

Eerie Political Silence: Calm Before Storm?

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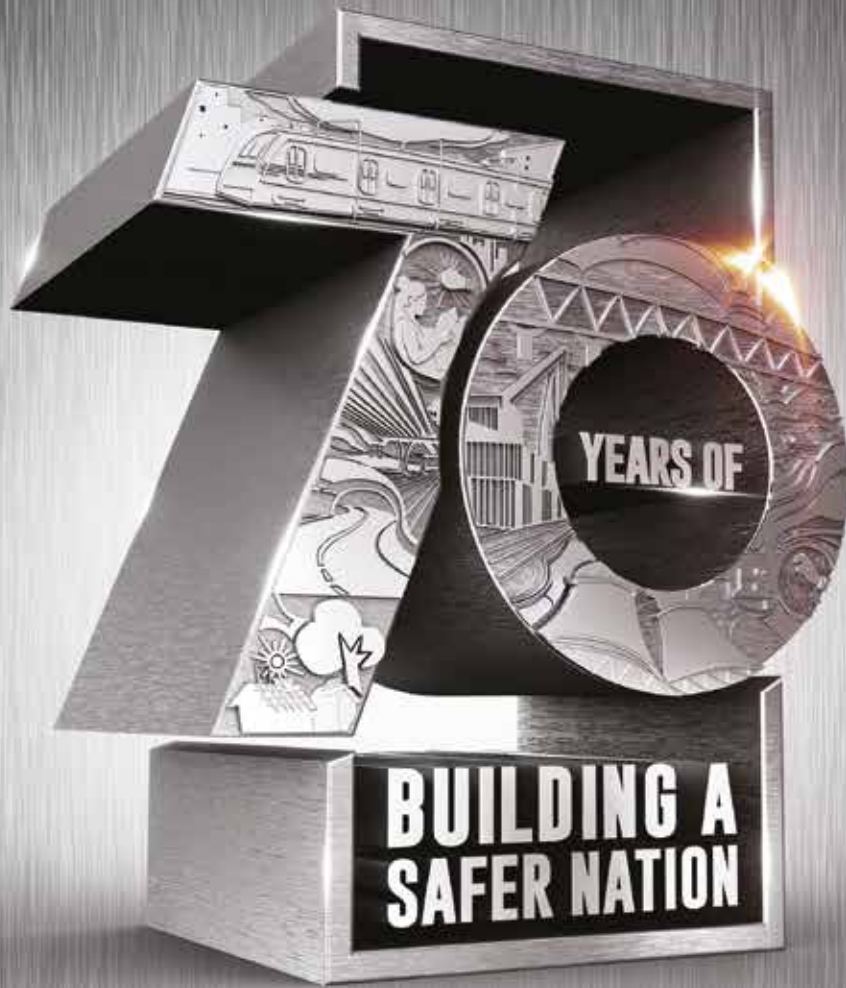
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## Will IMF Loan End Dollar Crisis?



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# BUSINESS OUTLOOK

From the Editor

## Stop Capital Flight First

The International Monetary Fund is going to provide a loan of \$4.5 billion to help the country's ailing economy recover. After a long negotiation, the multilateral lending agency agreed to give the loan but tagged a number of conditions. Whatever the conditions, their main goal is to ensure the timely return of the loan by Bangladesh through reforming different sectors of the economy and its capacity building. However, no doubt, these are very essential for the sake of our own interest though there is a debate that if this is the proper time to carry out these reforms when people have been hit by soaring inflation. The current dollar crisis primarily prompted the government to pursue the IMF for the loan. But many economists believe it would not be enough for the government to tackle its forex reserves crisis which has pushed up inflation, affecting the whole economy. They said the government needs to check overinvoicing as well as 'hundi' for better utilisation of the IMF loan and overcoming the current economic crises plagued by dollar shortage and high inflation. The government sought the IMF loan in wake of shortage of greenbacks hampering the import of essential items like fuel oils and natural gas in the energy-starved country. The IMF loan will be disbursed in seven instalments over a period of three years. The first tranche of \$447 million is expected to be disbursed in the current month (February) while the rest in six tranches in a space of every six months. For the release of the first tranche, the government has already fulfilled one of the major IMF conditions by enhancing the price of energy items on a number of occasions after two sides began talks in the past July over setting up loan conditions. They thought that economic discipline should have been the core priority of any reform-driven agenda. Maintaining the disciplines will help check capital flight and hundi operation, two major problems exacerbating the crisis. Besides, containing revenue leakage, shunning unnecessary development projects and closing down costly rental power plants could help the government offset the current pressure on the macroeconomy. The IMF loan would give some assistance to the country's balance of payments. But former Bangladesh Bank governor Salehuddin Ahmed noted that the government must stop capital flight in the form of overinvoicing. A comprehensive action plan along with implementation of the IMF loan programme is imperative to bring back the economy on track, he added.

We are of the same opinion that capital flight must be stopped at any cost first to resolve the crisis. ■



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## Business Climate Worsened In 2022 Due To Corruption: CPD Survey

The country's business environment deteriorated in the calendar year 2022 compared to the previous year mainly due to corruption, according to a survey by the Centre for Policy Dialogue (CPD). Corruption was one of the major barriers to doing business in Bangladesh as 64.6 per cent of the respondents complained about the high level of corruption, it said. The study is part of the World Economic Forum's (WEF) annual survey titled "Executive Opinion Survey", which was carried out on 11,800 respondents from 121 economies from April to July of 2022. In Bangladesh, the CPD conducts the survey. "Corruption was the most problematic factor for doing business for the majority of enterprises," said CPD Research Director Khondaker Golam Moazzem while making a presentation on the findings of the survey at an event at the CPD office in Dhaka on



January 29. "The majority of the respondents faced corruption in paying taxes, receiving licences, and securing the connections for utilities like gas, electricity, and water as well as during the export-import trades." ■

## Govt Raises Sugar Price Again

The government has raised sugar price again by Tk 5 per kg with effect from February 1, 2023. Bangladesh Sugar Refiners Association issued a circular in this regard on January 26 after a discussion with the Commerce Ministry. Now, the maximum retail price of open (loose) sugar will be Tk 107 per kg while the price of packaged sugar will be Tk 112 per kg, reports UNB. "Taking into account the price hike in the international market and the increase in the exchange rate of the US dollar and the production cost, the price of open sugar has been fixed at Tk 107 per kg and packed sugar at Tk 112," said the circular. Earlier, the government increased the retail price of sugar three months ago in November 2022. Currently, the price of packaged sugar is Tk 107 per kg and open sugar is Tk 102 per kg. ■



## Operation And Maintenance Of Dhaka Airport's Terminal-3 Under PPP



The operation and maintenance works of the third terminal of the Hazrat Shahjalal International Airport, Dhaka will be conducted under Public-Private Partnership (PPP). The Cabinet Committee on Economic Affairs (CCEA) approved in principle a project regarding this on Thursday at a meeting presided by Finance Minister AHM Mustafa Kamal. After the meeting, Syed Mahbub Khan, additional secretary of the Cabinet Division, said, "The project titled 'Operation and Maintenance of Terminal-3 at Hazrat Shahjalal International Airport' will be implemented under PPP. We have approved this in principle." However, he said that the committee has not fixed yet the companies who will get the work for this project. According to sources, the third terminal of the airport will be inaugurated in October this year. It is being constructed on the model of the Changi Airport in Singapore. More than 51% of the terminal has already been completed.

## 18 Persons, Entities Get Posts And Telecommunications Award

Eighteen individuals and organisations have been awarded with the newly introduced Posts and Telecommunications Award 2023 for their contribution to the country's telecommunication sector. Mustafa Jabbar, telecom minister, handed over the awards at the closing ceremony of the Digital Bangladesh Mela at the Bangabandhu International Conference Center in Dhaka's Agargaon on January 29. Rezwana Ahmed, member of the parliamentary standing committee on the posts, telecommunications and information technology ministry; Shyam Sunder Sikder, BTRC chairman; and Abu Hena Morshed Zaman, posts and telecommunications secretary, were present at the event. ■



## Rod To Get Costlier By Tk1,200 To Tk3,500 A Tonne



Building a home, bridge, or undertaking any other construction project will become costlier from 1 February following yesterday's record hike in gas prices as steel and other construction materials are also set to become costlier. According to the government notification, large and medium industries that use gas must pay an additional 150% and 155% for gas. Major players in the steel industry will fall under these two categories. If the mills have captive power plants run by gas, they will have to pay 88% more bills. "I am utterly shocked," said Manwar Hossain, chairman of Anwar Group, which has exposure in gas-consuming cement, steel and textile industries. Manwar was a campaigner for a gas price hike (to ensure supply), but the way the government has done it was beyond his imagination. He expected a 10%-20% hike but hadn't even anticipated hikes of 150%-180%. Now per tonne rod (steel bar) will be costlier by Tk3,500, putting producers and consumers in further strain, he said. ■

## Bangladesh Maintains Balance In Continuing Relations With India, China

Foreign Minister Dr AK Abdul Momen on January 29 said Bangladesh will continue to maintain a balanced foreign policy noting that its geostrategic location is very important. He said Bangladesh cannot ignore any country and the country is maintaining a balanced role while continuing its relations with India and China, reports UNB. USA is also a big power and Bangladesh will have to maintain very good relations with the USA, India and China, said Momen. He thanked the Indian government for showing much respect to Bangladesh by inviting the country to all meetings and Summit of the G20. Foreign Minister Momen is scheduled to attend G20 foreign ministers meeting to be held in New Delhi on March 1-2. Momen also highlighted Bangladesh's friendly relations with Russia. The Foreign Minister was speaking as the chief guest at a citizens' dialogue on Bangladesh's achievements, opportunities and challenges. Bangladesh Study Group



hosted the dialogue at the Jatiya Press Club. Momen said Bangladesh has three major resources- human resources, fertile land and water. "We will be able to achieve the goal of building 'Sonar Bangla' if these three resources are properly utilised," he said. Appreciating Prime Minister Sheikh Hasina's leadership, Momen said Bangladesh's dignity has been boosted globally through her development efforts. He said Bangladesh is a model for economic development. ■



*BNP holds a brief rally in front of BNP's Nayapaltan office before they started marching towards Moghbazar*

## Eerie Political Silence: Calm Before Storm?

*SMS Hasan*

**A**fter some volatile weeks, the country's politics is stable for the time being — much like an eerie calm before a storm. But how long will this stability last is a big question to the political analysts in the election year. Main opposition BNP completed its 10 major city public meetings through holding the mass rally in Dhaka on December 10. The country witnessed a huge political tension centering that mass rally.

After that rally, that tension was over. Ruling Awami League heaved a sigh of relief. In the meantime, it completed its council and re-elected the old leadership keeping Sheikh Hasina as president and Obaidul Quader as general secretary. On the other hand, BNP also took a bit of time to get its arrested leaders released from jail. In the meantime, party secretary general Mirza Fakhru Islam Alamgir, Standing Committee Member Mirza Abbas and other leaders of the party came

out of jail. The BNP leaders held a series of meetings with like-minded parties to build a simultaneous movement against the government to accept its demand for holding the next general election under a non-party caretaker government. Already a number of political alliances were formed by the pro-BNP forces to build up a simultaneous movement.

