

AL v BNP: The Dec 10 Conundrum

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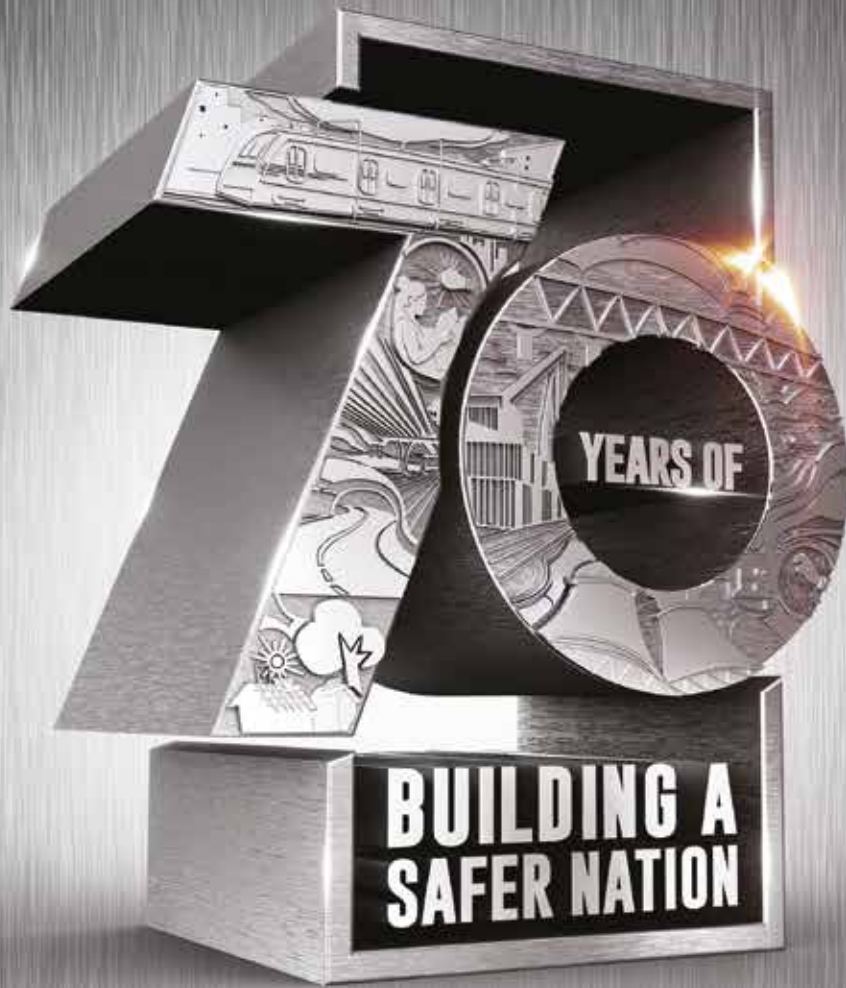
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## Paper Market On Fire Printing Industry In Peril



- Address Human Rights Issues For FDI
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# BUSINESS OUTLOOK

From the Editor

## Save Our Printing, Publishing Industry

The seething dollar pain has pored into the country's once thriving printing and publishing industry, threatening to hamstring its growth. Normally, ahead of Ekushey Book Fair and New Year, our printing-publishing industry gets an extra momentum with huge orders from clients and a huge number of new books are usually published. Not only for the book fair, the printing and publishing industry remains busy with supply of new books for the schools. Many printing and publishing houses are awarded contracts from the National Curriculum and Textbook Board (NCTB). Apart from this, demand for supply of new-year diaries and calendars creates an extra pressure on the printing and publishing industry at the last quarter of every year. According to a news report, paper mill owners cannot open a letter of credit to import pulp, the most essential ingredient of the paper industry, and other chemicals, because of restrictions imposed by Bangladesh Bank on many products. Import restrictions have already affected many industries dependent on import of raw and semi-finished products to run production businesses.

The dollar crisis has also put the printing and publishing industry in peril. Due to decrease in import, the cost of all kinds of paper has gone up. But the impact of the dollar crisis has not ended here. It also pushed up the prices of printing accessories, including plates, the most essential item in the printing business. Printing industry insiders said the price of each PS plate has gone up to almost double in recent days. As a result, both the printing and publishing houses have to now count extra costs to supply their contracted materials to continue business.

The government should take the issue seriously and come forward with necessary measures before the lack of action aggravates the situation. If the crisis in the paper industry continues, its victim will be the printing and publishing industry and ultimately the nation will suffer. The impact on Ekushey Book Fair will be enormous. If the school students do not get their books in time, it will be a great disaster for the entire education system. So, Bangladesh Bank should revisit its policy restrictions on the opening of LC for import of essential item lists. Otherwise, it will be very difficult to overcome the current crisis in the paper, printing and publishing industry. ■



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### Volume-11

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## Cover Story

17

Paper market on fire!  
Printing industry in peril

10 Spike In Flour, Sugar Prices  
Adds To Consumer Woes

12 Flour Mills Cut Production  
Amid Wheat Shortage

16 Modern Practices Will  
Boost Agri Export To US

20 Singapore For Exploring  
Various Business Potentials  
In Bangladesh

32 Dhaka Seeks Rome's Support  
For Continuing GSP

44 BB Governor For Cut  
In Interest Rates On  
Microcredit Lending



22

Address Human Rights Issues For FDI

05

# AL v BNP: The Dec 10 Conundrum



## POLITICS

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## Bangladesh Bank Allows Export Income, Remittance Through MFS

Bangladesh Bank has allowed mobile financial service (MFS) providers to repatriate (conversion of foreign currency into local currency) export income and inward remittance, reports UNB. All authorised dealers will provide encashment certificate to MFS providers against inward remittance, on account of information technology enabled services (ITES) exports. In order to make it easier to receive foreign exchange, Bangladesh Bank issued a circular stating that all authorised dealers in foreign exchange and all licensed MFS providers are allowed to receive export income on account of ITES exports in association with internationally recognised OPGSPs/digital wallets and/or aggregators having operation in multiple countries. The Foreign Exchange Policy Department of the central bank issued the notification on Wednesday and sent it to authorised dealers and MFS providers for immediate implementation. The notification said that authorised dealers maintaining settlement accounts will issue encashment certificates in support of inward remittances on request from MFS providers electronically. In this case, the request needs to be supported by auto-generated information – beneficiary's name, wallet account number, the amount in taka, date of credit – from a remittance service provider abroad. Based on their own screening parameters regarding the information, designated authorised dealers shall generate an electronic encashment certificate (as per enclosure A) with QR code accessible to beneficiaries through MFS providers. The certificate is intended to be used for income tax purpose only. ■

## Improve Logistics Infrastructure: FBCCI Chief

Bangladesh needs to give more attention to the development of existing logistics infrastructure to achieve the targets set for export diversification, employment generation, and attracting foreign direct investment, said FBCCI President Jashim Uddin. He said the post-Covid pandemic situation and the Ukraine crisis have resulted in massive price hikes across all sectors, which have increased the cost of doing business. The chief of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) was speaking at a workshop titled "Formulating National Logistics Development Policy for Bangladesh: Experience from Global Good Practices" in Dhaka. ■



## NBR Collects Tk 90901.99cr Revenue In 4 Months

Bangladesh's National Board of Revenue (NBR) has collected Tk 90901.99 crore in the July-October period of the current fiscal year (2022-23), against the target of Tk 97306.86 crore. According to NBR's latest data, revenue collection has grown by 14.17 percent on average so far in October, compared to last fiscal year (FY 22). In the fiscal year 2021-2022, the revenue collected in July-October was Tk 79622.66 crore. Though the revenue collection target saw a shortfall of Tk 6404.87 crore, the overall revenue collected in the July-October period is encouraging for the revenue board, said an NBR member today. He said that the negative impact of the global economy has also hit Bangladesh. Despite various crises, NBR's revenue collection has been satisfactory so far, the official said. In the current fiscal year of Bangladesh (July 2022 - June 2023), NBR's revenue collection target has been set at Tk 3.70 lakh crore. ■

## Tax Lawyers Seek 2 Months More For Filing Income Tax Returns

Sixty-seven tax lawyers' associations in the country have applied for an extension of two months for filing income tax returns due to the delay in receiving circulars of the tax year 2022-2023, Bangladesh Tax Lawyers Association (BTLA) has said. They also demanded to take into account the unfavorable situation in the economy due to the global economic recession. The central organization of tax lawyers, BTLA, has agreed to the demands of the associations. BTLA Secretary Advocate Khorshed Alam said that a separate application has been submitted to the NBR chairman in this regard. The tax lawyers' organizations say that apart from the economic downturn, there is a huge shortfall in the National Board of Revenue (NBR) campaign this year. Due to this, there are more than 80 lakh e-TIN holders, but the number of return filings is few so far. Considering the circumstances, an extension of two months has been requested to allow taxpayers an opportunity to file their returns. ■

## BB Announces Tk 5,000cr Refinance Scheme For Ensuring Food Security

Bangladesh Bank (BB) has announced a refinancing scheme of Tk5,000 crore for farmers aiming to ensure food security. Under this scheme, farmers will be provided with loans at an interest rate of only 4 percent, according to a BB circular issued on November 17. Besides, banks will be able to borrow from the central bank at an interest of only 0.5 percent to provide farmers with loans under this scheme. Farmers will avail loans under this scheme till 30 June 2024 with potential extinction in need, the notice added. ■



## Govt Extends Validity Of IRC, ERC To 5 Years

Total remittance flow through the local agent banking channel has crossed the Tk100,000 crore-mark since its inauguration in 2013, boosting rural savings in the process, according to the Bangladesh Bank. Central bank data showed that remittance more than Tk106,000 crore has been distributed through agent banking till September this year. The deposit in the agent banking channel stood at Tk30,325 crore at the end of September this year, a 33% rise from last year. People concerned said customers are gradually interested in agent banking as many banks are opening agent banking outlets. Besides, the remittance growth is driving the sector further. According to the central bank, 31 banks are currently running 20,177 agent banking outlets. Of these, 17,384 are in rural areas and 2,793 in the urban regions. The sector has already disbursed loans of Tk685 crore at the end of September. Stakeholders said they were emphasizing on disbursing more loans through this channel. According to the Bangladesh Bank, in the last one year, loan disbursements through the agent banking channel have increased by around Tk200 crore.

## Remittance Through Agent Banking Passes 100,000c-Mark

The Ministry of Commerce has extended the validity of both the Import Registration Certificate (IRC) and Export Registration Certificate (ERC) to five years from one year. The ministry in a notification said that as part of the ease of doing business and following the demand from businesses in the country, the government has decided to extend the registration validity for IRC and ERC. The traders can get IRC or ERC as per the requirement of 1 to 5 years by paying the necessary fees. The tenure will be counted from the issuing date of the certificate. The IRC and ERC are renewable. The trade bodies and businesses have been demanding extension of the tenure and a hassle-free renewal system for a long time. ■

## No Forex Crisis From Jan 2023, Bangladesh Bank Gov Says



Bangladesh Bank Governor Abdur Rouf Talukder has said there will be no foreign exchange crisis from January 2023, as the country's exports and remittances have become surplus compared to imports. He said this while speaking on the state of financial sector at the national seminar on LDC Graduation, organized by Economic Relations Division (ERD) in a Dhaka hotel on November 17. Rouf said a Bangladesh Bank investigation found that the country's unusual import volume rose over \$8 billion since beginning of this year. After looking into the matter and checking the imported goods, the imports fell to \$5 billion, which is usual. "We found in the investigation that some goods were imported with 20 percent to 200 percent over-invoicing. Import volume fell as we checked such incidents," he said. Bangladesh Bank is also working to check both under-invoicing and over-invoicing, to foreign exchange smuggling, and revenue earning, the Bangladesh Bank governor said. There is restriction on LC opening, and the central bank is only looking into the LCs' values and actual market value of goods, which will continue to check foreign exchange smuggling through hundi, he said. Planning Minister MA Mannan was the chief guest at the programme. Principal secretary Dr Ahmed Kaikaus, FBCCI president Md Jasim Uddin, ERD secretary Sharifa Khan, also spoke in the function. ■





*Awami League President and Prime Minister Sheikh Hasina Addressing a mammoth rally at Shamsul Huda Stadium in Jessore*

## AL v BNP: The Dec 10 Conundrum

**SMS Hasan**

What's going to happen on December 10? A significant dateline in recent political history. Everybody — from the general people to big politicians — is concerned. They are scared. Everybody is eagerly trying to understand the situation. They are monitoring every statement from both sides — ruling Bangladesh Awami League and leading opposition Bangladesh Nationalist Party (BNP).

