis	5.35	5.52	5.29	5.64	6.05	6.22	7.56	9.52	9.10
	Corresponding Period	December, 2017	June, 2018	December, 2019	June, 2020	December, 2020	March, 2021	June, 2021	August, 2021	September, 2021
	a) Twelve Month Average Basis	5.70	5.78	5.59	5.65	5.69	5.63	5.56	5.53	5.50
	b) Point to Point Basis	5.83	5.54	5.75	6.02	5.29	5.47	5.64	5.54	5.59
15.	**Classified Loan**	December, 2018	June, 2019	December, 2019	June, 2020	December, 2020	June, 2021	December,2021	March,2022	June,2022
	a) Percentage Share of Classified Loan to Total Outstanding	10.30	11.69	9.32	9.16	7.66	8.18	7.93	8.53	8.96
	b) Percentage Share of Net Classified Loan	2.18	2.53	1.02	0.15	-1.18	-0.47	-0.43	-0.07	0.49
16.	**Agricultural and Non-farm Rural Credit (Tk. in crore)**	August'21	September,'21	July-Sept, FY22	August,'22^{P}	September,'22^{P}	July-Sept, FY23	FY 2019-20	FY 2018-19	FY 2017-18
	a) Disbursement **	1732.67	2535.72	5210.50	2172.53	2747.07	6584.37	22749.03	23616.25	21393.55
	b) Recovery	1681.71	2216.69	5586.11	2077.33	2953.24	7076.37	21245.24	23734.32	21503.12
	c) Outstanding	45260.89	45689.74	45689.74	50235.40	50246.25	50246.25	45592.86	42974.29	40601.11
17.	**SME Loan (Tk. in crore)**	Oct-Dec.'20-21	Jan-Mar.'20-21	Apr-Jun.'20-21	Jul.-Sep.'21-22	Oct.-Dec.'21-22^{P}	Jan-Mar.'21-22^{P}	Apr-Jun.'21-22^{P}	2021	2020
	a) Disbursement	48980.98	44445.67	41788.73	42075.49	57118.60	51716.69	56484.26	185428.48	153496.15
	c) Outstanding	237653.44	240169.54	243074.82	245325.67	252082.09	259704.21	271448.58	252082.09	237653.44
18	**Industrial Term Loan (Tk. in crore)**	Oct-Dec.'20-21	Jan-Mar.'20-21	Apr-Jun.'20-21	Jul-Sep.'21-22	Oct-Dec.'21-22^{P}	Jan-Mar.'21-22^{P}	Apr-Jun.'21-22^{P}	FY 2020-21	FY 2019-20
	a) Disbursement	16499.23	17379.01	19430.74	14834.23	18772.59	17340.49	21413.63	68765.25	74257.02
	b) Recovery	15538.37	16893.10	14734.86	12979.47	18477.42	16572.97	16832.73	58488.71	69723.89
	c) Outstanding	275311.09	299048.73	315294.16	303329.12	308918.45	310572.40	320410.22	1163938.15	277351.09
19.		FY2013-14	FY2014 -15	FY2015 -16	FY2016 -17^{N}	FY2017-18^{N}	FY2018-19^{N}	FY2019-20^{N}	FY2020-21^{NR}	FY2021-22^{NP}
	GDP Growth Rate (in percent, **Base: 2005-06=100**)	6.06	6.55	7.11	6.59	7.32	7.88	3.45	6.94	7.25

Weekly basis commodity Statement of LCs Opened and Setteled 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 L/Cs	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.	Pharmaceutaical 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

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Bangladesh Forex Reserves Sink Below $36 Billion Despite Spending Restrictions

Business Outlook Report

Bangladesh's foreign currency reserves have dropped below $36 billion, 28 months after crossing the mark, despite the government's austerity measures to save dollars, bdnews24.com reports. According to the Bangladesh Bank, the reserves stood at $32.48 billion in December 2019 and it began rising afterwards. The reserves reached $48 billion, a record highest for the country, in August 2021 before the fall began.

Bangladesh's export earnings and inward remittances are declining as inflation has gripped the global economy amid the war between Ukraine and Russia. Bangladesh's reserves last topped $36 billion in June 2020. Now they stand at $35.98 billion. It steadied at $40 billion for some time and stood at $41.82 billion in June this year, four months after Russia invaded Ukraine.