But now the question — whether the BNP and like-minded opposition parties start a non-stop movement immediately or take some more time as holy Ramadan is nearing? Will they build any mega movement before Ramadan that is scheduled to start from March 22 or will they start it after Ramadan? Their party leadership is divided. A section wants to start movement right now while another section prefers to start it after Eid-ul-Fitr as a final phase of movement. But everyone realises that if they start a movement right now,

their ultimate goal may not be achieved within the short timeframe of one and a half months. So, it is better to start late and continue until the goal is achieved. Possibly, the BNP leadership will prefer the second choice and start a final movement after the Eid, scheduled for April 22. But what will they do from February to until Ramadan. Possibly, they will through some action programmes to keep their activists active on the streets. Such programmes will come as a warm-up movement before the final push to force the ruling Awami League to accept the non-party caretaker government and step down.

Most BNP leaders believe— Awami League government is under tremendous international pressure to hold a participatory and acceptable general election. It's now clear, BNP will never go into any election under Sheikh Hasina and her government. However, it's not clear what message

US Assistant Secretary of State for Central and South Asia Donald Lu conveyed to the government in this regard. Donald Lu during his visit stressed the need for a participatory and acceptable election to uphold democracy. Similarly, during his India visit, he stressed the need for moving forward the Indo-US Strategic partnership in South Asia. So, what is on the top of the priority list — either it is democracy or it is

demand the 'restoration' of democracy in the country. As per the party's plan, Dhaka North City unit BNP will march from Shahjadpur to Malibagh's Abul Hotel on January 28 and from Gabtoli to Mirpur-10 intersection on January 31. Besides, Dhaka South City unit BNP will march from Jatrabari to Shyampur on January 30 and from Mugda to Malibagh on February 1. Fakhru hoped that their march programmes

national and party flags, festoons and portraits of the party's top leaders. They peacefully concluded the programme around 4pm at Malibagh after parading over a four-kilometre stretch of the road. In a brief address before the start of the programme, Fakhru asked the party leaders and activists to march peacefully without responding to any provocation. "We've so far held our programmes peacefully and we'll ensure their (govt's) fall through the peaceful agitations." Sating their march programme as a silent protest against the government, he said they will force the government to quit together with the people.

The leaders and workers of BNP and its different associate bodies were seen thronging different areas of Badda since noon to join the programme. BNP's Dhaka north city unit convener Amanullah Aman and member secretary Aminul Haque repeatedly asked the party workers to keep the traffic normal. But the procession caused serious traffic jams on the one of the busiest roads of the capital, causing public suffering.

Many commuters were seen walking to their destinations due to long tailbacks. A huge number of law enforcers were deployed from Badda to Malibagh areas to maintain law and order and fend off any untoward incidents.

### ***'Misleading Reporting Stabbing Movement'***

Fakhru alleged that a particular television channel has aired a feature or documentary maligning BNP top leaders which in no way goes with objective and neutral journalism. "It's like stabbing the ongoing movement for the restoration of democracy by completely taking a position in favour of a party (AL)."

He said when the country's television channels and national newspapers are covering the ongoing movement and presenting people's voices and speaking in favour of people, a television channel's such false campaign is undoubtedly unwarranted. "I hope that the channel authorities will stop



*Prime Minister Sheikh Hasina addressing a rally at Rajshahi's Madrasa ground*

Indo-US strategic partnership. Political analysts believe the political fate of the country is somehow aligned with this question. If democracy is on the top of US priority, then the opposition's goal might be achieved. But if the Indo-US Alliance gets the top priority, the goal might not be achieved.

### ***BNP's 4-day March***

BNP on January 26 announced a four-day march programme in the capital to press home their 10-point demand, including holding the next general election under a non-party caretaker government. BNP Secretary General Mirza Fakhru Islam Alamgir came up with the announcement of the fresh programme for Dhaka at a press conference at the party's Nayapaltan central office.

He said the leaders and activists of their party's Dhaka north and south city units will observe the march programme on January 28, 31, 30 and February 1 respectively also to

will be held peacefully with the spontaneous participation of people from all walks of life. "We'll hold the march programmes demanding our 10 points and the restoration of democracy. Our programmes will be completely peaceful," he said. Replying to a question, Fakhru said BNP's two units in Dhaka city will organise march programmes. "But the like-minded parties also can join the programme simultaneously if they want."

### ***March from Badda to Malibagh***

As part of BNP's four-day programme, its leaders and activists on January 28 marched from Badda to Malibagh in the capital.

Mirza Fakhru formally inaugurated the programme arranged by the party's Dhaka North City unit around 2:30pm in front of Badda's Suvastu Nazar Valley market. Thousands of leaders and activists of BNP and its associate bodies joined the programme, carrying banners,



airing this report or documentary and they will be careful so that such hateful propaganda is not spread by them in the future,” Fakhrul said. Fakhrul on January 27 alleged that the government and its agents are trying to foil the ongoing united movement for the restoration of democracy by resorting to various 'evil' strategies and creating fabricated stories about a rift among the opposition alliances.

Talking to reporters at a press briefing after a meeting between the liaison committees of BNP and Ganatantra Mancha, he also said the unity among the opposition parties who are on a movement against the government remains intact and they are moving forward to unseat the 'fascist' regime. “There’s no problem among us (opposition alliances)...-naturally, the government and its agents are resorting to various evil tactics and creating various cooked-up stories by using the media to suppress and foil the united movement initiated by the opposition parties,” Fakhrul said.

He also said they are least bothered about the government’s efforts to ruin the unity of the opposition parties. “Our main focus is now on uniting people more and increasing their involvement in our movement to oust the fascist and autocratic regime.”

### *Liaison Committees’ Meeting*

The meeting between the liaison committees of BNP and Ganatantra Mancha began at the BNP chairperson’s Gulshan office around 4pm on the same day and continued for over two hours. In their meeting, Fakhrul said they decided to intensify the ongoing simultaneous movement further. “In our meeting, we reviewed the previous programmes of the simultaneous movement taken by BNP and Ganatantra Mancha. We also discussed our next course of action to make our movement a success,” he said.

The BNP leader said they have agreed to create greater unity to achieve their goal of restoring

democracy and the rights of the people. He said they will also hold similar meetings with other parties and alliances that are involved with the simultaneous movement. Mahmudur Rahman Manna, the coordinator of Ganatantra Mancha, said they discussed the strategies and policies to gradually take the movement towards victory. He said they also talked about the ways to strengthen the unity among the



*BNP Secretary General Mirza Fakhrul Islam Alamgir addressing a mass rally*

opposition parties. “We must remain alert so that no one can create any rift in our unity by creating any confusion.” Manna said they also talked about how to enhance the activities of the opposition alliances in the capital Dhaka. He said BNP has announced some programmes independently in Dhaka. “We feel that the programmes can be effective. We also extended our support to the programmes. Through such programmes, we will try to create a mass uprising. We are optimistic that we’ll turn victorious as we’re getting huge public support.”

### *Selim’s comment on Khaleda ‘Baseless’*

Asked to comment on Awami League leader Sheikh Selim’s statement in Parliament that BNP Chairperson Khaleda Zia was freed from jail by giving a bond that she would not do politics, Fakhrul said it is a cooked-up story.

“He (Selim) suddenly made up this

story. It’s a completely baseless, motivated, and fabricated comment,” he added.

### *Caretaker System only in Pakistan*

BNP has realised that they cannot win in the next national election, and that is why they are making excuses for not participating in it, Information and Broadcasting Minister Hasan Mahmud said on January 28.

“We want to compete with and defeat BNP. However, they will not get the opportunity to cause mayhem as they did in 2014. If they try, the countrymen will throw them into the sea,” he said. He made the remarks at a press conference held at the AL party office in Rajshahi. Awami League wants every political party to participate in the elections, he said, adding that the caretaker government system only exists in Pakistan.

“BNP wants to follow Pakistan, but our electoral process will be similar to that of Australia, India, the United States, and Japan. The election will be held as per the country’s constitution,” the minister said.

The AL leader also said that BNP attempted to destroy democracy during the 2014 national election. “They burnt down 500 voting centers and killed several election officers,” he added.

The information minister also stated that due to the country's current

economic situation, using EVMs (electronic voting machines) in all seats is not possible.

He also said that because elections are

clothes were also distributed among cold-hit people in the program.

The Awami League general secretary said BNP leader Mirza Fakhru Islam

the polls or not. "If people cast their vote in favour of us, we will be elected. If they don't want us, we will quit. This is the politics of Awami League," he said.

He said Awami League's root is very deep in the soil of Bangladesh. "So, there will be no benefit in daydreaming. No one can push away Awami League," he said.

The Awami League general secretary said BNP's alliance is a mess and their movement will never be successful.

Awami League Joint General Secretary Mahbubul Alam Hanif said the next general elections will be held as per the constitution.

If BNP has trust in people, they should contest in the elections to test their popularity, he said.

"But BNP will not join elections. Actually, the BNP-Jamaat evil force doesn't want an election. As they know it very well that the people will never bring them into power," he said.

Noting that Awami League is a party of the masses, Hanif said the party



*Awami League General Secretary Obaidul Quader addressing at the joint meeting of Awami League*

held under the jurisdiction of the Election Commission, the government cannot transfer any OC, UNO, or constable after the election date is announced. Mayor of Rajshahi City Corporation and AL presidium member AHM Khairuzzaman Liton and MP Md Ayen Uddin were also present, among others, at the press conference.

### **BNP To Face Political Death In Polls**

Awami League General Secretary and Road Transport and Bridges Minister Obaidul Quader on January 28 described BNP's road march as its "funeral procession" and said the party's backward journey began with this program.

"BNP's mass-uprising has failed. Where is their uproar? Where is their mass upsurge? Now their funeral procession begins, not road march. They will be defeated this way in the movement and in the next elections. They will face their political death in the polls," he said.

Quader was addressing a rally in protest against BNP's "terrorism and anarchy" in front of Amin Market at Ajampur, Uttara in the capital. Awami League's Dhaka City North unit arranged the rally. Winter

Alamgir is now making only hollow comments and falsehoods. "We have been bound to reply to their comments," he said.

Quader said Awami League stays on the streets and will stay in the future too. "We stayed beside the people and



*US Assistant secretary for Central and South Asia Donald Lu*

now we are standing by them during this winter season with warm clothes. We always stay beside the people during their distress and misery as well as during any disaster, cyclone, and flood," he said.

He said Awami League always stays beside the people whether it wins in

always stays beside the people in their wealth and woe.

The Awami League government under the leadership of Prime Minister Sheikh Hasina has been taking ahead the country towards development and progress, he said. ■



# IMF Support Not For Bailout

*Business Outlook Report*

Prime Minister Sheikh Hasina has said Bangladesh has sought assistance from the International Monetary Fund (IMF) as a preemptive measure, reports UNB. "We have sought assistance from the IMF not for bailout rather for a preemptive measure," she said. She said this when IMF Deputy Managing Director Antoinette Monsio Sayeh called on Prime Minister Sheikh Hasina at her official residence Ganabhaban on January 16.