BNP has announced to hold a grand public rally at Nayapaltan, in front of its headquarters on December 10. The last programme of BNP's divisional mass meeting will end on December 10. On November 15, BNP sought permission from the Dhaka Metropolitan Police. It submitted a written application to the DMP seeking permission to hold a rally in front of the party office at Nayapaltan. Instead of immediately giving any nod, the DMP informed the party it would later convey its

decision. So far, DMP has not officially said anything about this. Finally, in an event in Dhaka on November 24 Home Minister Asaduzzaman Khan said that BNP will get permission to hold a rally in Suhrawardy Udyan on December 10 under certain conditions. He said

they had been asking the BNP to choose a big venue. "One of their last demands was that they wanted a rally at Suhrawardy Udyan. We have asked the commissioner to inform on our behalf. This is the instruction of our honourable Prime Minister," he said. However, BNP



*BNP is adamant to hold its Dhaka grand rally in front of the party's central office at Naya Paltan on December 10. But the government is insisting the opposition to hold it at Suhrawardy Udyan in the city*



leaders say that they did not seek permission for the rally at Suhrawardy Udyan. They have sought permission for Nayapaltan. The leaders of the party say that the central conference of Chhatra League will be held at Suhrawardy Udyan on December 8 and 9. On this occasion, Chhatra League has

League and its affiliated bodies are holding programmes one after another. National conference of Awami League will be held on December 24. In addition to the National Conference of Chhatra League on December 8, the conference of Jubo Mahila League on December 15. In this situation, the

3. According to information received, 37 cases have been filed under the Special Powers Act and Explosives Control Act in different districts of Rajshahi Division in the last 11 days, accusing some 1,146 people. Three more cases were filed there. Of these, two are at Sariakandi and Shivpur in Bogura and the other



*BNP Secretary General Mirza Fakhrul Islam Alamgir speaking as the chief guest at Cumilla mass rally at Comilla Town Hall ground*

prepared a huge stage there. As a result, allowing BNP to hold a rally at Suhrawardy Udyan on December 10 would make the BNP unprepared for any rally. Because, BNP does not even get the opportunity to build a stage there.

Information and Broadcasting Minister and Awami League Joint General Secretary Hasan Mahmud, however, told reporters that the BNP wants to hold its rally Nayapaltan to block the busy road due to the fear of less crowd and to create chaos.

On November 11, a large gathering was held at Suhrawardy Udyan on the occasion of Jubo League's 50th anniversary. Then a huge stage was built there. On that stage, Awami

leaders of the party are seeing difficulties in asking the BNP to hold a rally at Suhrawardy Udyan on December 10. BNP leaders are also seeing the danger of conflict in this. Khandkar Mosharraf Hossain, a member of the BNP standing committee, told reporters in Cumilla that the government had also asked to hold a rally at Biswa Ijtema ground or Purbachal in Tongi. He said since the Home Minister has agreed to allow them to hold rally at Suhrawardy Udyan, he will also agree to hold rally at Naya Paltan. Meanwhile, even though there is no tension over the selection of venue of the grand rally in Rajshahi, new cases are being filed in various districts of this division centring the party's mass meeting on December

at Dhamirhat in Naogaon. BNP leaders say police are filing these cases against its leaders and workers to prevent large gatherings in Rajshahi divisional mass meeting. BNP will hold protests in all major cities on November 30 to protest against the new case of police "gaybi" or "unfounded cases" across the country. BNP Secretary General Mirza Fakhrul Islam Alamgir said that the filling of new 'unfounded or base-less cases' by police has started in every district based on BNP's rally in Rajshahi. Its purpose is to spread fear to suppress the movement. They did similar misdeeds even before the 2018 elections, now they have started it again. But with an exception the planned grand rally at Cumilla was held on November 26



without any kind of transport strike.

Earlier, the Chhatra League staged a show-up during other divisional gatherings of Cumilla. Nothing like that happened in Cumilla. Except for Chattogram, a transport strike was called regionally around all previous divisional gatherings, but no traffic strike was called anywhere in Cumilla or its three surrounding districts.

In this regard, former president of Cumilla North District BNP and former Member of Parliament Manjurul Ahsan Munshi said that if there is a transport strike in Cumilla, the Dhaka-Chattogram highway would be closed. This highway is the 'lifeline' of the country's economy. Because of this, the transport did not stop here.

Since last October 12, BNP has been organising action programmes in protest against the unusual increase in the price of essentials including petroleum fuel and the killing of party leaders and workers by police firing in the party programme. The party has been consistently holding mass rallies across the country at the divisional level demanding the release of party Chairperson Khaleda Zia and parliamentary elections under a non-partisan government.

Among its 10 such grand rallies, BNP successfully held divisional rallies in Chattogram, Khulna, Sylhet, Khulna, Mymensingh, Barishal, Faridpur and Cumilla. Among them, more or less attacks have occurred in different places of Chattogram, Mymensingh and Barishal. The biggest excitement was around Khulna rally. Now everyone in the political arena is focused on the December 10 rally in Dhaka. BNP says that on this day they will announce the second phase of the agitation programme. And the ruling Awami League is also making various organisational preparations around December 10. They have announced that they will keep vigilance at every area of

Dhaka and adjoining areas.

### *BNP Adamant*

Reacting to Home Minister Asaduzzaman Khan's comment that the government will impose several conditions before letting BNP enter Suhrawardy Udyan for their



*Foreign Minister AK Abdul Momen*

December 10 rally in Dhaka, the party men said they will only hold the rally in Nayapaltan.

BNP media cell Member Secretary Shahid Uddin Chowdhury told reporters on November 24 that BNP never sought permission to hold the rally at Suhrawardy Udyan. Meanwhile, senior BNP leader Gayeshwar Chandra Roy on Thursday (Nov 25) said their party has already sought permission from the authorities concerned for holding the Dhaka rally at Naya Paltan on December 10.

"The rally on December 10 will be held at the venue we decided on. We will not wait for permission as we will arrange the rally whether we're given permission or not," he said.

### *PM Hasina Warns BNP*

Prime Minister Sheikh Hasina on November 26 said BNP is free to hold meetings and processions, but her government will take stern action if the opposition resorts to arson attacks and killings in the

name of anti-government movement. "We have no objection to your movement. But we will not spare a single person if there is any incident of arson attacks, burning people alive and hurling grenades on the innocents," she said in issuing a warning to BNP. The prime minister said this while addressing the sixth triennial national council of Bangladesh Mohila Awami League, an associate body of the ruling Awami League, at the historic Suhrawardy Udyan. Hasina, who is the president of Awami League, attended the opening session as the chief guest.

The prime minister's warning came as BNP has launched a campaign of divisional rallies to demand that the Awami League government steps down to pave the way for forming a neutral caretaker administration for holding the next general election. The opposition party is also highlighting the skyrocketing prices of essential commodities. The next national election is not due until January 2024.

PM Hasina lambasted BNP-Jamaat regime for unleashing a rein of torture and repression across the country after it came to power in 2001. "They came down on the womenfolk. There was not a single place in Bangladesh where their torture and oppression were not done," she told the conference.

### *Never heard of stuffing ballot boxes at night: Ito Naoki*

Japanese Ambassador to Bangladesh Ito Naoki has said he never heard of stuffing ballot boxes using police at previous night of the election-day anywhere in the world. The ambassador made the remarks while speaking at an event titled, 'Meet the Ambassador' held at a hotel at Gulshan in Dhaka on November 14. "I have never heard of the allegation of ballot box stuffing anywhere in the world as surfaced against police in Bangladesh in the last general elections," he said. 'Ballot box

stuffing' should never be repeated." Ambassador Naoki said Japan expects that the next general elections in Bangladesh will be held in a 'free and fair' manner with the participation of all major political parties. "We expect the next election will be a better one. Free and fair elections need to be done here. That's my strong hope."

The Ambassador said he knows that the Election Commission is working for a free and fair election and the government of Bangladesh is also telling that a free and fair election will be conducted. "It's very important." At the same time, the envoy said, this is something that the political parties should decide but the expectation is that the election will be a participatory one and the major political parties will participate in it.

Recalling the 2018 general elections in Bangladesh, Ambassador Naoki said the Japanese Embassy in Dhaka had issued a statement of concern focusing violence. It was very unusual for his country because Japan doesn't issue any statement after the elections of any country. Centre for Governance Studies (CGS) hosted the event in collaboration with the Friedrich-Ebert-Stiftung (FES) Bangladesh. Zillur Rahman, Executive Director of the Centre for Governance Studies moderated the programme.

### *Don't listen to foreigners: Momen*

Foreign Minister Dr AK Abdul Momen on November 26 advised the opposition leaders to reach out to people at the grassroots instead of seeking favour from foreigners, saying that foreigners have their own interests.

He mentioned that people in a number of countries, including in Afghanistan, suffered due to foreigners' role there. "Don't listen to foreigners, listen to your leaders. After all, this is our own country.

We don't want to harm our country," Momen told reporters. Recalling some foreigners' role in the past, the Foreign Minister said, "I have much confidence in the people of this country."

Momen said if the opposition parties reach out to the people it will be good for them and the country. Responding to a question, Momen said diplomats stationed in Dhaka can convey to the government of Bangladesh if they have anything to



*Japanese Ambassador to Bangladesh, Ito Naoki*

say but this should be done by maintaining the code of conduct. Momen cited examples of how the US expelled Russian diplomats and said powerful countries can do that. "But when the time comes, we will take action, too."

Earlier, he attended the "International Charity Bazaar" at the Foreign Service Academy hosted by the Foreign Office Spouses' Association (FOSA).

### *Govt conspires to cross election hurdles: Fakhru*

Fakhru on November 26 alleged the government is plotting to cross the hurdles of the next election easily by promptly jailing senior leaders of their party in 'false' cases and making them unfit for polls like its Chairperson Khaleda. Speaking at a huge public rally, he also equivocally said

no election will be held in Bangladesh until Prime Minister Sheikh Hasina steps down by handing over power to a non-party caretaker government.

"This regime has not kept anything unharmed. We don't now get justice. They file false, fabricated and fictitious cases against us and convict us. All our senior leaders have been facing 10-60 cases," the BNP leader said. Fakhru said the government is now trying to hasten the trial process of the 'false' cases filed against the BNP leaders. "This means that they (govt) want to easily overcome the hurdles of election by throwing those of us now leading the movement in jail the way our leader Khaleda Zia was jailed by convicting her in false cases."

He, however, warned that the people will not let the government this time to hold any more lopsided national elections. As part of BNP's divisional programme, the party's Cumilla city unit arranged the rally on Cumilla Town Hall ground. Thousands of leaders and activists of BNP and its associate bodies joined the rally in Cumilla amid relative ease with no transport strike this time.

### *'People no longer board boat'*

Fakhru said the 'illegal' prime minister usurped power by holding two elections in 2014 and 2018 under her supervision by force.

The BNP leader said Hasina held a rally in Jashore on November 24 availing of all the state facilities and using the state machinery.

"In that rally, she announced to hold the election again (under her) and urged people to vote for boat (AL's) election symbol...but the people of entire Bangladesh are now singing they would not have boarded the boat had they known the consequences earlier. "So, quit power with dignity before time runs out fast as people now want you to go." Fakhru bemoaned that people have



to carry out a movement and sacrifice lives even after 50 years of independence for establishing their voting rights.

### 'AL candidates to lose security money'

The BNP leader said the government has again been resorting to various tricks to hold a stage-managed election using the Electronic Voting Machines (EVMs) under it the since the Awami League candidates will lose their security money if a credible election is held under a neutral administration. The BNP leader said the government has been arresting BNP leaders and activists and implicating them in fictitious cases to suppress the party and its programmes. "This is a shameless regime. Their skin is as thick as a rhinoceros."

The rally venue was teeming with the opposition leaders and activists since morning as they gathered there from the different upazilas of Cumilla and its adjoining districts, including Brahmanbaria and Chandpur.

Unlike the party's previous such rallies in other divisions, BNP leaders and followers faced fewer hassles in Cumilla to join the programme as no transport strike has been enforced here.

The rally in Cumilla was the 8th by the BNP at the divisional level after 7 others were held in Chattogram, Mymensingh, Khulna, Rangpur, Barishal, Faridpur and Sylhet.

The organisers said the rally was meant to denounce the price hike of daily essentials and fuels, the death of five party men in previous police action in Bhola, Narayanganj, Munshiganj, Brahmanbaria and Jashore to ensure the freedom of BNP Chairperson Khaleda Zia. ■



## NBR Reinstates Source Tax On Suppliers Of Locally Produced Food

### Business Outlook Report

**T**he source tax on local food suppliers was reinstated by the National Board of Revenue (NBR), and they will now only be required to pay a 2% source tax.

Previously, sellers who supplied locally produced food items had to pay a source tax of 4%.

During Covid-19, NBR decreased the source tax rate to 2% in FY22 and eliminated the tax from local food suppliers in FY22.

In a recent circular, NBR asked banks to withhold 2% of the cost of locally produced food from suppliers' accounts when they receive payment.

NBR representatives stated that on November 13, the Income Tax Policy Wing published a circular in this regard.

The list include rice, wheat, potato, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chillies, pulses,

maize, coarse flour, flour, salt, edible oil, sugarcane, milk, black pepper, cinnamon, cardamom, clove, date, cassia leaf and all kinds of fruits.

The amount which is subject to tax at source under section 52, is exempted from tax or is subject to a reduced tax rate in an income year of the suppliers.

The circular states that suppliers must apply to the NBR for the issuance of a certificate and must notify the NBR in writing that the payment in question would be made without any deductions or with deductions at a proportionately reduced rate, as appropriate, for that income year.

The payee will be subject to a 50% penalty if they don't provide documentation of filing their return at the time of payment, according to the guidelines.

On the other hand, the tax rate will be higher than 50% if the payee does not receive payment by bank transfer. ■

# Spike In Flour, Sugar Prices Adds To Consumer Woes



## Business Outlook Report

**T**hanks to the negligence of the authorities, flour and sugar prices have risen abnormally, causing hardship for middle- and low-income groups. Due to population growth and changing food habits, wheat and wheat-based food items have been in high demand in the country for the last few years.