The economy regained some pace after the coronavirus cases slowed down. As the import demands rose, so did the duty due to the rising cost of fuel and transportation worldwide. The import expenditure surpassed export earnings and remittances pulling at the dollar reserves and forcing Bangladesh to begin devaluing the taka against the dollar. In August last year, dollars were priced at Tk 84.8 whereas it soared to Tk 104.87 as of Oct 19. It is being sold at Tk 112 in the open market. Bangladesh imposed strict curbs on imports to save up dollars. The central bank issued restrictions on bringing in luxury goods. The cash margin for the import of non-essential goods was increased from 75 to 100 percent.

The national bank also mandated a requisite for approval before banks issue letters of credit for imports worth $30 million or more while costs of import-reliant projects were reined in. Yet the trade deficit and current account balance kept widening. Bangladesh looked at a trade deficit of $4.5 billion in August this year, while the current account balance was behind by $1.5 billion. However, the restrictions saw a drop in new LCs being opened but the country is still behind in paying for the previous LCs.

On Oct 16, Bangladesh Bank Governor Abdur Rouf Talukder said the import liability will be met with export earnings and remittances at the end of the month. The exporters also became cautious about shipping out goods to countries struggling with deficit in the current account balance.

Bangladesh has already requested loans worth $5.5 billion from the World Bank and the International Monetary Fund for support. A team from the IMF is set to arrive on Oct 27 to discuss the terms of the loan. Bangladesh is due to meet import liabilities to Asian Clearing Union in November as part of a bimonthly repayment agreement, which will further lower the reserves.

Speaking to bdnews24.com, economist Ahsan H Mansur, executive director of Policy Research Institute of Bangladesh, advised the government to cut the exchange rate of taka against the dollar a bit more to encourage remittances and exports. To control inflation, the government can raise the cap on interest on bank loans from 9 percent, he said.

The Bangladesh Bank formed the Export Development Fund with $8 billion from the reserves. It calculates this fund while counting the reserves. But the IMF disagrees with the method and wants it shown separately, which could lead the reserves to fall significantly. According to international standards, a country needs foreign currency in stock to meet at least three months of import expenditure. With the current reserves, Bangladesh can afford four months of import bills.

In line with the method suggested by the IMF, Bangladesh does not have enough money in reserves to meet imports for four months.

Resource Constraints Hinder Export Diversification

Business Outlook Report

Resource constraints, including shortage of capital, required policy support and failure to attract desired foreign direct investment (FDI) in the country's potential sectors, are the major obstacles in diversifying export baskets over the years, experts and economists said on October 20.

Moreover, absence of integrated trade and sector strategies and follow-on support programmes, inadequate FDI, trailing infrastructure, low labour productivity and availability of skills, barriers to market access, complex border clearance and tariff regime are among the broader challenges that hinder diversification, they said.

Therefore, they called for sector-based specific and long-term policy support, modernisation of the National Board of Revenue and simplification of procedures of business activities, in order to attract FDI and facilitate export diversification. The experts made the observations and recommendations at a seminar, titled 'Export Diversification Imperative: Key Sectoral Opportunities and Policy Priorities for Bangladesh', organised by Policy Exchange Bangladesh (PEB) at Pan Pacific Sonargaon Dhaka. Senior Commerce Secretary Tapan Kanti Ghosh was the chief guest at the event, chaired by Executive Director of Policy Research Institute of Bangladesh (PRI) Dr Ahsan H Mansur. Dr Mansur attributed shortage of capital to not succeeding in diversifying export products despite knowing the challenges and their way-outs.

"We don't have sufficient savings. To grab the global manmade fibre market, Bangladesh needs US$24 billion while it needs about $5 billion for recycling jhut (fabric scraps)," he said. That is why the country needs FDI which is very important for export diversification, he explained. "But we can't bring any flagship investment in the country," he said, citing the example of Vietnam that succeeded in bringing flagship FDI of Samsung company and thus increasing the export volume in the particular sector. Bangladesh has a huge potential in the IT sector and there is investment too - but the majority is done by Indian companies, said Dr Mansur, suggesting that the government take a policy that ensures joint venture industry.

Speaking on the occasion, Commerce Secretary Tapan Kanti Ghosh said why diversification had not been taking place at a desired level was a complex question as many issues were involved with the process. It is difficult for the government to make balance as it has to protect the local industry while at the same time offer duty benefits to export-oriented companies, Mr Ghosh said, while speaking on anti-export biasness. Bigger companies somehow overcome any obstacles they face while the smaller ones cannot as they lack market competitiveness, he noted.

Mr Ghosh said, "We all talk about the market economy and at the same time expect that the government will do all the required things." The secretary underscored the need for self-dependency despite it raises a question whether such self-dependency is possible without FDI. The government has to provide a huge subsidy to ensure energy security and to meet demand for fertiliser, he said, citing an example that the government had to subsidise about TK 52.80 billion a year for providing food to some 10 million poor people.