The IMF assured of continuing support to Bangladesh's aspirations to be a developed and higher-income country by 2041. PM's speech writer Md Nazrul Islam briefed reporters after the meeting. PM Hasina said the pace of the country's progress has slowed down due to the Covid-19, Russia-Ukraine war and resulting sanctions and counter-sanctions. Bangladesh has also fallen into difficulties due to the commodity price-hike, she said, adding that her government has widened the social safety net and expanded food programmes to support the lower

income people. Hasina said the government has undertaken development programmes targeting poverty alleviation and food security. She said Bangladesh is bringing the fallow lands under cultivation to boost food production. The lower-income people are suffering for high inflation even in many developed countries, she added. The IMF official said, "Bangladesh aspires to become a developed, prosperous and higher-income country by 2041. The IMF will continue to support this aspirations".

She said the IMF has a long-standing partnership with Bangladesh. "The IMF cherishes this partnership. I have come here to strengthen the partnership further," Antoinette Sayeh told the PM. She said the whole world faces challenges due to the staggering impacts of the Covid-19 pandemic and a difficult situation because of the Russia-Ukraine war. In this situation, the emerging economies like Bangladesh's are facing different problems, particularly inflationary pressure, price-hike of commodities and the reserve of foreign currencies, said the

IMF deputy managing director. The IMF will stay beside Bangladesh's efforts to face these problems, she said. The IMF deputy managing director praised the socio-economic transformation Bangladesh has achieved under the leadership of PM Hasina. She said Bangladesh has been maintaining some 6 percent GDP growth over the last decade. Besides, women empowerment, girls' education, community clinics and ICT came up for discussion during the meeting. Finance Minister AHM Mustafa Kamal, PM's International Relation Affairs Adviser Professor Dr. Gowher Rizvi, Principal Secretary M. Tofazzel Hossain Miah, Bangladesh Bank Governor Abdur Rouf Talukder, Senior Finance Secretary Fatima Yasmin and

IMF Resident Representative in Dhaka Jayendu De was present.

In the meeting, the IMF delegation handed over two photographs to the prime minister, which were taken while Bangladesh signed the IMF's Articles of Agreement on August 17, 1972 to obtain its membership. ■



# Banks' Excess Liquidity Drops By Tk 57,707cr In 6 Months

*Business Outlook Report*

**T**he amount of excess liquidity in the country's banking sector plunged by Tk 57,707 crore to Tk 1.45 lakh crore at the end of December 2022 from that of June 2022.

Of the surplus liquidity in the banking sector, a few banks held the majority of the funds. Banks' liquidity kept falling due to a host of reasons, including high dollar sales by the Bangladesh Bank, low deposit rates, growing inflationary pressure and cash withdrawal in the wake of loan scams, bankers said.

According to Bangladesh Bank data, the amount of excess liquidity in banks was Tk 2,03,435 crore in June, since then it has dropped continuously to reach Tk 1,45,728 crore in December. It dropped sharply to Tk 1.53 lakh crore in November from that of Tk 1.69 lakh

crore in October 2022. BB officials said that some banks, including Islami Bank Bangladesh, had witnessed a huge pressure of deposit withdrawal in recent months following media reports over various loan irregularities.

Various rumours about the sector's situation added fuel to the fire, they said. The BB issued notices urging the depositors not to withdraw funds in panic. Besides, the dollar instability on the financial market had forced the BB to increase dollar sales significantly that eventually mopped up an equivalent amount of the local currency from banks that weighed heavily on liquidity in the banking sector.

The BB injected more than \$7.8 billion in the financial system from July to December in 2022 in order to stabilise the foreign currency market

and facilitate banks in making import payments obligations. Due to the dollar sales, foreign exchange reserves dropped to \$32.51 billion in December 2022 from record \$48.6 billion in August 2021.

The surplus liquidity fell after the country's import payments increased due to global supply chain problems, bankers said. Amid liquidity shortage, interbank borrowing from the call money market has also increased in recent days. The weighted average call money rate soared to 5.76 per cent at the end of December. It reached to 6.91 per cent on January 24.

Besides, a section of people with surplus funds stayed away from banks due to lower interest rates, the bankers said. The weighted average interest rate on deposits of all banks was 4.22 per cent in November.

Many people rushed to withdraw their deposits and held cash in their hands amid inflationary pressure.

Rising living costs forced many low-income people to keep additional cash in hands, which eventually reduced liquidity in banks. The amount of cash outside the country's banks soared to record Tk 2.52 lakh crore in November

from Tk 2.36 lakh crore. The overall inflation soared to 9.52 per cent in August, the highest in a decade, which dropped to 9.1 per cent in September, 8.91 per cent in October, 8.85 per cent in November and 8.71 in December.

After the Russia-Ukraine war began in March 2022, the economy was hit by global supply chain disruption,

hike in raw materials, currency devaluation and commodity price spiral.

After reaching 14.07 per cent, the private sector credit growth slowed as it was 13.93 per cent in September, 13.91 per cent in October and 13.92 in November and 12.8 in December. ■



# Publishers To Set Higher Prices At Ekushey Book Fair

## *Business Outlook Report*

**P**ublishers are gearing up for the upcoming Ekushey book fair despite multipronged challenges as a sense of festivity surrounding the monthlong book fair has returned for the first time in three years.

Since 2020, the national event held in February each year has been marred by poor sales amid the

economic uncertainty brought on by Covid-19. And while these trepidations have long past, books will be at least 20 to 30 per cent costlier this year due to the skyrocketing price of paper, according to various publishers.

However, publishers are implementing cost optimisation and lower profit margins so that book prices are lower than what they

could be considering how the cost of both 100-gramme and 80-gramme offset paper roughly doubled over the past year.

Many publishers, especially those who sell non-educational books, were hit hard by the pandemic as sales had taken a nosedive in the face of decreased demand for non-essentials at the time. Besides, low sales in the last three editions of the book

fair, the peak sales season for publishers, exacerbated their financial woes to the point that many struggled to survive.

"The last three years has been a tough time for us but still, we are trying to set book prices in a way that will not put pressure on customers," said Dipankar Das, the owner of Baatighar, a major publisher of non-educational books. Das is planning to introduce 45 new

on April 12 as the government had imposed another countrywide lockdown.

"My hope is that following three years of downturn, this will be a successful fair and our preparation is running on full throttle," said Zakir Hussain, the manager of Prothoma. The higher cost of paper, ink, electricity, transport and labour have increased the overall production cost by about 40 to 45 per cent this year.

profit margin as the prices were increased relatively less in comparison," he added.

Mahrugh Mohiuddin, managing director of University Press Limited, said the main challenge is to optimise costs as the printing cost is higher than ever. "We haven't got any government support to face this crisis. Ultimately, customers will have to bear the additional cost, which is unethical. But there is no



books at 30 per cent higher prices at the fair. "We put emphasis on quality books and will print large volumes," he said while explaining their strategy to combat the high price of raw materials.

As usual, Bangla Academy, the organiser of the fair, decided to hold this year's Boi Mela from February 1. The annual event is the largest gathering of readers, writers and publishers in the country. The 2022 edition was held between February 15 to March 28 with strict Covid-19 restrictions in place as the country was coming off a fresh lockdown in the first two weeks of February that year. In 2021, the fair started late on March 18 and ended two days early

"Still, we have reduced the profit margin significantly to attract customers as most people only buy books after fulfilling basic needs," he added.

Prothoma will introduce 70 books for the fair, down from 97 books in the 2019 edition. Asked about why there are less books on offer, Hussain pointed to the lack of good manuscripts, prominent writers and topic diversity. "We have to maintain our standard," he said. Farid Ahmed, proprietor of Somoy Prokashon, said the price of every product has increased due to global crises. "So, slightly higher book prices will not bother people much but the rise in production cost will reduce our

way to get back the investment without raising prices," she added. Mohiuddin then said that with the economy being battered by different crises, their main target at the moment is to simply reach the breakeven point.

Arifur Rahman Nayeem, the publisher of Oitijjhya, said they are bringing about 200 new books to the fair.

This is the highest number of books to be introduced by Oitijjhya in a single fair in the 22 years since its inception.

"No matter what the challenges are, we will have a great book fair this year," he added. ■

# DCCI For Major Reforms To Arbitration, Bankruptcy, Company Acts

*Business Outlook Report*

The Dhaka Chamber of Commerce & Industry (DCCI) has called for substantial reforms to the Arbitration Act 2001, the Bankruptcy Act 1997 and the Companies Act 1994 in order to attract investments from both local and foreign investors. "Amendments should be made keeping the business sector in mind so that businesses can enforce contracts easily and resolve any commercial disputes expeditiously," said DCCI President Md Sameer Sattar.

He made the suggestions when the board of directors of the DCCI called on Prime Minister's Private Industry and Investment Adviser Salman Fazlur Rahman at his office at the Bangladesh Investment Development Authority (Bida) in Dhaka on January 24. In a press release, Sattar underscored the importance of both local and foreign investment in Bangladesh in order to overcome the current economic challenges in this volatile global economic situation. In this connection, he suggested substantial reforms to the Arbitration Act 2001, the Bankruptcy Act 1997 and the Companies Act 1994.

He called for setting up a separate commercial court that may ease the process of contract enforcement and resolution of disputes in an expeditious manner and reduce the backlog of pending commercial disputes. The bankruptcy laws also need an overhauling to make it applicable to companies and more business-friendly so that sick companies can be restructured in an effective manner rather than being pushed to closure through liquidation, Sattar said. "It needs to

be more commercially viable. Resultantly, this will attract foreign direct investments. In this regard, Bangladesh can adopt the best international standards from other developed jurisdictions." Sattar emphasised an effective and fully integrated One-Stop Service (OSS) of the Bida, preferably throughout the country, for the greater convenience of the existing businesses and upcoming investors.

sustainable economic growth and maintain a resilient private sector." In the press release, Salman Fazlur Rahman said due to the adverse effects of the pandemic and the Russia-Ukraine war, the world economy is going through a critical time. Under such circumstances, FDI and global trade flow can be a greater enabler of the desired economic recovery of Bangladesh, he said highlighting the resurgence



All institutions connected to the OSS must operate in such a manner that investors don't have to go to various institutions separately once an application is made to the Bida's OSS, he said.

"This will undoubtedly encourage foreign investors as well to invest in Bangladesh." The chamber leader emphasised that following Bangladesh's graduation from the group of least-developed countries, the country needs to ensure a competitive and self-sufficient business environment in order to attain double-digit GDP growth. "During this transitional time, Bangladesh will have to ensure

of the local and backward linkage industry through substantial investment.