The decline in wheat production has led to a heightened dependence on imports and an increase in import cost to ensure the country's food security. India, a major wheat supplier to Bangladesh, imposed an indefinite ban on wheat exports on May 13 to ensure a smooth supply of essentials at home. The war between Russia and Ukraine has made the international food market volatile since February. There has been a

gradual increase in the price of coarse and fine flour (atta and maida) each week on the local market. Trading Corporation of Bangladesh (TCB) reports that atta price has

increased by 80.88 per cent in a year, packet atta price has increased by 62.65 per cent, loose flour price has increased by 66.67 per cent, and packet flour price has increased by





61.22 per cent. In a week, loose atta price rose by 4.24 percent and sold at Tk 60 to 63 per kg; packet atta price increased by 7.14 percent and sold at Tk 65 to 70 per kg; and packet flour price increased by 1.5 percent and sold at Tk 78 to 80 per kg.

Loose atta was Tk 36-45 per kg, packet atta was Tk 45-48 per kg, loose flour was Tk 58-60 per kg and packet flour was Tk 60-65 per kg on May 13. Market insiders said low wheat imports contributed to high prices for wheat, flour and other foods made from flour in the country. Food secretary Ismiel Hossain said they are doing their best to

speed up letter of credit (LC) openings. Sugar, another essential item, has disappeared from the market due to its skyrocketing price. According to TCB data, sugar prices rose 45.16 percent in a year and 21.62 percent in a month. Even though sufficient quantities of unrefined sugar are imported to meet the country's demand, the price continues to rise.

The disruption in refining due to gas and power shortages, according to industry insiders, is responsible for sugar's price hike. A government-set price of Tk 90 per kg of sugar is being sold for more than Tk120 per kg. This is a huge increase from the

price of Tk 78-82 per kg on May 13. City Group's director Biswajit Saha said they can only produce 50 per cent of their regular capacity due to gas and electricity shortages.

It is estimated that Bangladesh consumes 19 lakh tonnes of sugar per year, or 1.58 lakh tonnes per month, according to the Tariff Commission and the Bangladesh Sugar and Food Industries Corporation (BSFIC).

In the first four months (July-October) of FY 2022-23, private mills imported 7.86 lakh tonnes of sugar, or 1,96,500 tonnes per month. ■

## Bangladesh Bank Curtails Banks' Power To Waive Interest On Loans



### Business Outlook Report

**B**angladesh Bank is seeking to curtail the powers of the banks' board of directors to waive interest on loans without consultations with the relevant departments.

The central bank's Banking Regulations and Policy Department on November 16 issued a circular in

this regard. It instructed the banks in case of interest waiver they have to take the opinion of the head of internal control and compliance (HICC) through internal audit department.

The circular stated that in essential cases, the opinion of the HICC should be taken through the internal audit department of the

bank to confirm the rationale of relaxation of the conditions for collection of funds.

It said that banks can waive interest on loans due to various uncontrollable reasons such as death of the borrower, natural calamities, epidemics, flood, due to distress, or closed project bank loan interest may be waived in whole or in part.

But recently, it has been seen that the banks often waive the interest of various customers without considering these special circumstances.

"This may create disinclination among the customers to pay the bank dues within the stipulated time to get the interest waiver facility, which is against the overall credit discipline in the banking sector," it said.

For this purpose, to create awareness among the customers to pay the bank's dues within the prescribed period, maintain overall credit discipline and protect the customers' interests, the new guidelines should be followed in the waiver of all types of interest. ■



# Flour Mills Cut Production Amid Wheat Shortage

*Business Outlook Report*

**F**lour mills in eight northern districts of Rangpur division are struggling to continue production as wheat has become scarce in international markets amid the ongoing war between Russia and Ukraine, two major exporters of the cereal grain.

Bangladesh largely depends on imports to satisfy its domestic demand for wheat as the country lacks sufficient production with farmers opting for more lucrative crops while the local

climate prevents year-round cultivation. Earlier this month, the US Department of Agriculture forecasted that overall wheat consumption in Bangladesh may drop 10 per cent to 69 lakh tonnes in marketing year 2022-23 due to higher prices and lower supply of wheat and wheat flour.

The price of wheat flour, which was Tk 34 per kilogramme (kg) in Dhaka in January this year, began to rise after Russia's invasion of Ukraine began in February. Later in May, India banned shipments of

wheat to contain its domestic prices, which fuelled prices in Bangladesh as the neighbouring country has become a major source for the grain in recent years.

As a result, wheat imports fell to a six-year low in fiscal year 2021-22 amid the lack of availability while many consumers' curtailed consumption after being irked by surging prices, which have reached upwards of Tk 60 per kg in the capital. Public and private importers brought in just 40 lakh tonnes of wheat in the last fiscal, down 25 per

cent year-on-year, shows food ministry data. Similarly, the country's wheat imports declined by another 4 per cent year-on-year to 3.84 lakh tonnes between July 1 and October 6 of the current fiscal, it said. Considering the situation, most flour mills are making a frantic effort to remain active by curtailing production while others have already shut down to minimise losses.

According to Aminul Islam, who owns the Khalil Auto Flour Mill in Nilphamari's Saidpur upazila, his unit has the



capacity to produce 45 tonnes of flour each day. "But we can utilise just 20 per cent of our capacity due to the scarcity of wheat," he added. He then said most mills in the region are trying to survive by either reducing production to a great extent or shutting down until the situation improves.

Of the 17 flour mills in Nilphamari, 10 have already stopped operations while others are enduring great losses to remain in the market, added Islam, who is also general secretary of the local factory owners' association. Sources say that there are around 150 big and small flour, semolina and wheat bran mills spread across eight northern districts, namely Rangpur, Dinajpur, Gaibandha, Kurigram, Lalmonirhat, Thakurgaon, Panchagarh and Nilphamari. A good number of these mills have already shut down in a bid to avert losses amid the ongoing situation and are waiting the restoration of wheat imports, they said.

Md Aslam, managing director of Sonali Flour Mill in Rangpur city, said they can now only procure small amounts of wheat of Russia and Ukraine from importers at Chattogram and Mongla ports at a high price of Tk 54,000 per tonne. However, the same amount of wheat was previously priced at just Tk 25,000 to Tk 30,000, including loading and unloading

costs. "We are selling each tonne of flour at a wholesale price of just Tk 55,400, leaving a profit margin of only Tk 1.40 per kg," Aslam said.

"But we are being compelled to incur losses considering the wheat purchasing price, labour costs, utility bills and maintenance fees involved," he added. Millers say they have become largely dependent

loose flour is being sold at Tk 62-64 per kg depending on quality. "As prices are high, ordinary consumers are buying less and are instead opting for coarse rice, which is comparatively cheaper at Tk 52 per kg," he added.

Data from the Bangladesh Bureau of Statistics show that annual wheat production in the country has varied between 10 lakh and 18 lakh tonnes in

in Rangpur division, said the country has sufficient foods stock for the next few months. "But the Government is importing wheat from international markets on its own to ensure uninterrupted supply for carrying out different food programmes," he added.

The food department is currently selling flour through its open market sales (OMS) initiative for



on wheat imported from India but as the neighbouring nation halted shipments several months ago, they are now looking for alternative markets in Europe and other regions.

During a visit to different retail shops in Nilphamari sadar upazila, Taraganj upazila in Rangpur and Sakowa union of Panchagarh, this correspondent found that flour sales have been slow. Gopal Chandra, a retailer in Nilphamari market, said

the past few years, when imports ranged from 60 lakh to 70 lakh tonnes. Mohon Patwari, managing director of the Patwari Flour Mill in Dinajpur town, said certain quarters, including importers, are hoarding large stocks of wheat.

"If government would take steps to recover the crops, our flour markets could run smoothly for the next two months," he added. Md Ashraf Alam, regional controller of food

just Tk 18 per kg. "Imports have been hampered in case of the private sector and so, the government making an effort to overcome the situation," Alam said.

Other than those in Rangpur, flour mills in various other parts of the country, including Narayanganj, a major hub for wheat flour, are not getting an adequate amount of grain to process. ■



# BSCIC Estate In Lalmonirhat: Only Plastic Processing Centres Thrive

*Business Outlook Report*

**C**ommercial activities at an industrial estate of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Lalmonirhat are gradually winding down as it lacks a business-friendly atmosphere, according to entrepreneurs. Having started operations in 1990, the 15-acre BSCIC estate once housed 36 factories, of which just 11 remain as the relevant authorities are not taking necessary measures to make it industry-friendly, they said.

The remaining units are made up of flour, wooden furniture and cotton factories while there are also two plastic processing centres, a few warehouses and a cold storage. However, only the plastic processing centres are enjoying brisk business as the demand for polyethylene yarn made from recycled plastic is growing in local markets as an alternative to jute fibre. With each decimal of land in the industrial

area priced at Tk 60,000, the available plots are divided into three categories. The "A" category plots have an area of 10 decimals while "B" category plots have 5 decimals and "C" category have 3 decimals. BSCIC officials say that 90 plots have been sold to various entrepreneurs so far but only 61 are being used for business activities. Shahidul Islam, who owns one of the plastic processing units, said his factory produces an average of about 2 tonnes of polyethene yarn per month with each kilogramme of the material selling for Tk 65-70.

Islam then informed that he wants to expand his unit but is unable due to the lack of financial support. "I have appealed to the BSCIC authorities for a loan several times, but they refused to give it on grounds that plastic processing centres cannot avail such funds," he added. Although the two plastic processing units are the only businesses that are

thriving in the BSCIC estate, they are largely responsible for making the area almost inhabitable for other factories. Saifur Rahman, who operates a small factory that makes a savoury snack called chanachur, said that piles of plastic are strewn about everywhere in the BSCIC compound. As a result, it has become very difficult to operate in such an unhealthy environment as BSCIC authorities do not take any action to address the issue, he added.

Rahman went on to say that most entrepreneurs that set up units at the estate have lost their capital and so, the BSCIC authorities should take the necessary steps to facilitate a business-friendly atmosphere by taking care of their various needs, including finances. Afzal Hossain, who owns a small unit that makes steel nails for construction, said he established a factory on an "A" category plot six years ago. However, he was unable to achieve



adequate sales due to the availability of substitute products from China and eventually shuttered his unit a year ago. "I cannot start a new business now due to the loss of capital," Hossain added, citing how he wanted to shift to plastic yarn manufacturing after seeing the success of existing units. Hossain then said he tried to get a loan for this purpose from the BSCIC, which utterly refused his request.

"Now, I am prepared to surrender my plots as the industrial area is not business-friendly due to the lack of sufficient support and poor attitude of BSCIC officials," he added. Similarly, entrepreneur Tanvir Islam had set up a small charcoal factory on an "A" category plot but could not sustain the business due to a lack of capital. And after he too failed to avail a loan facility from the BSCIC, his unit was ultimately closed with the authorities eventually cancelling

his plot allotment. "If I had enough capital, I would have restarted the business and expanded," Tanvir added. Abu Hossain, an industrial officer of the Lalmonirhat BSCIC, said many plots remain unsold or unused as entrepreneurs lack enthusiasm to start businesses in the area. Besides, the existing businesses do not really fall under the category of small and cottage industries, he added. In addition, most entrepreneurs do not accept the terms and conditions of the BSCIC.

As such, most plots still have outstanding payments amounting to more than Tk 90 lakh. "Still, we are trying our best to generate interest from industrialists to set up units in the estate," Abu said. Ehsanul Hoque, deputy manager of the BSCIC office in Lalmonirhat, said certain entrepreneurs are being given loan facilities as they set up businesses without following the

terms and conditions. "No one can be given a loan if the conditions of the BSCIC are not fulfilled," he said, adding that several of these entrepreneurs are having their plot allocations cancelled for breaching contract. Hoque went on to say small unit owners at the estate do not understand the business model and are unable to succeed because they lack capital. "But if anyone sets up an industrial unit as per the conditions of BSCIC, we will definitely give them loans on easy terms," he said.

Hoque then informed that BSCIC officials have been meeting with trade bodies in Lalmonirhat to encourage the establishment of factories in the industrial area.

"Some trade bodies have assured the authorities in this regard and so, we hope some new some factories will be set up next year," he added. ■

## Initiatives Taken To Establish Fair Price Shops For RMG Workers

Global Alliance for Improved Nutrition (GAIN), a Switzerland-based international development organisation, has come forward with consultancy assistance to set up shops at RMG factories to sell goods at comparatively lower prices to the workers. Under the initiative, about 80,000 people (20,000 female workers and 60,000 family members) are likely to get benefits.

This announcement came at a kick-off meeting titled 'RMG Workers' Access to Affordable Nutritious and Safe Food' at a hotel in the capital on November 22. GAIN organised the meeting with the participation of partner organizations and stakeholders to chalk out future strategy on technical assistance and how to make the initiative success. Mohammad Ehsan-E-Elahi, secretary of the

Ministry of Labour and Employment, attended the meeting as chief guest while Moniruzzaman Bipul, portfolio lead of GAIN Bangladesh, delivered the welcome address and GM Reza Sumon, manager of workforce nutrition project of GAIN Bangladesh, presented the keynote paper.

With Dr Rudaba Khondker, country director of GAIN Bangladesh, in the chair at the meeting where Dr Hasan Shariar Kabir, director general of Bangladesh National Nutrition Council and Faruque Hassan, president of BGMEA, among others spoke at the event. It was shared at the meeting that the project aims at ensuring access to nutritious foods for RMG workers with affordable prices and strengthening the food marketing management. It also aims at working for ensuring nutritious and safe foods for RMG workers so that they can play more productive role

for production in the RMG sector. Praising the initiative, Mohammad Ehsan-E-Elahi called for the expansion of such facility to other factories across the country. Speakers said it is imperative to give priority to the issue of safe and nutritious food for the workers, for implementing the government's Perspective Plan 2021-2041 and achieving SDGs. The speakers called upon those involved in production, processing, supply and marketing of foods to establish fair price shops with nutritious foods at factory areas along with encouraging the workers to take such foods.