There have been many developments during the last 10 years, and despite that, there exists discussion about deficit, said Mr Ghosh. "It is because people's aspiration has also increased with the developments." While presenting the findings of a study, PEB Chairman Dr M Masrur Reaz said shifting trends in factor

'Export Diversification Imperative: Key Sectoral Opportunities and Policy Priorities for Bangladesh', organised by Policy Exchange Bangladesh (PEB) at Pan Pacific Sonargaon Dhaka

efficiencies and global markets including gradual erosion of low labour costs advantage and tariff preferences especially after LDC graduation, over concentration in few garment items and structural shifts in consumers demands had made diversification critical for Bangladesh.

Key drivers of export competitiveness including customs, infrastructure and logistic competence are yet to catch up with comparator countries, he said, adding that trade facilitation required significant improvement to attain export competitiveness. Bangladesh ranked 105th in 2019 global competitiveness index while India 68th, China 28th and Vietnam 67th, said Mr Reaz, referring to the study. In the 2018 logistics Index, Bangladesh ranked 100th, India 42nd and Vietnam 45th, while average tariff in Bangladesh is the highest 26.6 per cent, as per the study.

Bangladesh needs longer clearance time compared to South and East Asian comparators, as many as 39 government agencies issuing certificates, licenses and permits (CLPIAs) for trade while 35 per cent of the products get damaged in ports due to port infrastructure deficiency, it noted. Logistics cost is higher in Bangladesh ranging from 4.5 per cent to 49.5 per cent of total sales, Mr Reaz said, adding that reducing domestic logistics costs by 17 per cent would increase exports by 7.4 per cent.

The study identified three potential sectors: agribusiness, IT, and synthetic footwear - based on their domestic market potential, sectors' readiness in terms of skills, technology and strength in value chain; feasibility reforms, SME linkage possibility and global market potentials. Explaining the potential of the digital economy, Mr Reaz said by 2030, it was estimated that the rise in technology could create 20-50 million jobs globally. By 2025, 138 million people from Bangladesh will be using smartphones, enabling rapid digitalisation of services, he added. Addressing the seminar, Nihad Kabir, chairperson of BUILD (Business Initiative Leading Development), stressed the importance of long-term policy support and modernisation of NBR.

She also suggested removing trust deficiency between private and public sectors. Shahadat Ullah, executive director of Maf Shoes Ltd, said Bangladesh had a huge potential to increase synthetic footwear exports as China - the largest exporter of such items - was shifting towards high-tech industry.

> *We don't have sufficient savings. To grab the global manmade fibre market, Bangladesh needs US$24 billion while it needs about $5 billion for recycling jhut.*
>
> **Dr Ahsan H Mansur**
> **Director of Policy Research Institute of Bangladesh (PRI)**

India is one of the biggest consumers of synthetic footwear and will knock Bangladesh due to China shifting, he said, adding that it was high time for Bangladesh to prepare itself in order to grab the opportunity. "Bangladesh needs both short and long term policy support in this regard," he said, adding that Bangladesh's footwear exports could reach US$1.5 billion within one to two years from the existing US$450 million - if provided with required policy assistance.

Explaining the agro industry's future opportunity, Ahmad Asif, chief executive officer of Bengal Meat Processing Industries Ltd, said they export halal meat or food only to countries having Bangladeshis. He recommended ensuring compliance in the local market first to meet global compliance requirements.

Wahid Sharif, president of the Bangladesh Association of Contact Center and Outsourcing, said despite having potential, the country's IT sector lacks required policy. "Foreign investors are not coming here in the country due to its volatile policy which is being changed every year," he noted.

Metropolitan Chamber of Commerce and Industry (MCCI) Vice President Habibullah Karim stressed the importance of non-RMG sector-based preferential policy and import substitutes, saying developing import alternatives could raise IT export by 50 per cent. Former president of Dhaka Chamber of Commerce and Industry (DCCI) Asif Ibrahim told the seminar that intellectual property rights (IPR) was important for developing the digital economy.

He also suggested reforming foreign exchange regulations in this regard. Abul Kasem Khan, former DCCI president, said Bangladesh could not attract FDI despite the fact that the opportunity emerged due to China shift.

On the other hand, Vietnam is getting FDI, he said, adding that only one Japanese company out of 40 that were shifting from China invested here. He recommended enhancing regional connectivity to attract FDI. ■

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