Regarding the Bida's OSS, the adviser said required developments are underway for a national, effective and interoperable OSS to benefit both potential local and foreign investors and underscored the importance of increasing Bangladesh's tax-to-GDP ratio. DCCI Senior Vice President SM Golam Faruk Alamgir Arman, Vice President Md Junaed Ibna Ali and members of the board of the DCCI were also present during the meeting. ■

# Private Economic Zones Gasping For Gas

*Business Outlook Report*



*They lament utility service providers' bureaucratic delays*

**D**evelopers of a number of private economic zones are finding it hard to implement plans for a lack of gas connections. They apprehend that the entrepreneurs they are drawing in to invest in setting up factories inside the zones would incur losses if they cannot start operations at the earliest. Even the Bangladesh Economic Zones Authority (Beza) has expressed frustration at the shortcomings.

Up until now, 12 private economic zones have got the final approval to start running operations. Over the past six years, their developers have been able to draw investment proposals amounting to \$4.27 billion from local and foreign entrepreneurs. The proposals involve sectors such as automobile, chemical, pharmaceuticals, light engineering, hospital, plastic, edible oil

and food. More than 20 factories are already into commercial production and exporting products from Meghna, City, Abdul Monem, Bay and other economic zones, according to the Beza. Another 35 are under construction and are expected to go into commercial production within one and a half years. Sirajganj Economic Zone, situated around 155 kilometres northwest of Dhaka, sought gas connections from Pashchimanchal Gas Company two years ago.

The utility service provider is yet to take any initiative, the zone's director, Sheikh Monowar Hossain, told *The Daily Star* recently. "We have allocated land to 18 factories but they cannot start running for the absence of gas connections," he said. Hossain said he faced bureaucratic delays when working with other government service providers.

Investors do not want to waste time but the reality is different in Bangladesh. Starting a business is a severe hassle here due to bureaucratic delays, said Hossain. "We have taken a licence from the Beza to create employment in the northern area of Bangladesh through industrialisation but our efforts are yet to become a success." However, Hossain, also the chairman of Sirajganj Trade International, lauded the Beza for being proactive in promoting investment in the zone.

Another industrial area that is yet to get gas connections from state-run Titas Gas Transmission & Distribution Company is Abdul Monem Economic Zone, situated around 49 kilometres southeast of Dhaka. Already two investors have established factories here, said the zone's managing director, ASM Mainuddin Monem. One of them is Bangla-





desh Honda Private Limited, a joint venture of Honda Motor Company Limited, Japan and state-run Bangladesh Steel and Engineering Corporation. The factory is manufacturing and assembling motorcycles for the local market. The zone aims to be home to environment-friendly factories dealing with high-value garments, textile and apparel, electronics, ICT, food processing, plastic, furniture, pharmaceuticals, and light engineering.

An official of the Meghna Group of Industries, which has three private economic zones, said they had submitted applications and paid necessary government fees over the last couple of years. "But Titas is yet to provide gas connections for a number of factories. We are in uncertainty over when the gas connections would be provided," he said, adding that the factories were left

inoperative for this. This is quite contrary to the government's vision for industrialisation and a bottleneck in the ease of doing business. Investment proposals from home and abroad involving \$1,598.51 million have already come for the three -- Meghna Economic Zone, Meghna Industrial Economic Zone and Cumilla Economic Zone.

Situated around 32 kilometres northeast of Dhaka, A K Khan Economic Zone, a concern of AK Khan & Company, is also awaiting gas connections from Titas. Abul Kasem Khan, a director of the company and a former president of the Dhaka Chamber of Commerce and Industry, hopes that the connections would be provided by the time they complete developing the zone. City Group, which has three economic zones, has been apparently ahead of the curve, spending money out of its own pockets to establish gas connections for City Economic Zone, which is situated around 32 kilometres southeast of Dhaka. An official of the group said they did not wait for the government as it could have delayed their plans for rapid industrialisation.

Kishoreganj Economic Zone, a concern of Nitol Niloy Group and situated around 106 kilometres north of Dhaka, also stands out as it has already secured gas connections. Abdul Matlub Ahmad, chairman of the group, said they took preparations in advance so that the zone could run smoothly. According to him, investors will not set up facilities if an economic zone lacks utility services. Though utility service providers are not under the Beza's jurisdiction, it is mandatory for them to support investors based on the Beza's recommendations as per rules, said Sheikh Yusuf Harun, executive chairman of the Beza. "We are helping investors

wherever they need it to make economic zones lucrative. But we cannot compel the service providers to act." He suggested investors submit their complaints at the Prime Minister's Office. "No entity can ignore orders of the Prime Minister's Office."

The authority of Sirajganj Economic Zone is yet to respond to some queries of the utility service provider's board which is a prerequisite for the connection to get approval, said Md Shahenur Alam, company secretary of the Pashchimanchal Gas Company. "This is the reason there has been a delay in establishing the industrial connection."

There is a huge demand for gas from the industrial sector, particularly private economic zones, said Md Lutful Hyder Masum, general manager and company secretary of Titas Gas. "Gas is not sufficiently available, so connections can't be established immediately. Besides, these industrial connections involve constant supplies of large volumes. As a result, Titas has adopted a go-slow policy, meeting demand based on priority."

For instance, Masum noted, the Meghna Group of Industries recently received two connections against 11 sought. "If we could provide gas connections to all, Titas would be able to make a profit and help the industrial sector."

"We have forwarded all applications for connections to the Titas board. We will provide gas to all the industries in phases based on priority."

However, applications will not be approved if companies have unpaid dues against the gas connections availed earlier, the company secretary added. ■

# 1,250 Tonnes Of Sugar Stuck At Benapole For Tariff Stalemate



### *Business Outlook Report*

**B**round 42 trucks carrying 1,250 tonnes of sugar from India have remained stuck at Benapole port for the past 28 days as the local customs authorities allegedly imposed a higher tariff than that stipulated by the government.

Port sources say a total of 84 trucks loaded with 2,500 tonnes of sugar imported in six consignments by Setu Enterprises arrived in Benapole on December 25.

Of them, half were

released after paying a tariff of \$430 for each tonne of sugar as per the rate set by the National Board of Revenue (NBR), said Abdul Latif, the clearing and forwarding agent of Setu Enterprises.

However, customs authorities then imposed a higher tariff of \$570 per tonne for the remaining 1,250 tonnes of sugar following a complaint by the Bangladesh Sugar Refinery Association.

In its complaint, the association stated that sugar is being released from the port by showing

lower values than their actual worth. Latif went on to say that customs authorities cannot increase the tariff beyond the government-stipulated rate at will.

"The 42 sugar-laden trucks remain stuck at the transshipment yard of the port's truck terminal as the importer is unwilling to clear the consignment by paying the higher tariff," he said.

"But if the sugar is cleared off with the payment of the unusually high tariff, the importers will suffer a huge loss," he added. Latif

also said they have been paying Tk 2,000 per day for parking each truck since their arrival from India.

Ashish Sarkar, a driver of one of the Indian trucks, said he has been living in his truck for 28 days now.

"I don't know how many more days I will have to pass here fighting the bitter cold," he added. Md Shafayet Hossain, joint commissioner of Benapole Custom House, said they will take steps to end the stalemate in light of instructions from the higher authorities. ■



*Economists Suggest Checking Capital Flight*

# Will IMF Loan End Dollar Crisis?

*Apu Ahmed*

**I**nternational Monetary Fund is expected to consider a \$4.5 billion loan to Bangladesh, but that would not be enough for the government to tackle its forex reserves crisis which has pushed up inflation, affecting the whole economy.

## *Dollar Shortage*

Economists said the government need to check overinvoicing as well as 'hundi' for better utilisation of the IMF loan and overcoming the current economic crises plagued by dollar shortage and high inflation. The government sought the IMF loan in wake of shortage of greenbacks hampering the import of essential items like fuel oils and natural gas in the energy-starved country. The IMF loan will be disbursed in seven instalments over a period of three years. The first tranche of \$447 million is expected

to be disbursed in the current month (February) while the rest in six tranches in a space of every six months. For the release of the first tranche, the government has already



fulfilled one of the major IMF conditions by enhancing the price of energy items on a number of occasions after two sides began talks

in the past July over setting up loan conditions.

## *Economic Flaws*

Economists said there would have been no dollar shortage in the country had the government been able to protect the macroeconomic balance by following its basic principles properly. Economic discipline should have been maintained to check capital flight and hundi operation, two major problems exacerbating the crisis. Besides, containing revenue leakage, shunning unnecessary development projects and closing down costly rental power plants could help the government offset the current pressure on the macroeconomy. The IMF loan would give some assistance to the country's balance of payments. But former Bangladesh Bank governor Salehuddin Ahmed noted that the government must

stop capital flight in the form of overinvoicing. A comprehensive action plan along with implementation of the IMF loan programme is imperative to bring back the economy on track, he added.

### **No Improvement in Dollar Crisis**

The macroeconomy has been facing pressure due to falling foreign currency reserves which was jacked up artificially during the last couple of years, according to IMF mission chief Rahul Anand. Unabated capital flight against the backdrop of price hikes of essentials like fuel oils,

Talukder in a statement in the recently-released Financial Stability Assessment Report. “Caution in opening import L/Cs is most warranted and import payments need to be made in time so that no country or reputation risk arises. Also, due diligence needs to be ensured in foreign trade transactions so that proper values get reflected in export and import L/Cs,” he said.

### **Hundi**

BB insiders said around 100 letters of credit had been identified recently with many of them inflated by 10 to

the country’s economy since it affects remittance inflow. Police have started a crackdown on 1,000 illegal money exchange houses to check illegal transactions. The Bangladesh Bank intelligence unit has provided the police with a list of mushrooming illegal money exchangers suspected of being involved in transacting huge amounts of foreign currencies. Dollar has appreciated by 24 per cent against the local currency —taka — over the past six months. There are 235 money exchange firms, most of them based in Dhaka, operating legally in the country with valid documents from the central bank. The growing hundi operation was hurting the inflow of remittances that cushions the country’s balance of payment. The remittance inflow dropped to \$21.03 billion in the financial year 2021–22 from \$24.78 billion in 2020–21 despite a huge number of Bangladeshis joining overseas jobs and there was an increase in cash incentive for remittance senders.

### **Banking Sector**

Economists said the current abysmal state of the country’s banking sector will come under a reform programme to be prescribed by the IMF. But they lamented that reform in the banking sector was suggested on many occasions in the past by the country’s economists. But the government did not pay any heed despite the sector being overburdened with defaulted loans, which soared to Tk 1,34,396 crore at the end of September from Tk 1,25,257 crore at the end of June. Of the amount, Tk 1,18,553 crore turned into bad loans which the central bank apprehended as not recoverable. NPL generally refers to money that is not in utilisation. Many suspect that a significant amount of NPL might have links with the growing capital flight.

### **Tax-GDP Ratio**

The country’s revenue–GDP ratio is



fertiliser and food on the global market and the war between Russia and Ukraine since February complicated the crisis. The central bank has injected a record \$7.8 billion into banks between July and December of 2022–23 fiscal, but there are no signs of a major breakthrough in the forex market.