Mentionable, several shops have so far been set up at two factories at Ashulia and Gazipur with the support of GAIN. About 15,000 RMG workers along with their family members are entitled to buy essentials from those shops with a special discount. ■



# Modern Practices Will Boost Agri Export To US



## Business Outlook Report

**B**angladesh could boost its export earnings significantly by grabbing a share of the US' agricultural imports, which is above \$180 billion annually.

And to grab a good share, quarantine infrastructure as well as production of safe food must have to be ensured, said speakers at the AmCham November Luncheon Meeting on "Food safety and export opportunity towards USA" on November 20 .

AmCham President Syed Ershad Ahmed said the US imports agricultural products worth \$180

billion annually, of which Bangladesh has captured only 0.8%, or \$ 1.5 billion so far. There is a huge potential for exporting Bangladeshi agro products to the US -- both in its Asian and mainstream markets, he also said.

"To grab a good stake, we have to first ensure safe food and products as well as maintain global standards and implement modern quarantine norms," he added.

Speaking as the guest of honour, Agriculture Minister Dr Muhammad Abdur Razzaque said Bangladesh has taken several initiatives to boost

and diversify its exports. "We are working to increase the export of agricultural products to the mainstream markets in the US, the UK, Europe and Japan," he also said.

Many steps have already been taken to meet the prerequisites set by those countries for exports, said the minister. The work of setting up an internationally recognized accredited lab and modern packing house at Purbachal area is also going on, he added.

Work is also underway to set up a vacuum heat treatment plant for mango export with help of China and the Netherlands. Modern quarantine rules

and regulations have also been adopted, good agricultural practices (GAP) is being implemented and modern lab facilities have been available for the industry. A project to set up cold storage chains in every divisional city is also underway, said the minister.

Cold storages for multiple crops like potato, carrot, tomato and others are being set up to boost export, he added.

AmCham Vice-President Syed Mohammad Kamal and US Embassy Agricultural Attaché in Dhaka Megan Francic also spoke at the event. ■



# Paper market on fire! Printing industry in peril

*Apu Ahmed*

**P**oor policies coupled with a spiralling rise in the prices of printing and writing paper and a shortage of US dollar have set the country's paper industry and paper market on fire.

## *Import Restriction*

Paper mill owners cannot open letter of credit to import pulp, the most essential ingredient of the paper industry, and other chemicals, because of restrictions imposed by Bangladesh Bank on many products. While BB has imposed restriction to keep the import of essential goods like fuel oils, food items and fertiliser uninterrupted with its limited forex reserves, such policies have been criticised by economists as unsuitable for the many industries, mostly

small and medium enterprises. Import restrictions have already affected many industries dependent on import of raw and semi-finished products to run production businesses, noted former World

Bank Dhaka office chief economist Zahid Hussain.

## *Reserve Build-Up Artificial*

The government has secured a preliminary deal from the Interna-





tional Monetary Fund borrowing \$4.5 billion over a period of three years to tackle the shortage of dollars that pulled down forex reserves below \$35 billion from \$48 billion in August 2021. During the loan

from least developed countries block from 2026. No doubt, the war in Ukraine has exposed the dollar crisis but such a situation was inevitable because of various reasons. The foremost one is the costly power

much as capacity charge payment. Many economists argued that construction of Padma Bridge with the country's own fund has now become critical as foreign funding for the dream bridge would have ensured addition of around three billion dollars to the forex reserves.



*The dollar crisis has pushed up paper prices putting the printing and publishing industry in peril*

negotiation, the IMF identified many weak points of the economy including flaws in calculating the forex reserves. A call to calculate forex reserve on a net based system has already been agreed by BB. The IMF officials said the forex reserves build-up during the Covid-19 pandemic was artificial while economists warned that government agencies should not tamper data so that stakeholders can take decisions timely for protecting their business interests.

### ***Inevitable Dollar Crisis***

Like many other sectors, the paper industry has faced critical time for the mistake of policymakers in announcing the inevitable dollar crisis much earlier. Economist Debapriya Bhattacharya at a programme in Dhaka on Nov 20 criticised that the policymakers were still busy with lofty narratives about economy on political grounds although those sharply differed with the technical narratives presented by bureaucrats. He said differences on narratives should be minimised for the benefit of the country in trade negotiation ahead of its graduation

generation policy to benefit vested quarters.

### ***Capacity Charge***

The government has paid around Tk 60,000 crore in the past decade to private power producers as capacity charge, a controversial provision to pay the power producers fees even though no power is purchased from them. The money is equivalent to around \$8 billion and it was spent from the forex reserves. The current

The shortage of dollars depreciated the local currency by around 20 per cent in the past six months. However, the weakening local currency against the greenback should not only be blamed alone for the skyrocketing price of the paper and paper related items. Lack of innovation by the state-owned and private paper producers coupled with flawed policies has become a reality for them to face the current crisis of disruption in import of raw materials. The sector is almost totally dependent on foreign sources for collecting pulp. Amber Paper Mills director Akhtaruzzaman in an interview with local media lamented that the BB had been allowing LCs on pulp not more than \$30,000 although the paper mills used to open LCs worth around \$3 million.

### ***Price Hike Threatens Ekushey Book Fair***

Meanwhile, the price of one rim 80-gram paper price rose to Tk



dollar crisis could have been avoided if the government had not spent so

2,750 from Tk 1,800 while one rim 100-gram paper price rose to Tk



3,300 from Tk 2,100. The price hike has already hampered education and threatened the overall printing industry and livelihoods of many people. On November 21, publishers of creative books in a press conference in the capital demanded a reduction in charge for Ekushey Book Fair stalls and bring to book those making the paper market unstable. Anupam Prakashani proprietor Milon Kanti Nath said that the price of a book had doubled with the increasing production costs. So, most readers will not be able to afford books. The publishers said if they failed to publish new books they would not be able to recover losses in the next five year since the industry was yet to recover

for problems in exporting countries or in the importing country like the one that country has been facing amid shortage of dollars. The annual demand for paper has reached more than 10 lakh tonnes in recent years, a substantial part of which has been used for packaging purposes of the burgeoning industry of readymade garments. Growing consciousness on hygiene has increased the use of paper based tissue papers while the environment awareness has led consumers to discard plastic products used for one-time purposes in favour of paper based items.

### **Pulp Import**

Bangladesh's imports of paper and paperboard, articles of pulp, paper

private mills, the state-owned mills faced closure. Only one out of three is now in operation, having a capacity of 30,000 tonnes annually and capable of meeting only 3 per cent of the annual demand. The paper industry is dependent on the private sector that is also dependent on dollars to import pulp to roll out paper.

### **Substituting Pulp Imports**

Economists say the government should have already forced the local paper manufacturers to find alternative sources of raw materials as part of a policy of import liberalisation. The paper mills should have engaged in research to find out sources to make pulp locally. Data showed that non-wood (or agro-based) fibers supplied 11 per cent of the pulp production worldwide in 2003, with China and India as industrial monopolists. Jute, straw from grains, cotton stalks, bagasse and dhanicha are promising for non-wood based raw materials for pulp.

### **Printing-Publishing Industry suffer most**

The dollar crisis has also put the printing and publishing industry in peril. Due to decrease in import, the cost of all kinds of paper has gone up. But the crisis has not ended here. The dollar crisis also pushed up the prices of printing accessories, including plates, the most essential item in the printing business. Printing industry insiders said the price of each PS plate has gone up to almost double in recent days.

These pre-sensitized plates are used in offset printing, having two types: negative and positive PS plate. It is made of aluminum base plate and PS plate coating.

As a result, both the printing and publishing houses have to now count extra costs to supply their contracted materials to continue business. ■



**Ahead of Ekushey Book Fair and New Year, our printing-publishing industry gets an extra momentum with huge orders from thier clients**

losses incurred during the Covid pandemic.

### **Demand Increasing**

There are over 100 paper manufacturing factories in the country capable of meeting the rising demand of paper and paper articles for the publishing industry. But they depend on imported pulp to roll out their final products. They never tried out of the box to meet the need of pulp. They never consider that the supply chain could be disrupted

and board was \$581.33 million during 2015, according to the United Nations COMTRADE database on international trade. The amount has increased substantially over the period and those are rolled into paper by the local factories, mostly private sector. The rise of private paper mills on the back of declining state-owned mills which do not require import of pulp. Unlike the current private sector mills, they produced pulp locally. However, with the arrival of the

# Singapore For Exploring Various Business Potentials In Bangladesh



*Singaporean Transportation Minister and Minister in Charge of Trade Relations S. Iswaran held a bilateral meeting with the State Minister for Foreign Affairs of Bangladesh Shahriar Alam*

## **Business Outlook Report**

**S**ingapore has shown its keen interest to explore the many trade potentials in different Bangladeshi sectors such as infrastructure development, energy and data mining.

This was discussed while Singaporean Transportation Minister and Minister in Charge of Trade Relations S. Iswaran held a bilateral meeting with the State Minister for Foreign Affairs of Bangladesh Shahriar Alam in the capital on November 17, a press release said. The Singaporean minister is currently visiting Bangladesh on the occasion of the golden jubilee of the establishment of diplomatic ties between two friendly nations.

The Southeast Asian island nation is also interested in Bangladesh's various high skilled areas including digital connectivity and services, technology transfer and looks forward to harnessing the possibilities to raise it to the next level. Lauding the bilateral ties between the

two countries as being strong and time-tested, the two Ministers exchanged their views on important areas of the bilateral relations.

During the meeting, Alam urged for more Singaporean investments to facilitate Bangladesh's transition as a regional connectivity and manufacturing hub highlighting the need for more investment in infrastructure development, including seaports and airports. He also flagged the high agricultural productivity in Bangladesh and the prospects of agro-based industries in the country, with special emphasis on the burgeoning middle-class consumers enjoying increasingly higher purchasing capacity. Alam observed that Singapore could consider intake of more skilled workers from Bangladesh especially in their health and other service sectors.

Mentioning Singapore as a connectivity hub for distribution of services as well as trade, he shared the aspirations of Bangladesh to emerge as a

facilitator of regional connectivity for the land locked countries and regions of South Asia. The Singaporean Minister applauded the sustained economic growth of Bangladesh under the visionary leadership of Prime Minister Sheikh Hasina. He also appreciated hardworking Bangladeshi workers and their contribution to their construction and other sectors.

Earlier, the Singaporean minister held a meeting with the State Minister for Civil Aviation and Tourism Md. Mahbub Ali and discussed potential areas of cooperation for further strengthening the tourism sector of Bangladesh. They exchanged views on the possible 'greening' of the new airports and civil aviation infrastructures by using renewable energy.

Later in the day, S Iswaran held bilateral talks with the State Minister for Power, Energy and Mineral Resources Nasrul Hamid and agreed to make further coordinated steps for enhanced and advanced cooperation and collaboration in the energy sector of Bangladesh through more Singaporean investments.

A Memorandum of Cooperation (MoC) was also signed by the Commerce Minister of Bangladesh Tipu Munshi and Singaporean minister S. Iswaran at the Commerce ministry today with a view to facilitate the negotiations for a free trade agreement between the two countries, the release said.

Adviser to the Prime Minister of Bangladesh on Private Industry and Investment Salman Fazlur Rahman was also present on the occasion. ■



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*Japanese Economic Zone at Araihasar upazila in Narayanganj is one of biggest FDI in Bangladesh Export Processing Zones (EPZ) in-Bangladesh attracted a good amount of FDI*

# Address Human Rights Issues For FDI

*Apu Ahmed*

**T**he country badly needs to reverse the unexpected low trend of its foreign direct investment for strengthening its exit from the least developed countries bloc after 2026.

## **FDI Flow Low**

It also needs to address human rights violations as FDI from many prospective countries will go elsewhere just because of the deterioration of the sensitive issues in the country over the past decade. Compared to the country's fast-moving gross domestic product, the FDI flow has remained below the expectation. It rose by 39 per cent to \$4.7 billion in 2021-22 compared with that of \$3.38 billion in the FY before. But still, FDI inflow hovers around 1 per cent of the GDP. The

seventh five-year plan expired in 2020 saw only 64.6 per cent or \$19.5 billion of the targeted amount of FDI of \$30.2 billion. The targeted amount has been 3 per cent of the GDP. The ongoing five-year plan to be concluded in 2025 has again fixed 3 per cent of GDP as the target of FDI flow.

## **SEZs Won't Solve Problems**

The war in Ukraine has made investors at home and abroad shaky and extra cautious. The present political regime has been promoting special economic zones since 2010 for higher FDI flow after the country was identified as one of the least attractive places for investors. However, the present efforts to make the SEZs popular will not be adequate to convince many foreigners to select the country as the desired destina-

tion of their investments. Corruption, a limited number of financing instruments and bureaucratic delays hindering the prospect of the FDI flow need to be addressed. Lax enforcement of labour laws is another concern for foreigners especially Western investors as they need to abide by human rights issues adopted by their restive countries.

## **Human Rights Issue**

Human rights issue because of questionable general polls and enforced disappearance has already been hinted at by Westerners and their Asian allies to be major political issues for Bangladesh in the coming days. The flow of future FDI and trade-related issues will depend on successful policy implementation decisions for many countries including Bangladesh. The United

Nations Working Group on Enforced or Involuntary Disappearances has already urged Bangladesh to implement the recommendations made in the past on sensitive issues. The US has already imposed sanctions on Rapid Action Battalion and several former top-ranking officials of the controversial entity because of its links to extra-judicial killings.

### **Reforms Long Overdue**

Westerners say the government's efforts to improve the business environment in recent years showed promises but implementation was yet to materialise. Slow adoption of alternative dispute resolution mechanisms and sluggish judicial processes are other impediments to the enforcement of contracts and the resolution of business disputes. Former Bangladesh Bank governor Salehuddin Ahmed said that reforms in various sectors had long been overdue to improve the country's business atmosphere. Attracting foreign investment has become essential to ensure a sustainable flow of foreign currencies in the long term. The policymakers should learn from the current dollar crisis that a continuous high inflow of remittance and export incomes is not always guaranteed.

### **FDI Badly Needed**

High import payment for fuel oils, fertiliser and food items has caused a prolonged crisis of greenbacks and pulled down the foreign currency reserves that fell below \$35 billion from \$48 billion a year ago. The FDI flow should be explored as an option to ensure the necessary supply of foreign currencies. In 2019, the FDI inflow was \$2.9 billion while the flow was \$50.6 billion in India, \$23.9 billion in Indonesia and \$16.1 billion in Vietnam. The FDI in the country rose by 39 per cent to \$4.7 billion in 2021-22 compared with that of \$3.38 billion in the previous FY. In FY22, the net FDI inflow also increased by 61 per cent to

\$2.17 billion against \$1.35 billion in FY21.

### **US Report Sees Good Prospect**

Despite odds, Bangladesh would likely continue to attract increasing investment amid the severe economic headwinds created by the global geo-political tension over the war in Ukraine that followed the Covid pandemic. A United States report on the Investment Climate Statement Chapter of the Country Commercial Guide released on July 28 said the sustained economic growth over the past decade, a large, young, and hard-working workforce, strategic location between the large South and Southeast Asian

structural safety. Still, critical work remains to be done on safeguarding workers' rights to freely associate and bargain collectively, including in export processing zones, said the report. The government offers a range of investment incentives under its industrial policy and export-oriented growth strategy with few formal distinctions between foreign and domestic private investors, noted the report. Terming the county as a traditionally moderate, secular, peaceful and stable state, the report said that Bangladesh experienced a decrease in terrorist activity in recent years, accompanied by an increase in terrorism-related investigations and



markets and a vibrant private sector had been identified as positive factors for attracting FDI. The US report identified agribusiness, garment, leather and leather goods, light manufacturing, power and energy, electronics, light engineering, information and communication technology, plastic, healthcare, medical equipment, pharmaceuticals, shipbuilding and infrastructure as promising sectors for attracting foreign investments.

### **Bangladesh Secular: US**

The ready-made garment industry, which exported \$35.81 billion of apparel products in FY21, had made significant progress on fire and

arrests following the Holey Artisan Bakery terrorist attack in 2016.

### **National Election 2018**

But the national election in December 2018 marred by irregularities, violence and intimidation consolidated the power of prime minister Sheikh Hasina and her ruling party, the Awami League, said the report. "This allowed the government to adopt legislations and policies diminishing space for the political opposition, undermining judicial independence and threatening freedom of the media and NGOs," added the report. In a surprise statement on November 14, outgoing Japanese ambassador to Bangla-

desh Ito Naoki said they heard about ballot box stuffing by police overnight before the polling began in 2018. He said that happened nowhere in the world, adding that Japan did not want ballot box stuffing here again. He also expected that the next general elections here would be free and fair.

### ***PM's Japan Visit Postpones***

Another development — the postponement of Prime Minister Sheikh Hasina's visit to Japan on November 29 —has escalated political tension between the current government of Bangladesh and the Japanese government. Japan has been called the most trusted friend of Bangladesh. The country's merchandise exports to Japan have almost doubled in the last decade

and reached over \$1.3 billion in the past fiscal year. Japan is the fifth largest import source country for Bangladesh with merchandise imports standing at over \$2 billion and the 12th largest FDI source country with FDI stock standing at around \$483 million. Besides, Japan last year provided budget support. It has also considered providing budget support in the current year following urges by the finance ministry. Japan is also providing loans to implement many projects including the Matarbari power plant and a deep sea port there. The metro rails have also been constructed with financial and technical assistance from Japan.

### ***A Little Scope***

It is now clear that the government

in Bangladesh has little scope to avoid the longstanding issues. Addressing those is imperative for ensuring a much needed higher flow of FDI for its economic benefit. Meanwhile, Bangladesh has deferred its graduation year of leaving the least developed countries block for 2026 from 2024. The Covid pandemic has been the main reason for Dhaka to seek extra two years for the transition period. The export-oriented businesses need to be habituated with additional duties for exporting goods to other countries as many trade advantages they enjoy will end. Besides, alternatives of cash support from the government against exported products are needed to be identified in the next three years to face the challenges of graduation. ■

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# Power Tariff Hike Will Add To Woes

## ***Business Outlook Report***

**T**he decision to increase the wholesale price of electricity by 19.92 per cent to Tk 6.20 per unit has raised concerns among businesses who say consumers may soon have to bear the added burden.

However, the government has assured that the retail price of electricity will not increase for general consumers or industries.

Entrepreneurs say they are already having a tough time dealing with multiple crises, including the Russia-Ukraine war, depreciation of the local currency against US dollar, and frequent

power cuts in recent months. As such, the decision will only aggravate the situation when

imposed at the consumer level as it may decrease the peoples' purchasing capacity, which will have

a ripple effect on their demand for various products. Faruque Hassan, president of the Bangla-





desh Garment Manufacturers and Exporters Association, said the higher wholesale price of electricity will ultimately pass onto the retail level.

The decision will aggravate the situation when imposed at consumer level as it may decrease people's purchasing capacity, which will have a ripple effect on demand

"So, we will request the BERC not to increase it at retail level, especially for general consumers and industries," he added. Faruque then said there is a lot of system loss in electricity production as well as theft in meter reading.

"There are many illegal electricity lines in many places and if the government is strict on these issues, the country's revenue will increase further," he said, adding that this would help cover the subsidies on energy.

Tapan Sengupta, deputy managing director of the Bangladesh Steel Re-Rolling Mills, said if the people's buying capacity decreases day by day, then so too will the sale of various products.

"This may result in layoffs while factories may even shut down at some point," he added.

Nasrul Hamid, the state minister for power, energy and mineral resources, told reporters at the secretariat that the price of electricity and fuel is being adjusted all over the world due to a global rise in production

costs. "But as the prices are not going to increase at the consumer level right now, people have nothing to worry about," he said.

Besides, whether the price will increase or not also depends on field level data. So, the next decision in this regard will be taken after verifying all potential impacts, Hamid added.

Dr Ijaz Hossain, former professor of the Bangladesh University of Engineering and Technology,



said the price increase is rational as the Power Development Board had asked to hike electricity prices by 60 per cent while the Bangladesh Energy Regulatory Commission set it at only about 20 per cent.

"But the government should reduce the electricity production cost in the long term. So, it should phase-out high-cost oil-based power plants as promised for the last 10 years," he added.

Hossain then demanded

the authorities wait for at least one year to raise the price of electricity at the consumer level considering the high inflation at present.

"If consumers are affected, it will increase their sufferings two-fold as the price of all essentials go up almost every day," he said.

Shirajul Islam Mollah, president of the Bangladesh Ceramic Manufacturers and Exporters Association, said the

plastic products. So, the decision will not be sustainable for this sector," Ahmed said.

Helal Uddin, president of the Bangladesh Shop Owners Association, said the decision is unfortunate as it will only increase the sufferings of businesses.

Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry, said electricity and gas are the main driving forces of

industry has long been suffering due to the increased price of US dollars, diesel and low gas pressure.

"If the increased electricity price is imposed on the consumer level, it will add insult to injury," he added.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, said it is difficult to run industries in the current situation.

"It takes more electricity than other sectors to make

all kinds of industries.

"The higher electricity price will automatically affect all products and classes of people," he said.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said that before hiking the electricity price, the government should focus on addressing the poor transmission system, lack of smart grid, and reduce system loss. ■



A business delegation from Sulaimany Chamber of Commerce & Industry in Iraq, led by its Chairman Seerwan Mohammed Mahmood, held a meeting with DCCI President Rizwan Rahman and other DCCI leaders at the DCCI office in the city. ■



Mercantile Bank Limited donated 75,000 pieces of blanket to the Prime Minister's Relief Fund, in order to support the poor people in the country. The bank's Vice Chairman ASM Feroz Alam and Managing Director and CEO Md Quamrul Islam Chowdhury handed over the blankets to Prime Minister Sheikh Hasina at the PMO recently. ■



Salman F Rahman, private industry and investment adviser to the prime minister, among other guests, at a ceremony marking the launch of 'MTB BGMEA Co-Branded Mastercard World Credit Card'. ■



Prime Bank has signed an agreement with Ananta Companies Limited recently. In the presence of Hassan O. Rashid, Managing Director & CEO of Prime Bank, the agreement was signed by ANM Mahfuz, DMD & CBO Consumer Banking of Prime Bank, and Inamul Haq Khan, Managing Director of Ananta Companies. ■



ICCB Banking Commission Chairman Muhammad A. (Rume) Ali (6th from left) presides over a meeting of the Banking Commission held at the ICC Bangladesh Secretariat. The meeting was attended by ICC Bangladesh President Mahbubur Rahman (centre) and members of the Banking Commission. ■



Ahsan Khan Chowdhury, Chairman and CEO of PRAN-RFL Group, receives the National Export Trophy from Commerce Minister Tipu Munshi at the award giving ceremony in the city. ■





Social Islami Bank Limited (SIBL) celebrated its 27th founding anniversary at its head office in Dhaka by cutting a cake. SIBL Vice Chairman Md Sayedur Rahman was present at the ceremony as the chief guest, with Managing Director and CEO Zafar Alam in the chair. ■



First Security Islami Bank Limited achieved 'The 2022 Trade Assets eMarketplace Champion Award' for creating excellence by using eMarketplace portal of trade assets for exchanging trade finance risk. Azizunnessa Huq Dolly, managing director & chief country officer, Bangladesh, FIntech Innovations International DMCC handed over the crest to Syed Waseque Md Ali, managing director, First Security Islami Bank Limited in a simple ceremony. ■



IFIC Bank has earned the Payment Card Industry Data Security Standard certification, an internationally prestigious recognition for maintaining maximum data security or information protection of customers. Moshuiul Islam, CEO of Enterprise Infosec Consultants (EIC), handed over the certificate to Md Monitur Rahman, deputy managing director and chief of Operations and Information Technology and Md Nazmul Haque Talukder, head of IT, at a function organised at IFIC Tower in Dhaka. ■



Exim Bank led an awareness programme on foreign currency clearing system through RTGS system, organised by the Bangladesh Bank recently. Director of Bangladesh Bank Payment System Department Muhammad Badiuzzaman Dider was present in the programme as the chief guest while Deputy Managing Director of Exim Bank Maksuda Khanam was present as special guest. All the Schedule banks operating in Rajshahi division joined the event. ■



President of Dutch-Bangla Chamber of Commerce & Industry (DBCCI) Md Anwar Shawkat Afser called on Executive Chairman of Bangladesh Export Processing Zones Authority (BEPZA) Major General Abul Kalam Mohammad Ziaur Rahman at his office recently. ■



BRAC Bank and British Council have signed an MoU recently to work together for the welfare of students. M Masud Rana, DMD & CFO of BRAC Bank; and Jim O'Neill, Country Exams Director of British Council; along with other officials pose at the signing ceremony. ■

# Depositors' Money Completely Protected

## ABB Says Vested Quarter Spreading Rumours

*Business Outlook Report*

**T**he Association of Bankers, Bangladesh (ABB), a platform of managing directors of banks in Bangladesh, yesterday said depositors' money in banks were completely protected as lenders were now enjoying a hefty amount of excess liquidity. "There is no reason to panic regarding the deposits kept in banks by the masses," Selim RF Hussain, chairman of the ABB, told a local daily in an interview. "Banks are quite strong when it comes to repaying the depositors given their strong liquidity base," he said.

The amount of excess liquidity in the banking sector now stands at around Tk 169,000 crore, showed data from Bangladesh Bank. The central bank always provides liquidity support to banks, which usually face cash shortages. And the BB is now also giving the same cash support such that depositors can withdraw money they require from lenders at any time, he said. A vested quarter is now trying to mislead people about the country's banking sector by spreading rumours on various social media platforms in order to erode depositors' confidence on lenders, Hussain said.

"The group has ill-intentions. It is trying to weaken the country's economy by spreading rumours to create a distrust of banks among the ordinary people," he said. The vested group is now spreading fake news capitalising on the ongoing stress on the foreign exchange market, said Hussain, also the managing director of Brac Bank. Banks have already taken up several initiatives to restore stability in the foreign exchange market with the help of the central bank, he said. A good number of banks are now opening letters of credit (LCs) cautiously, which he termed as a time-befitting move as



*Selim RF Hussain, chairman of the ABB*

the lenders are now facing a shortage of dollars. The prices of many essential commodities in the global market have skyrocketed in recent times, which is why businesses are requiring more greenbacks to buy the products than before, said Hussain. "We have to ensure a balance between the inflow and outflow of dollars," he said. There was no problem over importing any item during the pre-pandemic period but things are completely different now, he said.

Under such a situation, banks should open LCs considering the supply of the dollar, said Hussain. On top of that, businesses availed short-term foreign loans amounting to around \$15 billion to \$18 billion just two to three years back, he said. The loans have started to reach maturity, so there is pressure on the economy emancipating from the repayment of foreign funds, Hussain said. In addition, many importers enjoyed deferral support to settle their LCs a year ago due to the business slowdown stemming from the pandemic. Now time has come to make the import payments, creating an additional pressure on the foreign exchange reserves, he said. The reserves stood at \$34.24 billion

yesterday in contrast to around \$45 billion a year ago. "We had no hint both about the pandemic and Russia-Ukraine war. So, the unexpected events have hit the economy all of a sudden. Against the backdrop, we should work together to tackle the situation," he said. Banks are now spending their dollars based on the supply of the foreign currency and the current attitude of banks is completely appropriate, he said.