### **BB Governor’s Views**

Also measures including restricting imports of luxurious and nonessential goods, facilitating remittance inflows, and easing forex transactions have been taken by the central bank to tame the dollar shortage. However, those alone may not suffice unless the highest level of cooperation is extended by the banks and other stakeholders, admitted BB Governor Abdur Rauf

20 times from their original value. Not only the overinvoicing but also the hundi operation has been affecting the inflow of foreign currencies, said economists while referring to a recent disclosure by the Criminal Investigation Department. Bangladesh suffered ‘value gap’ to the tune of \$7.53 billion on average annually from 2008 to 2017 in its exports and imports due to misinvoicing, a major way of capital flight and duty evasion, according to the report ‘Trade-Related Illicit Financial Flows from 135 Developing Countries: 2008–2017’ released by the Washington-based think tank Global Financial Integrity in March 2020.

### **Remittance Affected**

Hundi system is another threat for

one of the lowest in the region — a fact that needs to be changed for enhancing the government capacity to tackle crises generated internally and externally. Policy Research Institute executive director Ahsan H Mansur said IMF had already identified the problems but those were not new. In the last IMF loan programme between 2012 and 2015, the IMF suggestions on revenue mobilisation especially the enforcement of value added tax law was not implemented during the loan programme period. That the revenue GDP dropped below 10 per cent of the GDP in the past one decade is already identified by the country's economists. But the government cannot take any major measures to improve the situation since it has no capacity to implement necessary reforms in the revenue sector.

### **Reform under Previous IMF Loan Programme**

Economists said reforms under the previous IMF loan programme in the critical areas were not properly implemented. The IMF loans have been taken mainly to increase the

prices of energy items. Between 2012 and 2015, the government increased the price of fuel oil on five occasions while the price of power on eight occasions for a loan worth about \$1 billion under the IMF Extended Credit Facility. Many believe that the reforms proposed under IMF new loan programme will not be comprehensive unless they are properly implemented. Former World Bank Dhaka office chief economist Zahid Hussain said the IMF had deviated from its core function of giving the balance of payment support. In 2000s, it introduced the poverty reduction credit facility and now focuses on credits for climate change. Its new role has reduced its gap with other multilateral lenders.

### **IMF New Loan Crucial**

Still, the IMF loan is crucial for the government. The disbursement of the first tranche will be like a certificate indicating good economic condition of the country. It will help the government obtain loans from World Bank, Asian Development Bank and Japan International Cooperation Agency. The government is

expected to get a substantial amount of budget support from the entities in the current financial year and next year too. Center for Policy Dialogue's distinguished fellow Mustafizur Rahman said that the IMF loan would help the country receive loans from other multilateral lenders without much effort.

### **IMF Emphasises Reform**

IMF deputy managing director Antoinette M Sayeh who visited the capital recently said in a statement that the IMF was expected to approve the loan in its board meeting on January 30. She lauded the country's impressive economic growth and social development over the past decades which contributed steadily towards poverty reduction and significant improvements in living standards. Sayeh, however, noted that Bangladesh was dealing with the impact of global shocks — first from the pandemic and then from the ongoing war in Ukraine — just like other countries across the world. The IMF DMD hinted at reforms on banking, revenue, exchange and lending rates for the loans. ■

## **56 New Jute Variety, Technologies Launched**

### **Business Outlook Report**

Bangladesh Jute Research Institute (BJRI) January 24 launched a new variety of jute and four technologies to expand cultivation of the natural fibre across the country. The new "BJRI Mesta-4" can basically be consumed as a green vegetable while its leaves can be used to make jelly, said Md Babul Hossain, principal scientific officer of the BJRI.

The technologies are on controlling a yellow pest, an improved cropping pattern and seed production. Hossain was delivering a presentation at a "BJRI Developed Technology Transfer Workshop-2023" at the BJRI auditorium in the capital. The alternative cropping pattern was on

using fallow land in between the cultivation of paddy in the Boro and Aman seasons, enhancing cropping intensity, productivity and income, he said. If even 15 per cent of the 2.31 million hectares of land left to rest during the cropping cycle can be used to cultivate this new variety, overall annual output can be raised by 50 per cent, he added.

Addressing as chief guest, Shaikh Mohammad Bokhtiar, executive chairman of Bangladesh Agricultural Research Council, said jute and sugarcane were assets of Bangladesh but the country has not been able to keep pace with global changes. "Sugarcane was once a rural industry.

Due to the lack of technology, proper management and global changes, these two sectors are now in crisis," he said. Bokhtiar also alleged that the BJRI was slow in conducting research activities.

"Many years ago, the jute genome sequence was decoded by Maqsudul Alam. It was much relevant for that time. But we don't want to hear this story anymore. We are frustrated with the BJRI," he said.

Md Abdul Awal, director general of the BJRI, presided over the event where Jiban Krishna Biswas, executive director of Krishi Gobeshona Foundation, was the special guest. ■



# Global Climate Campaign Launched In Dhaka For Actions On Climate Inequality

*Business Outlook Report*

**A** global climate campaign titled 'Generation Hope' was launched in Dhaka on January 26 to raise the voice for urgent actions on climate inequality.

The campaign aims to tackle economic inequality by ensuring fair funding to prioritise children's rights and well-being, limiting catastrophic climate change and ensuring children's rights are at the heart of the world's response. In partnership with Breaking the Silence (BTS), Save the Children launched a global

campaign in Bangladesh, for and with the children, at an event held at a city hotel. Generation Hope is a global flagship campaign of Save the Children which envisions a world that cares for children and their planet by fixing the broken system and accelerating action to address the connected crises of economic inequality and the climate emergency.

The chief guest for the event was also a child, echoing the design and execution of this campaign which is centred around bringing forth child and youth voices on climate change.

Dr Ian Fry, United Nation's special rapporteur on the promotion and protection of Human Rights in the context of Climate Change joined virtually at the event as a special guest.

"Last year I visited Bangladesh and listened to many stories and assertions of children and youth groups, and they had many strong messages for me. We must invest in children, we must invest in their rights, health, nutrition, education, and protection from violence and poverty. We must listen to them and take action," said Fry. Genera-

tion Hope is a child and youth-led campaign which will be implemented nationwide for the next 5 years.

Prior to the official launch of the campaign, Save the Children spoke to 5233 children aged between 12-18 from 6 districts across the country.

The chief guest, 12 years old Afsan Mahmud Soikat said, "We have to take initiatives from our respective places to solve the climate problem. We need to take care of National and international climate plans properly, we want elderly people to take immediate action." ■



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# Winter Heats Up Warm Clothes Sales

*Apu Ahmed*

**T**he winter season has provided a brisk business opportunity for warm clothes traders.

## *Cold Waves*

Both the new and pre-owned warm clothes traders called the current season the best one in recent years after Covid pandemic disrupted economic activities. They attributed the cold spell in major parts of the country from the beginning of January to the high demand for warm clothes. However, consumers have to pay extra bucks due to the price hike of the items they bought to keep themselves warm. According to the Met Office, Dhaka saw a sudden fall in mercury below double-digit in a span of 24 hours in the first week of January. The temperature dropped further in the northern region where cold waves from the Himalayan range hit first,

affecting poor people badly.

## *Sales of Warm Clothes Up*

Dhaka is always less affected by cold weather compared to districts like Dinajpur, Rangpur, Kurigram, Jashore, Chuadanga and Rajshahi. But this season, the cold wave forced many people to buy extra outfits in the capital. Sharmin Akhtar, a primary school teacher, is one of

them. She had to buy a pair of hand gloves from New Market for Tk 250. She said the price was high. The seller did not want to lower its prices, she said, adding that the price of socks also went up this winter following increased demand.

## *Price Increase 'Reasonable'*

However, traders said prices of warm clothes did not make any





extraordinary jump in the city. They said the increase in the price of winter outfits was reasonable. Ahsan Kabir, a trader at New Market, said men's sweaters were selling between Tk 200 and Tk 600. A muffler was selling at a minimum of Tk 150 and a maximum of Tk 300. Winter caps protecting ears from cold wind were in high demand and they were available between Tk 100 and Tk 300. For good-looking winter cloth for babies, the consumers had to spend Tk 1,000 to Tk 1,500. Women's warm dresses were selling for between Tk 500 and Tk 2,500. For a blazer, a man had to spend a minimum Tk 2,000.

### *Consumers Pay High Price*

However, consumers alleged that traders were taking almost double the price for warm clothes after the severity of the cold increased. They said prices of the same outfits were selling at reasonable prices throughout December when the temperature was hovering over 20 degrees Celsius. The blanket is another most sought during the winter. The item has almost replaced traditional blankets or 'lep' made of cotton and fabrics. Nowadays, along with blankets, comfort quilts are getting popular in many households. However, the local blanket market is totally dependent on imports. Local traders import blankets mainly from China. According to traders, the minimum price of a blanket is around Tk 1,500 in the current winter season. But the price becomes ten times higher when consumers prefer cosy and warm blankets.

### *Relief blankets*

A special type of blanket is mainly used for charitable purposes in the country. Traders call them 'Traner Kombol'. The cheapest retail price of such blankets is Tk 150. Jahangir Alam, a joint owner of Ast Trading at Signboard in Narayanganj, said they maintain a wholesale business under which a buyer must order for

20 pieces of blanket. He said a single blanket weighing around 300 gram is the lightest and cheapest one. The price of such blankets goes up when buyers prefer a heavy one. A 500g blanket is sold at Tk 500 at the wholesale level. They are made of synthetic fabric imported mainly from China and South Korea. Corporate groups, banks and charitable organisations are the main clients of such blankets.

### *Used Imported Clothes*

They mainly distribute those to the poor in the county where income inequality has been growing. Poor are getting poorer and the rich are richer. However, the charitable blankets are not sufficient to give



necessary warmth to the huge number of poor as they have to rely on used and imported clothes. In fact, the country once relied on second-hand garments during winter although such imports fell dramatically in recent years. A large number of people, roughly a quarter of people, still live on less than \$1.9 daily. Buying fresh warm clothes is a luxury for them. Second-hand clothes worth several hundred crore takas used to be imported every year for decades since the country's independence. But the amount came down to Tk 60 crore in 2015.

### *Demand for Used Clothes High*

In 2021, the government allowed

the import of used clothes worth Tk 25 crore by 5,000 registered importers. In the present import policy that will run till 2024, the import of used clothes has been recommended to bring down to half from the current level by 2024 and zero by 2026. However, a used clothes trader in the city's Sadaraghat area said demand for used clothes was still high. Kamal Chisty who has been doing the seasonal business for the past 34 years said 30 per cent of the country's people were still poor and relied heavily on used clothes imported mainly from Japan, South Korea and Taiwan. The minimum price of used clothes is Tk 20 and the maximum Tk 200, he said, adding that sales of used clothes in this

winter were very satisfactory.

### *Windbreakers*

A growing number of motorcyclists in the capital and elsewhere need extra and special clothes to drive in the winter. Windbreaker has become the ultimate need of motorcyclists. So, the demand for windbreakers was high this winter. A motorcyclist said he wanted to buy a new windbreaker as the current one was suitable only in moderate cold temperatures. However, the price hike of the authentic windbreaker kept his plan suspended. He said he would buy once the cold wave abated. ■



# Gas Prices Hiked By Up To 179 Percent

## *Business Outlook Report*

**T**he government, in an administrative order on January 18, increased retail piped gas prices in four consumer categories by up to 179 per cent with effect from February 1. Four other consumer categories—household, fertiliser, the tea industry, and compressed natural gas—did not see any change in their rates but were bracing for multiple impacts from the price hike.