"We should revisit our financial programmes given the situations of the pre and post-pandemic times," he said. Things have started to get better as banks have already stopped importing non-essential goods, he said.

Moreover, both Bangladesh Foreign Exchange Dealers' Association, an organisation of banks that implements foreign exchange-related policies, and the ABB is now working jointly to tackle the volatility, he said.

Hussain went on to hope that the economy would turn for the better within the next couple of months due to recent measures taken by both banks and the BB. ■





# Tax Receipts Tk 6,459cr Short Of Target In July-Oct

## Business Outlook Report

**T**ax collection by the National Board of Revenue in the July-October period of the current financial year fell 6.63 per cent or Tk 6,458.87 crore short of the target set for the period.

In the period, the NBR managed to collect Tk 90,901.99 crore against the target of Tk 97,360.86 crore set for the period, according to NBR provisional data.

However, the revenue collection grew by 14.17 per cent in the four months compared with that in the same period of the previous financial year 2021-2022.

In FY22, the revenue collected in July-October was Tk 79,622.66 crore. In the four months of FY23,

income tax wing of the revenue board managed to collect Tk 26,780 crore, value-added tax wing collected Tk 34,184 crore and customs wing got Tk 34,739 crore.

The revenue collected in October of FY23 was 9 per cent or Tk 2,349.92 crore lower than the target set for the month, according to the NBR data.

The revenue board managed to collect Tk 23,777.54 crore as income tax, value-added tax and customs duty against the total monthly target of Tk 26,127.46 crore.

Income tax revenue fell 6 per cent and customs duty fell 3.45 per cent while value-added tax surpassed by 37 per cent of the respective targets set for October. In October, the

income tax wing managed to collect Tk 6,657.14 crore, the customs wing managed to collect Tk 5,350.34 and the value-added tax wing managed to collect Tk 11,770.06 crore, according to the provisional data.

Year-on-year revenue earnings in October grew by 12.60 per cent in the current financial year compared with that in the same month of the previous financial year, which was Tk 5,719.90 crore.

The government has set Tk 3,70,000 crore target of revenue collection for the NBR for the current financial year.

Of which, the income tax wing will collect Tk 1,22,100 crore, the customs wing Tk 1,11,000 crore and the VAT wing Tk 1,36,900 crore. ■

# Bangladesh Targets To Raise Cotton Production Five Folds By 2030



## *Business Outlook Report*

**B**angladesh has set a target to raise five times the cotton production by 2030, introducing new varieties and expanding cultivation areas, since the country appeared as the second largest consumer of the industrial crop.

‘Cotton could be a major cash crop as we need to spend US\$3billion every year for its import to meet its expanding demand in the textile industry,’ Cotton Development Board’s additional director Md Fakhre Alam Ibne Tabib said. The country currently produces less than 0.2 million cotton bales (1 bale equals roughly 480 pounds) a year against the annual demand for 8.5

million bales, according to official statistics. Against the backdrop of high demands, Bangladeshi textile and spinning mills and other users import cotton from India, the United States, several African and Central Asian nations, Australia, Brazil and Pakistan.

Tabib said that they set the target to enhance the domestic cotton production to 1 million bales using newly invented high yielding and hybrid varieties and using the vast low fertile barren lands in the country’s southeastern hill region alongside some plain districts. Western Jhenaidah and Jashore are plain districts while parts of Bandarban and Rangamati are hill districts

where the country currently witnesses cotton production. The cotton board now runs 27 on-farm trials at 13 zones covering greater Jashore, greater Kushtia, Rajshahi, Bogura, Rangpur, Thakurgaon, Dhaka, Mymensingh and the three hill districts incorporating Khagrachari as part of their initiatives.

CDB officials said that the trial of germplasm of 12 high yielding Turkish cotton varieties were now underway at research farms under a project called Enhancing Capability in Cotton Varieties Development. ‘We are expanding (cotton) cultivation coverage on low-fertile regions of – Barind land (greater Rajshahi), drought-and saline-prone areas,



shoals and hilly areas, keeping in mind the initiative does not affect the main crops,' Tabib said.

He said that the CDB scientists last year developed a new cotton variety naming it 'CDB Cotton 19' alongside inventing two cultivation methods under a series of research projects in five cotton research centres of the country. 'Our researches simultaneously improved the cotton qualities alongside the varieties,' Talib said. Cotton is

mainly sown in the July-August period and harvested in between December and January and currently its cultivation is spread over 45,000 hectares while the figure was 31,500 hectares in 2009-2010.

Over the past one decade the production volume nearly doubled since it was less than 100,000 bales in 2009-2010. According to CDB officials, raw or seed cotton production was about 2,000 kg per hectare in 2009-10 which now stands at

4,000 kg per hectare with introduction of high yielding and hybrid varieties.

The Cotton Development Board was established in 1972 to increase cotton production.

The CPD is entrusted with the task of conducting research, producing, distributing and marketing seeds, expanding cotton cultivation and distributing loans among farmers. ■

## Govt Okays Import Of 1.8 Lakh MT Fertiliser



The Cabinet Committee on Government Purchase (CCGP) on November 16 approved a number of proposals including import of a total of 180,000 metric tons (MT) of fertiliser.

The committee also approved a proposal of the Bangladesh Bridge Authority to pay 65 percent of the payment in Bangladesh currency and remaining 35 percent in foreign currency (US dollar) to the Chinese service provider of the Bangabandhu Sheikh Mujibur Rahman Tunnel. Earlier, the Chinese CCCC was appointed as service provider at a cost of Tk 983.82 crore for a five-year tenure.

It will collect the toll from the tunnel user vehicles and also conduct its operation and mainte-

nance work. Under the new approval, the Chinese CCCC will get annually Tk 656.98 crore (as 65 percent of the payment) in local currency and \$35.162 million (equivalent to Tk 326.83 crore) in US dollar.

Finance Minister AHM Mustafa Kamal presided over the virtual meeting while members of the committee attended it. As per approval, Bangladesh Chemical Industries Corporation (BCIC) will import 90,000 MT of urea fertiliser in four equal lots while the Bangladesh Agriculture Development Corporation will import the remaining 90,000 MT MOP and DAP fertiliser in two lots.

In one lot, the BCIC will import 30,000 MT of bulk granular urea

fertiliser from Fertiglobe Distribution Limited, UAE at a cost of Tk 189.28 crore with per metric ton's value at \$594.67. Some 60,000 MT of the same urea will be imported by the BCIC from SABIC Agri-nutrients Company of Saudi Arabia in two lots (each 30,000 MT) at the same rate and the total cost will be Tk 387.56 crore.

The BCIC will also import 30,000 MT of phosphoric acid from Sun International of FZE, the UAE (local agent RK Enterprise, Dhaka) at a contract value of Tk 215.14 crore. The BADC, under the Agriculture Ministry, will import 50,000 MT of MOP fertiliser from Canada at a cost of Tk 416.64 crore with per MT price at \$821.

It will import 40,000 MT of DAP from Saudi Arabia at a cost of Tk 308.78 crore with per MT price at \$826.50.

The committee gave nod to a proposal of the Bangladesh Power Development Board (BPDB) to award a Tk 102.61 crore civil work contract to Ideal Electrical Enterprise Ltd., under Bangladesh Power Distribution System Improvement, Mymensingh zone project. ■



## Dhaka Seeks Rome's Support For Continuing GSP

### *Business Outlook Report*

**C**ommerce Minister Tipu Munshi has sought support of Italy to continue the Generalized System of Preferences (GSP) facilities in favour of Bangladesh for six more years beyond the LDC graduation. The commerce minister sought such support when Italian Ambassador to Bangladesh Enrico NUNZIATA met him at his secretariat office November 21.

Bangladesh is currently enjoying GSP facilities in its exports to European countries including in Italy. Such facility would continue for three more years after 2026 when the country would be graduated from the LDCs. But, Bangladesh is negotiating

with different countries to continue the GSP facilities for six more years after the LDC graduation. Urging the Italian investors and businesses to invest in the economic zones in Bangladesh, Tipu said that some 100 special economic zones are being set up across the country under the directives of Prime Minister Sheikh Hasina.

He said the construction work of many of the economic zones is at the final stage while many factories have already started their operation there. "The Italian businesses will be benefitted if they invest here capitalizing on the suitable investment-friendly environment." The Commerce Minister said that

the foreign investors would be benefitted if they make investment in Bangladesh since the country has less labour cost and production cost. Noting that there is a huge scope for boosting trade and investment relations between Bangladesh and Italy, he said that Italy is one of the major destinations of Bangladesh's RMG items while many Bangladeshi expatriates are also working in Italy with reputation.

On the other hand, Bangladesh imports Italian machineries for using those in the local mills and factories alongside importing medical equipments. The Italian Ambassador said that Bangladesh has been very much successful

in RMG production over the years while Bangladeshi RMG items are also very much popular in Italy.

NUNZIATA also stressed the need for seizing the opportunities for enhancing bilateral trade and commerce.

He also underscored the need for promotion of tourism between the two countries.

According to official data, the bilateral trade volume between Bangladesh and Italy is around \$2,262.99 million. In the fiscal year 2021-22, Bangladesh exported goods worth \$1,708.29 million to Italy against the imports of \$554.70 million. ■



# UN Forum Looks To Support Central Asian Economies



## Business Outlook Report

**R**epresentatives of Central Asian countries are in Kazakhstan this week to discuss how to work closely together to grow their economies, which have been buffeted by the continued COVID-19 pandemic and geopolitical crisis, in a sustained, greener manner while also taking advantage of advances in technology.

The 2022 SPECA Economic Forum is meeting from 16 to 17 November in Almaty with high-level participants from Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. SPECA stands for the United Nations Special Programme for the Economies of Central Asia, which aims to support

landlocked developing countries with their integration into the world economy and provides a platform for cross-border cooperation on a wide range of issues, including achieving the Sustainable Development Goals. SPECA is jointly supported by the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic Commission for Europe (UNECE).

In her opening remarks, the Executive Secretary of ESCAP, Armida Salsiah Alisjahbana, said the recent COVID-19 pandemic reversed much of the progress made by SPECA countries “as it brought economies to a standstill and pushed many people back into poverty.” Geopolitical crises have also contrib-

uted to “high inflation, [a] fall in remittances as well as shipping and transport disruptions,” she added. “The adverse impacts of climate change could furthermore have long-term repercussions on development in Central Asia.” Among the key issues for the Forum, which is meeting under the theme “Greener and Safer Future,” is assisting the countries with transforming their economic structure, transitioning to sustainable energy and adopting more digital technologies, while ensuring the full participation of women in society.

“We envisage the SPECA programme as a catalyst in boosting regional cooperation,” said Alibek Kuantyrov, Minister of National

Economy of Kazakhstan, at the opening session. “This meeting is held in a period of economic uncertainty. The global pandemic and security shocks have shaped the world into a new reality. It is essential for the countries of our region to adjust their economic agenda in order to extract maximum profit. Therefore, we have to consistently realize the full potential of cooperation within the framework of

SPECA.” For her part, Olga Algayerova, Executive Secretary of UNECE, said, “Digitalization of international trade, transport and border crossing operations is key to allowing Central Asian countries to reap all the benefits of their integration in European and Asian markets. “UNECE projects on transparency and traceability of cotton supply chains, support to the implementation of the SPECA Principles of

Sustainable Trade, and policy dialogues on the circular economy contribute to help SPECA countries shift towards sustainable trade and a circular economy,” she added. The Forum will be followed by the 17th session of the SPECA Governing Council. An “Almaty Declaration” is expected to be adopted, containing much of the outcomes and recommendations from the Forum. ■



## Ctg Port Container Movement Falls In October

Movement of import and export-laden containers through the Chattogram port in October was lower both year-on-year and compared to that in the previous two months, reflecting a gradual slowdown in foreign trade amidst global economic downtrends. However, in case of export-laden containers over the last 10 months till October, it is higher while lower for import-laden ones.

According to data prepared by shipping lines, some 59,331 TEUs (twenty feet equivalent units) of export-laden containers were shipped through the port in October. This was 7 per cent less than that in September. It was 75,697 TEUs in August. In October last year, it was 70,270 TEUs. A total

of 694,176 TEUs of export-laden containers were shipped through the port in the last 10 months till October. This is 10.46 per cent higher year-on-year. A total of 11,55,868 TEUs of import-laden containers were unloaded at the port in the last 10 months till October. It is a reduction of 3.81 per cent year-on-year. The number of import-laden containers unloaded from vessels at the port also came down to 97,538 TEUs in October.

This was around 4 per cent less than that in September. It was 114,920 TEUs in August. In October last year, 124,659 TEUs of import-laden containers had arrived. Business leaders reasoned a gradual drop in export orders and

government steps discouraging import of luxury goods. The government took a good decision discouraging import of luxury items amidst the current economic scenario and that is why imports gradually decreased, said Chittagong Chamber of Commerce and Industry (CCCI) President Mahbulul Alam. It reflects the global economic downtrend as global supply chains have been facing disruptions since the Russia-Ukraine war started in earlier this year, he said.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Vice President Rakibul Alam, however, said garment shipments fell in last couple of months as consumers in export destinations have reduced purchases due to inflation and economic instability. Due to lesser orders being placed, most factories have reduced production durations by 30 per cent to 40 per cent, he said.