The hefty increase in prices of gas meant for use in power generation and industrial production would increase living costs in many ways, economists and consumer rights activists said, making survival difficult, especially for the poor and small and medium-sized business entities. The cost of meals at hotels and restaurants would jump because of the gas price increase under the commercial category, the experts said, potentially leaving hundreds of thousands, especially those in cities, counting on cheap eateries, often at

makeshift roadside shops, half-fed. Yet, the experts said, these inconveniences would barely achieve anything, for they would not generate the dollars that the government needed to boost its import capacity to come out of the energy and power crises. 'Eventually, the government will suffer tremendously because its revenue generation will fall,' said Consumers Association of Bangladesh energy adviser M Shamsul Alam.

'Economic targets can never be achieved when mere survival becomes a constant struggle,' he said. The gas price hike came barely five days after the electricity price was hiked by five per cent a unit and the electricity demand charge by up to 42 per cent. Gas prices across all eight consumer categories increased by an average of 23 per cent in June 2021. Just the day before the latest gas price hike, the state minister for power and energy, Nasrul Hamid, said that electricity prices would be adjusted every month by an executive order

from now on, hinting at yet another round of hikes in electricity prices. The electricity price increase has now become inevitable, an energy expert said, as the price of gas meant for use in power generation underwent the highest increase of 179 per cent with the price of a cubic metre jumping to Tk 14 from Tk 5.02.

Captive power, or electricity generated by factories for their own use, saw the price of a cubic metre of the gas climb to Tk 30 from Tk 16 following an 88 per cent rise. Small, cottage and others recorded the highest 178 per cent increase among the new industry rates announced for three sub-categories, including large and medium. The rate per cubic metre of gas for the small, cottage, and other industries was increased to Tk 30 from Tk 10.78. The rate per cubic metre of gas for the medium industry was increased to Tk 30 from Tk 11.78 marking a 155 per cent increase. Large industries saw the lowest hike of 150 per cent in their

gas rates, with the price of per cubic metre of gas rising to Tk 30 from Tk 11.98. The price of per cubic metre of gas consumed commercially by hotels, restaurants and others was increased to Tk 30.50 from Tk 26.64 – a 14.48 per cent hike. Following rounds of negotiations with the government, business leaders agreed to pay a maximum of Tk 25 if gas was supplied continuously and at the correct pressure, which they claimed the government had never achieved.

Factories with the best gas supply currently get barely half of what they need. ‘Since the price hike will not produce dollars to increase import capacity, the chance of Bangladesh increasing gas supply anytime soon is highly unlikely,’ said Khondaker Golam Moazzem, research director, Centre for Policy Dialogue. International media reported that long-term LNG contracts available through 2026 were sold out, with the spot market potentially staying highly volatile over time. Bangladesh meets roughly a fifth of its gas demand through imports, mostly from long-term contracts, and has not purchased gas on the spot market since July.

The last gas price hike was justified by the need to import 100 mmcf from the spot market—a promise the government did not keep. The fresh price hike means industries would have to pay more without any improvement in the gas supply, said Moazzem, sending production costs through the roof. Small and medium investors will bear the brunt, but large investors will suffer too, he said, adding that some industries would face a double blow because their captive power expenses would also jump. The production cost would be particularly high in some industries, such as steel, ceramics, glass, and textiles, whose production is directly reliant on gas. ‘The price hike will reduce the subsidy need to some extent, but a far better way of getting the job done is to explore our own gas reserves,’ said Moazzem. The government never heeded energy experts’ longstanding call for reduc-

ing gas import reliance and investing more in renewable energy. The government rather aggressively invested in expensive fossil fuel imports. The government also did not take any effective measures for high inefficiency and corruption in the power and energy sectors, logging some of the world’s highest system losses.

‘The burden of flawed policy, inefficiency, and corruption is passing onto the shoulders of consumers,’ said economist Anu Muhammad. The Technical Evaluation Committee of the Bangladesh Energy Regulatory Commission revealed in a March 2022 public hearing that the state-owned Petrobangla, the lone buyer and importer of natural gas, pocketed Tk 2,538 crore by importing 553 mmcf less LNG than promised in the financial years 2019-20



and 2020–21. Over 50 per cent of installed power capacity cost Bangladesh Tk 72,567 crore in capacity charges in the decade ending in the financial year 2020–21, according to the Bangladesh Working Group on External Debt.

The capacity charge is nearly equal to the accumulated loss of the state-owned power sector regulator, the Power Development Board, over the same period, which is largely covered by subsidies. On Wednesday, Petrobangla reported supplying 2718 mmcf, including 480 mmcf

of LNG, against its capacity to supply 3,760 mmcf. The gazette notification announcing the new gas prices said that the prices were readjusted under the authority vested in Section 34 (ka) of the Bangladesh Energy Regulatory Act, 2003.

The section of the BERC Act was amended in December, enabling the government to change power and energy prices by executive order, bypassing the BERC.

The overall energy sector expense greatly increased following an abnormal rise in LNG price in the global energy market because of the Russia-Ukraine war, increase in other costs such as bank interest and weakening of the taka against the dollar, said a press release sent by the power and energy ministry.

The price hike was required to meet

increased demand in the upcoming irrigation season and summer, the press release added.

The free access statistics website TradingEconomics showed per MMBtu LNG was sold at \$3.4 on January 8, the lowest LNG price ever reached since December 2021.

LNG price has sharply declined since December when per MMBtu LNG was sold at \$7, showed the statistics website. In August 2022, the price rose to nearly \$10. ■



The Annual Business Budget Strategy Summit 2023 of Institutional Banking, SME and Treasury Divisions of Midland Bank Limited was held in the Board Room of the Bank's Head Office at Gulshan in Dhaka recently. Ahsan-uz Zaman, Managing Director & CEO of the bank, inaugurated the Summit as the chief guest. Md Zahid Hossain, Deputy Managing Director of the bank, was also present as the moderator of the meeting. ■



Mutual Trust Bank Ltd (MTB) has recently awarded its 'Service Heroes' at a simple ceremony held at MTB Centre in the capital, in order to ensure best customer service and recognise the valuable contribution of the MTBians for providing excellent service in 2022. Syed Mahbubur Rahman, managing director and CEO of the bank, handed over the crests amongst the 'MTB Service Heroes'. ■



The 323rd meeting of the board of directors of Islamic Finance and Investment Limited (IFIL) was held at its head office in Dhaka's Tejgaon. Hossain Mahmud, chairman of the board of directors of IFIL, presided over the meeting, while Mohammed Mosharaf Hossain, managing director and CEO of IFIL, was present. ■



First Security Islami Bank Limited inaugurated the 67th and 68th foundation course at the FSIBL Training Institute in Dhaka recently for newly recruited trainee assistant officers. Syed Waseque Md Ali, managing director of the bank, inaugurated the training. ■



The three-day 'Annual Business Conference 2023' of Modhumoti Bank Limited was held at BRAC CDM, Rajendrapur, Gazipur recently. Humayun Kabir, chairman of the board of directors of Modhumoti Bank, was present as the chief guest. Md. Shaful Azam, managing director & chief executive officer, was also present. ■



BRAC Bank has launched the country's first dedicated premium banking proposition, styled 'Borenno', for SME customers. Selim R F Hussain, managing director and CEO of the bank, formally launched the new service at the bank's head office in the city recently. ■



The concluding ceremony of a three-day business development conference of Islami Bank Bangladesh Limited was held at the Grand Sultan Tea Resort & Golf. Professor Md Nazmul Hassan, PhD, chairman of the bank, addressed the concluding session as the chief guest. Mohammed Monirul Moula, managing director and CEO of the bank, presided over the programme. ■



Jamuna Bank Foundation organised a free medical camp at Kazipur in Sirajganj recently. Director of Jamuna Bank Limited Engineer AKM Mosharraf Hussain was present as the chief guest while Chairman of Jamuna Bank and Jamuna Bank Foundation Nur Mohammed presided over the inaugural ceremony. Managing Director and CEO of the bank Mirza Elias Uddin Ahmed was present as special guest. Some 6,727 patients were treated and given free medicines and 705 others were listed for eye surgery. ■



AB Bank Limited recently handed over smart credit cards with easy terms to the government and MPO listed school teachers in Tungipara. A programme was organised at Gimadanga Tungipara (G.T.) Govt. Primary School and Gimadanga Tungipara (G.T.) High School where President and Managing Director of AB Bank Tarique Afzal handed over the cards to the teachers. Sheikh Tozammel Haque Tutul, mayor of Tungipara municipality, was present at the event. ■



Chairman of Prime Insurance Company Suzadur Rahman hands over a cheque for Tk 18,287,587 towards settlement of an insurance claim against the Banker's Blanket Bond (BBB) policy to Managing Director of Dhaka Bank Emranul Huq at the bank's Head Office recently. ■



Shahjalal Islami Bank Limited (SJIBL) organised the 'Annual Business Conference-2023' at the Hotel Sea Palace Ltd in Cox's Bazar. Vice-Chairman of the bank's board of directors Abdul Karim Nazim was present at the conference as the chief guest, with Managing Director and CEO Mosleh Uddin Ahmed in the chair. ■



Sonali Bank Limited organised an online training workshop on 'ICC Tools software live operation' at its head office. CEO and Managing Director of the bank Md Afzal Karim inaugurated the workshop as the chief guest. Among others, deputy managing directors, general managers and other executives were present at the event. ■



# Bangladesh Losing Crores Because Of Transfer Pricing Manipulation

*Business Outlook Report*

**F**indings from a report said that Bangladesh was ripe for exploitation from transfer-pricing opportunities amid increased volumes of international trade, presence of multinational companies (MNCs) and absence of proper monitoring of the transactions. Transfer pricing is the price paid by a firm for goods or services while purchasing it from a related entity.

When a firm is buying or selling from its relative entity, there are chances that prices may not be fixed as per market principles. Rather, the price may be decided artificially by the parent company for getting maximum benefits, as well as avoiding tax payments. Such artificial price setting in intra-firm transactions to avoid taxes and to get other benefits is defined as transfer mispricing. Titled

"Combating Transfer Mispricing: New Avenue for Bangladesh Customs," the report has been prepared by Customs Audit, Modernization and International Tax Wing and jointly articulated by Mohammad Fyzur Rahman, commissioner of Chattogram Customs House (CCH), and Nipun Chakma, assistant commissioner.

The customs wing recommended for the National Board of Revenue (NBR) to utilize both of its wings, like in many advanced and modern revenue administrations, as it is a high time steps are taken for proper capacity building. Both the wings would be able to detect, track and deter transfer mispricing with a view to collecting proper revenue from the MNCs as well as combating trade-based money laundering which is closely associated with transfer

pricing, the report says. "Customs administration, in general, assumes that transfer pricing is not their domain. However, in advanced countries, tax and customs administrations are involved in combating transfer mispricing due to its linkage not only with tax avoidance but also illicit capital flow, money laundering and other financial wrongdoings," the report reads.