Earlier factories used to remain open on at least two Fridays every month but now all factories remain closed every Friday, he said.

The BGMEA leader opined that shipments would continue to face a downtrend in the coming months as export orders have been gradually decreasing. ■



# Use Modern Tech In Food Industry, Says Minister

*Business Outlook Report*

Planning minister MA Mannan has urged the agro processing businesses to use modern technology for ensuring quality of their food production targeting both local and international markets. He said this while addressing as chief guest at the inaugural ceremony of the 8th BAPA Foodpro International Expo 2022 arranged by the Bangladesh Agro-Processors' Association at the International Convention City Bashundhara in the capital Dhaka on the day on November 18.

He said that the prices of food items would fall soon as the government has taken several actions to boost the domestic food production. 'The government has always been under pressure to manage the domestic food crisis,' the minister said. The country's domestic food production capacity has reached over four crore metric tonnes, he informed.

Mannan also said, 'BAPA and agro processing businesses has the capacity to meet the domestic food supply demand.' The government has offered policy support for the sector to ensure hygiene of food supply, he said. BAPA should invest in research for improving food quality, he said.

He also urged the political parties for arranging peaceful political programmes targeting the upcoming national election and requested not to create a situation that might hamper the development goal of the country.

BAPA executive committee member and Banoful group executive director Md Shahidul Islam delivered the welcome speech. He said, 'BAPA has been arranging the event since 2015 with the aim to



*Planning Minister MA Mannan addressing as chief guest at the inaugural ceremony of the 8th BAPA Foodpro International Expo 2022*

bringing all agro processing businesses under a single platform to share the products and technology to ensure growth of the food processing sector of the country.' The food processing sector of the country has matured enough to capture the global market's advantage, he said.

He also urged the government to continue providing both financial and policy support for the development of the sector. Former vice-president of BAPA SM Jahangir Hossain also attended the programme as a guest. He said, 'Annual export earnings from the sector have crossed \$1 billion and the sector also has a remarkable contribution in fulfilling local market food supply demand.'

Packaging and quality of the food products should improve to compete with other competitors on the global market, he said. PRAN-RFL group chief executive officer and chairman Ahsan Khan Chowdhury chaired the event. He said, 'We are exporting our processed food products to more than 145 countries across the

world including the Middle East, European Union, America and Canada.'

We are also adopting modern technologies for improving the quality of locally produced food products and soon the country will be a global agro-processed food products' hub, he said.

Along with Bangladesh, more than 150 exhibitors from 17 countries like India, China, Italy, Turkey, Germany, America, Japan, Spain, Korea, Netherland and others showcased their processed food products and machinery at more than 160 stalls at two separate venues.

Traders showcased several machinery including baking machines, packaging machines, noodles making line, potato crackers machine, chocolate machine, frozen food making machine, wafer machine, candy machine, beverage, dairy, fruits and vegetable processing machines, cold store, spice plant, food colour and different flavours. The fair end on November 20. ■



# Aquaculture In Khulna: Pioneer Of Pabda Farming Leads The Way For Locals

## *Business Outlook Report*

**M**d Alauddin Zoardar of Hasanpur village under Khulna's Dumuria upazila has become a pioneer in fish farming by cultivating Pabдах catfish, locally known as Pabda, in a saline prone area of the region.

Locals say Alauddin was the first among them to start farming Pabda, which is particularly impressive given the fact that this species of catfish is a freshwater breed. He now sells Pabda worth Tk 50-60 lakh each year with some of the fish grown in his pond even being exported to India for the last few years.

Seeing his success, many people in the district's southwestern region are now investing in Pabda cultivation. However, this success did not come

overnight as he had previously tried and failed at shrimp farming. "You do not get good quality shrimp fry in this region and the government has banned collecting them from open sources such as rivers," he said.

And just when Alauddin found himself in deep despair, some people on a visit from Mymensingh encouraged locals of the village to cultivate certain breeds of catfish, which are generally grown in plain land with sweet water. He then mustered up the courage to have another go at aquaculture and travelled to Mymensingh in 2016 to buy 1 lakh Pabda fry.

In addition, he purchased 70,000 Barbel fry and another 1 lakh fry of two catfish breeds. "But it was a challenge to cultivate Pabda in a saline-prone area and due to the lack

of experience, I fell into losses at first," Alauddin said. He went on to say that the biggest difficulty in farming Pabda is that they tend to eat any smaller fish in the pond.

"Since I gave Barbels and Pabda in the same pond, the big Pabda ate the Barbels and smaller catfish as well," he added. In the end, he was left with just 5,000 Pabda that sold for Tk 650 per kilogramme (kg). As such, Alauddin incurred losses of Tk 3.5 lakh that year. "But I didn't give up and despite my family's discontent, I cultivated another 1 lakh Pabda again in 2017," he said.

About 85 per cent of the Pabda ultimately survived and once again sold for Tk 650 per kg, earning him a profit of around Tk 3 lakh. Then in 2018, Alauddin decided to start fish farming on a large scale and with



advice from the local fisheries officer, he leased 10 bighas of land for five years at Tk 5 lakh per annum. Alauddin then bought 5 lakh Pabda fry from Bogura that same year and started farming them alongside some 10,000 carps. After spending a total of Tk 27 lakh in 2021, he sold Pabda worth Tk 17 lakh in one day while his entire catch that year earned about Tk 50 lakh.

Tito Molla, an entrepreneur of Damodar village under Phultala upazila, bought fish from Alauddin last year and exported it to India. Other buyers did the same that year, when around 225 maunds of fish from his ponds were exported to India. "Already 230 maunds have been exported this year," Alauddin said. During a recent visit to the farm, it was seen that 5 aerators are constantly running to maintain the water's oxygen supply while four workers were busy sprinkling fish feed and keeping the ponds clean. "I spent Tk 60-65 lakh on cultivation and already sold Tk 58 lakh worth of fish in three stages," added Alauddin,

who expects to earn another Tk 50 lakh from his current stock. Pabda is currently selling for Tk 13,000 per maund (roughly 37 kg).

Alauddin then said Pabda farming has great potential in the region as they can be cultivated thrice a year. However, the problem lies elsewhere as the region does not have natural freshwater ponds and

Paul, district fisheries officer of Khulna, told The Daily Star that they are trying to inspire fish farmers in the district to cultivate some 60 species of local fish. And like Alauddin, many are now farming freshwater fish in the saline prone area.

"We are encouraging Pabda cultivation to meet the nutritional needs of people, solve unemployment



plain lands. Besides, Pabda needs ponds that are at least 6-7 feet deep in order to thrive, he added. Joydeb

problems, achieve financial prosperity and earn foreign exchange," he said. ■

## Thai AirAsia Launches Dhaka-Bangkok Flight

Thai AirAsia, a subsidiary of Malaysia-based AirAsia Aviation Group, has launched the Dhaka-Bangkok flight. The inaugural flight from Bangkok's Don Mueang Airport landed at Dhaka's Hazrat Shahjalal International Airport on November 25 at midnight.

The airline will operate four weekly flights between Dhaka and Don Mueang. The incoming flight carried several eminent passengers, including Thai AirAsia officials. Thai AirAsia CEO Santisuk Klongchaiya, Regional Commercial Head Tansita Akar-

ittiprom and its senior executives of corporate communications were part of the delegation. Thai AirAsia's inaugural flight launching ceremony was held at a Dhaka hotel on November 26. Md Mahbub Ali, state minister for civil aviation and tourism, was the chief guest at the event.

Civil Aviation Authority of Bangladesh Chairman Air Vice Marshal M Mafidur Rahman, Thai Ambassador to Bangladesh Makawadee Sumitmor, Malaysian High Commissioner to Bangladesh Haznah Md Hashim, and Santisuk were also present. Thai

AirAsia GSA, TAS Aviation Chairman KM Mozibul Hoque, Vice-Chairman and CEO Sheikh Mamunul Hoque, Managing Director Morsedul Alam Chaklader; directors Kazi Shah Muzakker Ahmadul Hoque, Md Atiqur Rahman Masud, Anwar Abedin Manik and other members of the company also joined the event.

AirAsia, voted the world's best low-cost airline for 13 years in a row in Skytrax awards, has been operating 14 weekly flights between Dhaka and Kuala Lumpur since 2015. ■

## WEEKLY SELECTED ECONOMIC INDICATORS

**Chief Economist's Unit**  
(Policy Support Wing)  
17 November 2022

	16 November 2021	30 June, 2022 <sup>R</sup>	31 October 2022	16 November 2022
1. <b>Foreign Exchange Reserve (In million US\$)</b>	44951.41	41826.73	35808.73	34300.01
2. <b>Interbank Taka-USD Exchange Rate (Average)</b>	85.8000	93.4500	103.1707	106.9000
3. <b>Call Money Rate</b>				
Weighted Average Rate (in Percent)	4.25	4.42	5.80	5.79
<b>Broad/Overall Share Price Index</b>	16 November 2021	30 June, 2022	16 November 2022	Percentage change
a) Dhaka Stock Exchange (DSE) <sup>®</sup>	7056.58	6376.94	6253.35	From June, 2022
b) Chittagong Stock Exchange (CSE)	20638.36	18727.52	18474.87	-1.94
				-1.35
5. <b>a) Wage Earners' Remittances (In million US\$)</b>	1646.87	7055.17	1525.43	July-Oct, FY23 <sup>P</sup>
b) Annual Percentage Change	-21.66	-19.97	-7.37	7198.28
				2.03
				FY2021-22
				21031.68
				-15.12
				FY2021-22
				89162.30
6. <b>a) Import (C&amp;F) (In million US\$)</b>	6991.70	18720.40	7191.90	July-Sept, FY23 <sup>P</sup>
b) Annual Percentage Change	50.28	47.56	2.86	20905.30
				11.67
				35.93
				FY2021-22
				82495.00
				19348.00
				11.70
				FY2021-22
				52082.66
				34.38
				FY 2021-22 <sup>R</sup>
8. <b>Current Account Balance (In million US\$)</b>	-2545.0		-3610.0	-18697.0
				FY2021-22
9. <b>a) Tax Revenue (NBR) (Tk. in crore)</b>	23802.21	58351.19	26833.93	July-Sept, FY23 <sup>P</sup>
b) Annual Percentage Change	20.03	16.72	12.74	67124.45
				15.04
				16.07
				FY2021-22
				301633.84
<b>Investment in National Savings Certificates (Tk. in crore)</b>	September, 2021	July-Sept, FY22	September, 2022	July-Sept, FY23
a) Net sale	2825.56	8558.14	-70.63	330.57
b) Total Outstanding	352652.04	352652.04	364340.69	364340.69
				Percentage change
				Sept'22 over Sept'21
				Sept'22 over Jun'22
				Sept'21 over Jun'21
11. <b>a) Reserve Money (RM) (Tk. in crore)</b>	323334.30	347162.10	340080.40	-2.04
b) Broad Money (M2) (Tk. in crore)	1585817.10	1708122.40	1722827.60	0.86
				1.60
				9.43



12.	Total Domestic Credit (Tk. in crore) a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector	July-September, FY2021-22			July-September, FY2022-23			Percentage change					
		Opening	Settlement	1468903.40 227545.00 30636.30 1210722.10	Opening	Settlement	1671748.90 283314.60 37198.70 1351235.60	Opening	Settlement	1710072.80 292492.10 38167.50 1379413.20	July-September, FY2022-23	Settlement	FY 2021-22
13.	L/C Opening and Settlement (million US\$) a) Consumer Goods b) Capital Machinery c) Intermediate Goods d) Petroleum e) Industrial Raw Materials f) Others Total	2475.07 1771.26 1749.13 1744.30 7475.75 5106.85 20322.36	1999.72 926.25 1518.60 1404.93 6483.00 4730.38 17062.88	1468903.40 227545.00 30636.30 1210722.10	2588.00 606.89 1494.50 2633.63 6386.89 4871.01 18580.92	1992.50 1457.33 1559.28 2971.47 8230.81 6236.82 22448.21	1671748.90 283314.60 37198.70 1351235.60	4.56 -65.74 -14.56 50.99 -14.57 -4.62 -8.57	-0.36 57.34 2.68 111.50 26.96 31.85 31.56	1710072.80 292492.10 38167.50 1379413.20	July-September, FY2022-23	Settlement	FY 2021-22
14.	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100) a) Twelve Month Average Basis b) Point to Point Basis Corresponding Period a) Twelve Month Average Basis b) Point to Point Basis Classified Loan	5.55 5.35 December, 2017 5.70 5.83 June, 2019	5.48 5.52 June, 2018 5.78 5.54 December, 2019	1468903.40 227545.00 30636.30 1210722.10	5.69 5.29 December, 2019 5.59 5.75 June, 2020	5.56 5.64 June, 2020 5.65 6.02 December, 2020	5.55 6.05 December, 2020 5.69 5.29 June, 2021	5.75 6.22 March, 2021 5.63 5.47 December, 2021	6.15 7.56 June, 2021 5.56 5.64 March, 2022	1710072.80 292492.10 38167.50 1379413.20	March, 2022	September, 2022	October, 2022
15.	Percentage Share of Classified Loan to Total Outstanding Percentage Share of Net Classified Loan Agricultural and Non-farm Rural Credit (Tk. in crore)	11.69 2.53 August 21	9.32 1.02 September 21	1468903.40 227545.00 30636.30 1210722.10	9.16 0.15 July-Sept, FY22	7.66 -1.18 August, 22 <sup>p</sup>	8.18 -0.47 September, 22 <sup>p</sup>	7.93 -0.43 July-Sept, FY23	8.53 -0.07 FY 2021-22	1710072.80 292492.10 38167.50 1379413.20	June, 2022	September, 2022	October, 2022
16.	Disbursement ** Recovery Outstanding SME Loan (Tk. in crore)	1732.67 1681.71 45260.89 Oct-Dec, 20-21	2535.72 2216.69 45689.74 Jan-Mar, 20-21	1468903.40 227545.00 30636.30 1210722.10	5210.50 5586.11 45689.74 Apr-Jun, 20-21	2172.53 2077.33 50235.40 Jul-Sep, 21-22	2747.07 2953.24 50246.25 Oct-Dec, 21-22 <sup>p</sup>	6584.37 7076.37 50246.25 Jan-Mar, 21-22 <sup>p</sup>	28834.21 27463.41 49802.28 Apr-Jun, 21-22 <sup>p</sup>	1710072.80 292492.10 38167.50 1379413.20	FY 2021-22	FY 2020-21	FY 2019-20
17.	Disbursement Outstanding Industrial Term Loan (Tk. in crore)	48980.98 23763.44 Oct-Dec, 20-21	44445.67 240169.54 Jan-Mar, 20-21	1468903.40 227545.00 30636.30 1210722.10	41788.73 243074.82 Apr-Jun, 20-21	42075.49 245325.67 Jul-Sep, 21-22	57118.60 252082.09 Oct-Dec, 21-22 <sup>p</sup>	51716.69 259704.21 Jan-Mar, 21-22 <sup>p</sup>	56484.26 271448.58 Apr-Jun, 21-22 <sup>p</sup>	1710072.80 292492.10 38167.50 1379413.20	June, 2022	September, 2022	October, 2022
18.	Disbursement Recovery Outstanding GDP Growth Rate (in percent, Base: 2005-06=100)	16499.23 15538.37 275311.09 FY2013-14	17379.01 16893.10 299048.73 FY2014-15	1468903.40 227545.00 30636.30 1210722.10	19430.74 14734.86 315294.16 FY2015-16	14834.23 12979.47 303329.12 FY2016-17 <sup>N</sup>	18775.59 18477.42 308918.45 FY2017-18 <sup>N</sup>	17340.49 16572.97 310572.40 FY2018-19 <sup>N</sup>	21413.63 16832.73 320410.22 FY2019-20 <sup>N</sup>	1710072.80 292492.10 38167.50 1379413.20	July-September, FY2022-23	Settlement	FY 2021-22
19.		6.06	6.55	1468903.40 227545.00 30636.30 1210722.10	7.11	6.59	7.32	7.88	3.45	1710072.80 292492.10 38167.50 1379413.20	July-September, FY2022-23	Settlement	FY 2021-22

**Weekly basis commodity Statement of LCs Opened and Settled for the month of August/2022**

In million US \$(Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
10.	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back LCs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	Pharmaceutical Raw Materials	19.59	17.20	12.10	12.53	11.21	13.11	14.78	18.77	1.99	3.77	59.67	65.37
27.	Chemicals & Chemical Products	65.36	22.53	78.18	109.53	34.82	54.94	19.88	198.75	3.89	18.13	202.12	403.88
	a. Chemical Fertilizer	39.74	6.19	20.47	88.18	23.53	40.30	3.22	179.42	0.48	3.46	87.43	317.55
	i) Urea	33.85	0.21	0.63	0.05	1.40	0.93	0.38	0.13	0.00	0.00	36.26	1.33
	ii) TSP	0.27	0.03	14.14	30.46	0.00	0.00	0.00	28.97	0.00	0.00	14.41	59.46
	iii) MOP	0.00	0.00	0.00	0.04	20.70	29.02	0.04	57.71	0.00	0.11	20.74	86.87
	iv) DAP	2.78	0.62	3.18	50.82	0.09	0.25	0.08	88.78	0.00	0.00	6.13	140.47
	v) Others	2.84	5.33	2.52	6.82	1.34	10.09	2.72	3.84	0.48	3.36	9.89	29.43
	b. Other Chemicals & Chemical Product	25.62	16.34	57.71	21.35	11.28	14.65	16.66	19.33	3.41	14.66	114.69	86.33
28.	P.O.L.	53.95	62.39	48.86	216.24	48.89	49.31	46.46	104.75	44.78	0.00	242.95	432.69
	i) Crude	2.50	0.09	0.04	0.00	0.01	0.12	0.06	0.20	0.00	0.00	2.62	0.41
	ii) Refined	51.45	62.30	48.81	216.24	48.88	49.19	46.40	104.55	44.78	0.00	240.33	432.28
29.	Capital Machinery	39.67	60.15	30.44	72.01	18.97	58.71	54.02	62.79	6.14	21.98	149.24	275.64
30.	Machinery For Misc Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
	<b>Grand Total</b>	<b>1138.93</b>	<b>1096.19</b>	<b>951.28</b>	<b>1388.85</b>	<b>775.92</b>	<b>1076.34</b>	<b>944.39</b>	<b>1436.97</b>	<b>326.30</b>	<b>379.63</b>	<b>4136.82</b>	<b>5377.98</b>

Data downloaded: on 31.08.22





## ADB Supports Microenterprise Financing In Bangladesh

### *Business Outlook Report*

**T**he Asian Development Bank has approved a \$200 million loan to strengthen microfinance in Bangladesh, supporting microenterprises, particularly those owned by women and those located in regions with high climate risks. The Microenterprise Financing and Credit Enhancement Project will increase the liquidity of microfinance institutions (MFIs), which are key lenders to Microenterprises, by channeling funds through Palli Karma Sahayak Foundation (PKSF).

PKSF is a state-owned microfinance and development organization that lends to partner MFIs, according to a press release of ADB received from Manila. “Poverty in Bangladesh has declined significantly in the last decade, but employment opportunities remain limited in rural areas. Microfinance is one way to enable microenterprises to grow and generate rural employment,” said ADB Senior Financial Sector Specialist for South Asia Manohari Gunawardhena. “This initiative

builds on previous ADB support to PKSF to further boost available funding for MFIs as well as encourage commercial bank funding by reducing perceived credit risks.” Due to small-sized operations, lack of collateral and weak operational capacity and information systems, MFIs find it difficult to secure commercial bank financing to on lend to microenterprises.

Eligible MFIs to receive financing through PKSF will dedicate at least 10% of their lending portfolio to microenterprises coming from regions facing adverse climate risks, such as flood, cyclones, and drought. The project also targets that at least 80% of microenterprise borrowers be owned or led by women. The project will develop a business plan update and digitalization road map for PKSF as well as a diagnostic review of its partner MFIs’ operational costs to enhance their viabilities. To encourage commercial bank funding, the project will help pilot a credit guarantee fund at PKSF that will cover the credit risk for small

and medium-sized MFIs. This complements ADB’s ongoing Microfinance Program under its private sector operations, which targets larger MFIs.

A technical assistance (TA) amounting to \$1 million will help develop the credit guarantee fund as well as partner MFIs’ capacity to enhance women’s entrepreneurship skills. The TA will help promote environmentally responsible microenterprise financing through advisory services for those affected by climate risks.

This new project builds on the success of the \$50 million Microenterprise Development Project that was approved in 2018 and received additional \$50 million financing in 2020 to support Microenterprises affected by the COVID-19 pandemic. More than 90% of the supplementary funding has been disbursed as sub loans to 94 MFIs as of June 2021. ■

# Risks Of Climate Change No Longer Hypothetical, Says UNICEF



## *Business Outlook Report*

**U**NICEF is launching a new climate financing initiative to enhance countries' climate resilience and disaster preparedness for children and youth and bolster protection for children from the impacts of future climate-related disasters.

The Today and Tomorrow initiative is an integrated climate change finance solution that, for the first time, combines funding for immediate climate resilience and risk prevention programmes for children today, with an innovative use of risk transfer finance provided by the insurance market for cyclone disasters tomorrow.

The combined financing platform is designed to help countries address the current and growing impacts of the climate crisis while preparing for

future emergencies and rapidly responding to them when they occur.

"The risks of climate change are no longer hypothetical. They are here. And even while we work to build communities' resilience against climate disasters, we have to become much better in pre-empting risks for our children," said Karin Hulshof, UNICEF Deputy Executive Director for Partnerships. "We know more climate disasters are in the making. We just do not know where or when they will hit."

Children and youth are a critically vulnerable population group that is among the most affected by disaster risk and climate change, including the effects of extreme weather events such as cyclones. Last year, UNICEF's Children's Climate Risk Index estimated 400 million children

(nearly 1 in 6 children globally) are currently highly exposed to cyclones.

In its initial three-year pilot, UNICEF's Today and Tomorrow will focus on eight countries in four global cyclone basins - Bangladesh, Comoros, Haiti, Fiji, Madagascar, Mozambique, Solomon Islands, and Vanuatu. To take this effort forward, UNICEF is raising \$30 million for the initiative and is calling for additional private and public partners to take action and join UNICEF in helping to close the intensifying humanitarian financing gap for disaster protection for children and youth.

Climate harm in childhood lasts for life and perpetuates and deepens inequality and poverty across generations. However, the unique needs of children are not directly addressed





by existing Risk Transfer mechanisms. This leaves a global humanitarian financing gap, or "Child Protection Gap", that encompasses hundreds of millions of children and youth.

UNICEF's Today and Tomorrow is the first pre-arranged and event-based climate disaster risk financing mechanism that specifically targets this Child Protection Gap, with full support for the Tomorrow portion of the risk transfer instrument, secured from the German and UK governments under the newly launched G7-V20 Global Shield against Climate Risks.

"We are pleased to support UNICEF in advancing the world's first child-centred financial protection tool for climate-related hazards and show the new G7/V20 Global Shield Against Climate Risks at work," said

Heike Henn, a Director at the German Ministry for Economic Cooperation and Development (BMZ).

"We expect that UNICEF's Today and Tomorrow Initiative will deliver in three areas: first, increased uptake of ex-ante risk financing solutions by governments through knowledge sharing and increased familiarity with risk financing instruments; second, improved institutional and operational shock resilience of development institutions, and third and most importantly, closing the disaster risk protection gap for the most vulnerable people, especially children and mothers."

"The UK is proud to be a partner in the new Global Shield against climate and disaster risks, and to co-fund the Global Shield Finance

Facility," said Andrew Mitchell, Minister of State in the UK's Foreign, Commonwealth & Development Office. "We strongly support bringing pre-arranged and trigger-based financing to the humanitarian sector, and I'm delighted that the Facility will expand its work as part of the Shield, including this new grant to UNICEF to enable them to protect up to 15 million children, young people and their families across Africa, the Caribbean, Asia and the Pacific and respond rapidly if tropical cyclones hit."

Cyclones and the disasters they trigger, such as floods and landslides, represent the fastest-growing category of climate-influenced disasters and are a major cause of losses and damages worldwide. UNICEF's research has shown that investments that reduce exposure to and negative impacts from cyclones and other hazards can considerably reduce overall climate risk for millions of children. "UNICEF is the first UN institution, as well as one of the largest humanitarian organizations worldwide, to take out a bespoke disaster risk coverage for the protection of children, youth and parents, especially mothers," said Simon Young, a Senior Director in the Climate and Resilience Hub at WTW, the advisory that designed the insurance solution. "As such, UNICEF is pioneering proof of concept for other organizations in the field. The decisive action by UNICEF can be a catalyst for more efficient, reliable, and quicker humanitarian crisis finance."

As well as pressing governments and big businesses to rapidly reduce emissions, UNICEF urges leaders to take immediate action to protect children from climate devastation by adapting the critical social services they rely on. UNICEF also urges parties to find and fund solutions to support those who will face climate losses and damages beyond the limits to which communities can adapt. ■



# BB Governor For Cut In Interest Rates On Microcredit Lending

*Business Outlook Report*

**B**angladesh Bank (BB) Governor Abdur Rouf Talukder on November 15 urged the country's microfinance institutions to reduce interest rates on microcredit lending.

"Making profits from the loans disbursed among the poor is unethical and the interest rates should be cut down ...," said the BB governor, while addressing as the chief guest a workshop organised by the Microcredit Regulatory Authority (MRA) at the CIRDAP auditorium in Dhaka. The workshop was organised to mark the publication of a report titled 'Microfinance in Bangladesh (Annual Statistics)'.

The poor have been paying higher interests following higher charges by the microcredit institutions, said Mr Talukder. He said transactions of the microcredit institutions are now

over Tk 9.0 billion a day and annually it is now Tk 2.0 trillion. "If we consider the transactions since the 1990s, the microcredit daily transaction is now huge and the overhead cost should be dropped," he said.

The NGOs had been established to promote the poor, said the central bank governor, adding that there was no alternative but to reduce the rate of interest. The microfinance institutions should also take more steps for faster implementation of cashless transactions, said Mr Talukder, also chairman of the MRA Board of Directors.

Mentioning that the government wants to create a cashless society in the next five years, the BB governor said most of the people now own mobile phones and this device will act as a credit card, debit card, and money wallet. "We now have to reduce the use of cash. Binimoy, an

interoperable digital transaction platform, was launched on Sunday. With its introduction, transactions can now be made among mobile financial service providers," added Mr Talukder. At the event, the governor launched four e-services of the MRA to ease the process of providing clients with the loan and savings-related services. The e-services are MRA Info, e-clipping, e-archiving, and MRA Library Automation.

Sheikh Mohammad Salim Ullah, secretary of the financial institutions division, joined the event as a special guest.

Md Fashiullah, executive vice chairman of the MRA, presided over the programme, while MRA Director Mohammad Yakub Hossain presented a keynote at the function. ■



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