Citing different study findings, the report says Bangladesh as a Least Developed Country (LDC) is considered a vulnerable state in the fight against transfer pricing. Study findings show high rates of corporate tax and poor governance make Bangladesh more susceptible to capital flight, money laundering and other financial wrongdoings. The country enacted Transfer Pricing (TP) law in 2014 but had yet to get

any tangible outcome from the TP cell for a lack of capacity and capability of the relevant regulatory authority and reluctance to tie up with international networks. However, customs was not involved in any action regarding the formation of TP cell and other activity whereas advanced customs administrations became a part of the fight against transfer mispricing in their own countries.

In the report, the customs wing recommended focus on capacity building of human resources by providing sector-specific training and education on cross-border trade and transaction as well as transfer-pricing methods.

They also recommended making necessary changes to customs and VAT acts to combat transfer mispricing. ■

# FBCCI Urges Japanese Investors To Set Up Automobile Industries In Bangladesh



## Business Outlook Report

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has urged Japanese investors to set up automobile industries in Bangladesh. FBCCI could work closely with Japanese entrepreneurs in this regard.

FBCCI President made this call during a courtesy meeting with the Japan External Trade Organization (JETRO) delegation on January 25 at the FBCCI office in Dhaka. The visiting delegation was led by the president of JETRO Kazushige Nobutani, reports BSS. Md. Jashim Uddin said that the Bangladeshi people love Japan and there is a huge demand for Japanese products, especially automobiles.

"On the road, you can see various Japanese cars everywhere in Bangladesh. Japan can come forward to exploit the vast business potential in Bangladesh. The Japanese Investors can grab the

market by setting up automobile factories in Bangladesh," he said. Jashim said that setting up factories can be beneficial for both countries as the price of the products would be relatively low.

The FBCCI President said that Bangladesh has huge potential. "We're now on our way to a trillion-dollar economy. In order to achieve this target, Bangladesh is going through policy and strategic transformation. The Government and the Private sector are also working together to facilitate trade and business," he added. He also informed the JETRO delegation about the Bangladesh Business Summit 2023 which is going to be organized in March this year on the occasion of the 50th founding anniversary of the FBCCI.

He mentioned that the FBCCI is expecting active participation from the Japanese side. The FBCCI President said, "Bangladeshi entrepreneurs are interested in

expanding trade with Japan. They have emphasized setting up eco-friendly and compliant industries. Technology transfer between both countries is essential to ensure sustainable industrialization," he added. JETRO President Kazushige Nobutani congratulated the FBCCI on its 50 years of establishment. He also wished the grand success of the Bangladesh Business Summit.

Both Japan and Bangladesh have been working closely for a long time. The trade relations between the two countries will be accelerated through business-friendly policies and strategies, he added.

FBCCI vice president Md. Amin Helaly, secretary general Mohammad Mahfuzul Hoque, adviser and former director Abdul Haque, executive vice president of JETRO Mayumi Murayama, director general Satoshi Kubota, and other members of the delegation were also present at the meeting. ■

# Eleven Projects Costing Tk 106.83b Endorsed

*Be frugal, execute works sans time-cost overrun, PM advises at ECNEC meet*



## Business Outlook Report

**E**nsure quality project implementation sans cost-and time-overrun in this crunch time, Prime Minister Sheikh Hasina asked authorities January 17 as the government undertook latest public-works programmes worth over Tk 106 billion.

Planning Minister MA Mannan, briefing journalists about outcome of the day's Executive Committee of the National Economic Council (ECNEC) meeting, conveyed the direction the premier made during discussions on the country's latest situation and the dos. With the prime minister in the chair, the ECNEC endorsed 11 development projects, including the 2nd revision of the Karnaphuli tunnel project, involving an aggregate cost of Tk 106.83 billion. "The PM has laid emphasis on quality improvement of the project

works. Besides, she has directed upgrading the country's overall productivity," Mr Mannan said. The planning minister said out of the approved 11 projects, six are fresh ones and five revised. "Out of the total Tk 106.40-billion cost, taka 78.27 billion will come from the government of Bangladesh portion while Tk 28.80 billion as project assistance," he told the reporters.

The ECNEC revised the Karnaphuli tunnel project with a cost hike of 26.56 per cent to Tk106.89 billion. The Bangladesh Bridge Authority (BBA) started the tunnel project in November 2015. Besides, the meeting approved a Tk 56.51-billion project for construction of elevated road from Mithamoin upazila headquarters to Karimganj upazila under Kishoreganj district for ensuring "smooth and uninterrupted all-weather road communications".

Mr Mannan said the main objective of the elevated-road-construction project is to establish smooth road communications in the haor region from Mithamoin headquarters to Karimganj upazila connecting the Mithamoin Cantonment.

Besides, the 13.40-kilometer existing road from Nakbhanga circle to Morichkhali Bazar would be widened in order to establish smooth and uninterrupted all-weather road communications of Itna, Mithamoin and Austagram upazilas with Kishoreganj Sadar, Dhaka, Sylhet and other districts. The main project operations include construction of 15.13-kilometer elevated road, the widening of 13.40-kilometer existing road, construction of four bridges, construction of 13 toll plazas, toll-monitoring buildings and check-posts, construction of 13-kilometer temporary submersible





roads, four deep tube-wells, four foot-over bridges, construction of 40,468-square-meter construction yard, 8,224-square-meter bus stops and 151.09 acres of land acquisition. State Minister for Planning Dr Shamsul Alam informed that the premier directed all to remain cautious in spending as well maintaining austerity in expenditure. "The PM has also asked the authorities to ensure their participation in boosting production alongside motivating others to increase productivity," he said.

The state minister for planning briefed the ECNEC on the country's current economic situation wherein he portrayed a rosy picture of the economy. Asked whether a draft project on Electronic Voting Machine (EVM) was placed before the ECNEC meeting or not, Mannan said neither the project was on the list

of discussion nor the Prime Minister wanted to know anything about it. "But, the draft project is under process and you'll know about it when it will progress further," the planning minister added about the much-talked-about EVM plan. Commenting on the current state of the economy, State Minister for Planning Dr Shamsul Alam said Foreign-currency reserves are not the only thing to measure the country's economic strengths rather other indices like import, export, remittance and government borrowings should also have to be considered.

He said the reserves were \$32.51 billion on January 11 after the ACU payment while the export earnings were \$2.0 billion higher during the July-December period of the current fiscal year (FY) 2022-23 compared to the same period of the last FY2022.

Dr Alam said inflation is being calculated in the country in line with the globally acclaimed method.

The government has to keep huge allocation every year in the budget as subsidy for which there is a need to make price adjustments in some areas, he said.

The state minister claimed despite pressure, there was no price hike or adjustments in agri-inputs like fertilizer.

The planning minister said the Implementation Monitoring and Evaluation Division (IMED) under the Ministry of Planning conducted an in-depth study on the Prime Minister's priority project 'Ashrayan' which was highly appreciated by the premier.

The other projects approved in the ECNEC meeting are Construction of Multipurpose Hydraulic Elevator Dam on the Srimai River under Patia upazila of Chattogram at Tk1.33 billion, Protecting Sheikh Hasina Cantonment area from the erosion of Karkhana, Bighai and Payra River under Barishal district (1st phase) at Tk 6.76 billion, Padma River dredging and protection of left embankment from Majhichar to Moksedpur via Narishabazar under Dohar upazila in Dhaka (1st revised) at an additional cost of Tk 5.28 billion, Adaptation initiative for the small islands and river Char lands in the coastal areas vulnerable to climate change at Tk 778.6 million, Matarbari coal-based power station construction project-roads and highways department portion--(2nd revised) involving an additional cost of Tk 3.65 billion.

The rest of the projects are Establishment of global maritime distress and safety system & integrated maritime navigation system (EGIMNS) project (3rd revised) with an additional cost of Tk924.6 billion, Inclusive sanitation in 25 towns in Bangladesh at Tk 22.11 billion, Climate Change Adapted Urban Development, Phase II (CCAUD), Khulna at Tk 4.91 billion and Ghorasal, 4th unit repowering project (2nd revised) at an additional cost of Tk 994.6 billion. ■

# Tipu Urges Global Buyers To Ensure Fair Price Of RMG Items

Business Outlook Report



**C**ommerce minister Tipu Munshi has urged the global buyers including Primark to ensure just price of the Bangladeshi RMG items and also to motivate the concerned stakeholders to make the sector sustainable.

'Primark is one of the largest buyers of our RMG products while it is our belief that this globally acclaimed apparel brand would buy more RMG items from us. Besides, there is also a need to ensure just price of our RMG items to motivate the concerned working force and thus make this sector sustainable,' he said.

The commerce minister said this when a delegation of UK-based global apparel brand Primark, led by its chief executive

officer Paul Marchant, met him at the Ministry of Commerce at Bangladesh Secretariat on January 25. Prime minister's private industry and investment adviser Salman F Rahman was present on the occasion, said a commerce ministry press release.

Mentioning that Bangladesh has gained enough skills in the RMG sector while the country is also the 2nd largest RMG exporter of the world, Tipu said that more than 40 lakh workforce was engaged with this sector of which 65 per cent were female.

He said that Bangladesh exported goods worth \$42 billion in the last financial year (FY22) while the export target of RMG products by 2030 was \$100 billion. Tipu noted that Bangladesh had

attained such capacity of supplying any quantity of products as per the requirements of the buyers while the country was also working to attain a big export target.

He said that the RMG workers were being trained every now and then to enhance their skills while the quality of products and also their designs were being modernised. He added that the trained and skilled local working force was performing their responsibilities in the RMG sector.

The commerce minister said that following the directives from prime minister Sheikh Hasina, work for setting up some 100 special economic zones was going on in full swing while most of those were at the completion

stage. Considering the LDC graduation of Bangladesh by 2026, he said that efforts were on to sign Free Trade Agreements and Preferential Trade Agreements with different countries.

Prime minister's adviser Salman F Rahman said that Bangladesh was now capable enough to supply world class RMG products at a relatively less price compared to the past. Noting that many local RMG manufacturers and exporters have fallen into trouble following the cancellation of orders by the global buyers in the wake of Covid pandemic, Salman said that it was very much necessary to ensure the just price of the local RMG products.

CEO of Primark Paul Marchant said that Bangladesh was a very important partner in terms of trade while the country had improved a lot in the RMG sector.

He said they like the Bangladeshi RMG products very much since there were many green factories with the higher usage of technology in the industries. Later, a delegation of Japan External Trade Organization, led by its president, Kazushige Nobutani, met the commerce minister at his office. ■



*Finance minister seeks WB's support for mega projects*

## WB Reiterates Strong Support For Bangladesh

*Business Outlook Report*

**W**orld Bank (WB) Managing Director for Operations Axel van Trotsenburg on January 24 reaffirmed the World Bank's strong support for Bangladesh to help achieve its vision of upper-middle income status by 2031. He came to Dhaka on January 21 on a visit, marking 50 years of partnership between the World Bank and Bangladesh.

He said Bangladesh's development and growth trajectory is an inspiration for many countries, according to a press release. "It has tackled many development challenges in remarkable ways. It has reduced poverty in record time and has played a leading and innovative role in disaster risk management and adaptation to climate change," said van Trotsenburg. "The World Bank has been a

steadfast partner for the past five decades and remains committed to help Bangladesh achieve green and inclusive economic growth and development." On January 23, van Trotsenburg met Prime Minister Sheikh Hasina and commended Bangladesh's role in climate change adaptation and disaster preparedness, and the Prime Minister's strong leadership as the chair of the Climate Vulnerable Forum during 2020-2022.

"Despite being severely affected by climate change, Bangladesh has emerged as a global leader in climate resilience and disaster preparedness by taking a bold and innovative approach reducing cyclone-related deaths more than 100-fold since 1971," he added. The World Bank helped Bangladesh build and rehabilitate more than 700 km of coastal

embankments, 1,000 cyclone shelters that also operate as schools, and 550 km of paved roads that improve access for surrounding villages. On January 24, van Trotsenburg visited a World Bank-financed cyclone shelter that serves as a primary school during normal weather and met with the local communities.

He visited the Kutupalong Rohingya camps in Cox's Bazar and thanked Bangladesh for its generosity to provide shelter to about 1.1 million displaced Rohingya people. The World Bank has leveraged \$590 million in grant financing to help Bangladesh meet to the basic needs of the Rohingya people and the host communities. During the visit, he also met the finance minister, senior government officials, and development partners and discussed Bangladesh's development priorities. He was

accompanied by World Bank Vice President for the South Asia Region, Martin Raiser.

"The World Bank is helping Bangladesh navigate through challenges of global shocks, including the impacts of the pandemic and the Russian invasion of Ukraine, and address barriers to higher growth," Trotsenburg said. "We are committed to supporting Bangladesh in its goal to become an upper-middle income

country by 2031. For this, we will help create more private sector jobs, improve social and economic inclusion, and reduce climate vulnerability."



country by 2031. For this, we will help create more private sector jobs, improve social and economic inclusion, and reduce climate vulnerability."

Over the 50-year partnership, the World Bank has committed about \$39 billion in International Development Association (IDA) financing in the form of grants, interest-free loans, and concessional credits to help the country. Currently Bangladesh has the largest ongoing IDA program, and the World Bank is Bangladesh's largest development partner.

### **Finance Minister Seeks WB's Support For Mega Projects**

Meanwhile, Finance Minister AHM Mustafa Kamal has urged the World Bank to extend more support in mega projects of Bangladesh and also to make capital Dhaka more liveable to make memorable the 50-year partnership between Bangladesh and the World Bank. Kamal also opined

that the World Bank can exchange the experiences of other countries towards ensuring the smooth graduation of Bangladesh from the LDCs. The finance minister made the call when visiting Managing Director (operations) of the World Bank Axel van Trotsenburg met him at a city hotel on January 21, according to BSS. Terming the World Bank as one of the major development partners of Bangladesh, Kamal thanked the

Washington-based lending agency for extending support in Bangladesh's education, health, power, disaster management and in various development projects especially as budget support during the pandemic as well as providing support for procuring COVID-19 vaccines.

He also stressed on strong and fruitful participation of the World Bank in Bangladesh's various socio-economic development initiatives. In response, the World Bank managing director lauded highly the economic development of Bangladesh over the years especially the unprecedented successes of the country in poverty alleviation. He also praised the time-befitting steps of Prime Minister Sheikh Hasina in facing the pandemic. The World Bank managing director also reiterated his lending agency's stance to help Bangladesh reach its desired target of becoming a higher mid-income country. During the meeting, they also discussed the draft Country

Partnership Framework (CPF) prioritising turning Bangladesh into a higher mid-income country.

Bangladesh Bank Governor Abdur Rouf Talukder, Finance Division Senior Secretary Fatima Yasmin, ERD Secretary Sharifa Khan, World Bank Vice President for South Asia region Martin Raiser, World Bank Country Director for Bangladesh Abdoulaye Seck were present, among others, on the occasion.

### **Momen Seeks WB Assistance For Coastal Embankments**

Foreign Minister Dr AK Abdul Momen has invited the World Bank (WB) to invest further in climate-smart infrastructures, especially for widening and heightening embankments along Bangladesh's coastal belt. He made the request while meeting WB Vice-President for South Asia Region Martin Raiser at the Foreign Ministry in Dhaka on January 26. The foreign minister also shared his ideas about coastal forestation and renewable energy generation based on such coastal embankments, reports UNB.

The World Bank Vice-President responded positively to Momen's suggestion to explore a possible partnership with the Global Hub for Locally-Led Adaptation, recently launched under the aegis of the Global Centre on Adaptation (GCA)'s regional office based in Dhaka.

He noted that 35 per cent of the Bank's current International Development Association contribution to Bangladesh maintains a focus on enhancing the country's resilience to climate change impacts.

Momen underscored the need for the international community's support towards making Bangladesh's LDC graduation smooth and sustainable.

The World Bank Country Director for Bangladesh Abdoulaye Seck was also present at the meeting. ■



# External Adversities Overshadow Growth, Accentuate Inflation

## *Business Outlook Report*

**N**umerous external factors have clouded a strong recovery of Bangladesh's economic activities in the current fiscal, says the central bank. The Bangladesh Bank in its Annual Report 2021-22, released January 16, rings a note of caution regarding crunch-time economic management. It has stressed cautious and prudent monetary and fiscal measures in the current fiscal year (FY) 2022-23.

"The strong recovery in economic activities is expected to prevail during the coming years," the central bank's latest annual report says, however, about a likely positive scenario. "However, this growth and inflation outlook is clouded by some uncertainties like pass-through effects of higher global commodity and energy prices into domestic wage and production costs, and potential loss of

export demand in Europe caused by the Russia-Ukraine war-driven economic slowdown and exchange-rate volatility from growing current-account deficits," it adds. The Bangladesh Bank, however, mentioned that for the overall macroeconomic stability, the country 'needs adopting cautious and prudent monetary and fiscal measures in the near term.'

The central bank report underscored the harmonisation of domestic monetary and fiscal policies with the world's current best practices as these may 'bring some favourable outcomes against external shocks.' It also pointed out that the outbreak of Covid-19 pandemic and afterward the recent rising global food and energy prices squeeze fiscal space worldwide, including in Bangladesh, adding that 'government's revenue collection in terms of GDP is not

very auspicious compared to the other peer countries.' The report mentioned that the public spending in recent years is about 50 percent higher than revenue collection. It is due mainly to investment in megaprojects in power and energy, and transportation and communications sectors that occupy leading position in annual development programme (ADP) and support to the growth outlook.

The outcome is the widened budget deficit coupled with a sharp increase in government borrowing from the banking system, particularly from the central bank, observed the annual report. In this connection, the report added that higher budget deficit as well as public borrowing 'could create upward pressure on the inflation outlook'. The Bangladesh Bank report, however, strikes optimism that the government's

revenue-mobilisation drives, emphasis on non-bank borrowing and austerity measures like energy-saving initiative may help to cut the budget deficit.

Prudent investments in megaprojects in power and energy, and transportation and communications sectors may also contribute in this connection and keep growth and inflation on the targeted path. Initially, the real GDP growth for the current fiscal year was projected to be 7.5 per cent and inflation was targeted to keep at 5.6 per cent.

BB report added that 'the inflation outlook might confront uncertainty to limit within the target due to recent increase in energy prices and its spillover impact on the prices of other goods and services.' Moreover, the global supply-demand imbalances in the context of Russia-Ukraine war, depreciation pressure of Bangladeshi Taka (BDT) against the US dollar

and anticipated rise in inflation in India and China may 'pose upward risks to the inflation outlook.' These two countries are the leading trade partners of Bangladesh.

Considering the current macroeconomic development and global uncertainty, induced mainly from the Russia-Ukraine war, GDP-growth target for FY23 is revised down to 6.50 per cent and inflation ceiling at 7.50 per cent.

The central bank is of the view that measures like limiting LC margin to zero per cent for essential commodities and government move to cut import tax on necessary items coupled with increasing imports of food and continuing the open-market sale (OMS) of essential goods at low costs may 'cool down the upward inflationary pressure from food components'. The annual report mentioned that a persistent deficit had appeared in current-account

balance in external sector of the country since FY17.

"Even a negative overall balance is prevailing in balance of payments (BoP) in recent months," it said.

As a result, foreign-exchange reserves declined and exchange rate also sharply depreciated.

"The main factors behind negative overall balance are higher import growth, negative growth of remittances and less inflow in the capital and financial accounts," added the report.

Despite big imports (over 60 per cent higher than exports), about 80 per cent of the total imports are now intermediate and machinery goods and these many expand output and exports and be positive to the growth outlook, observes the central bank in its overall evaluation of the macroeconomic situations and scenarios. ■

## BTRC Makes Bijoy Keyboard Mandatory For Smartphones



### Business Outlook Report

**T**he Bangladesh Telecommunication Regulatory Commission has made it mandatory to install the Bijoy Android Package Kit (APK) on all imported and locally-manufactured android/smart mobile phones before their marketing on the local market. On January 13, the

BTRC issued an order in this connection to all mobile phone manufacturers and importers in the country. According to the instruction, the telecommunication regulator will not issue any no-objection certificates for marketing any smartphones on the local market without the Bijoy keyboard. The order was

issued to the relevant stakeholders, including the Bangladesh Mobile Phone Importers Association president. The instruction came into effect on the date of its issuance.

The BTRC order also said that the Bijoy APK file would be provided free of charge from the BTRC spectrum department.

The regulatory body said that within three working days of the issuance of the order, the manufacturers and importers would have to collect the APK file from the spectrum department.

All smartphones are required to have a Bijoy keyboard as per a government order, it said.

Ananda Computers, founded by posts and telecommunications minister Mustafa Jabbar, released Bijoy Bangla keyboard on December 16, 1988. ■



# 15th Int'l Plastic Fair To Begin On February 22 At ICCB

*Business Outlook Report*

**T**he 15th International Plastic Fair (IPF) 2023 is going to begin on February 22 at the International Convention City, Bashundhara (ICCB) in Dhaka. The 4-day expo will continue till February 25. Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) and Yorkers Trade & Marketing Co., Ltd., will jointly organise the IPF-2023 to showcase the plastic products and technologies of the local and international producers.

BPGMEA president Shamim Ahmed announced this at a press conference at the organisation's headquarters in the city on January 24 while other leaders of the organisation were present on the occasion. Plastic goods manufacturers and technology producers from 21 countries including Bangladesh, China, India, Taiwan, Vietnam, Sri Lanka, Pakistan, Indonesia, South Korea, Belgium, Canada, United States, France, Hong Kong, Italy, Japan, Malaysia, Austria, Singapore, Turkia,

and United Arab Emirates (UAE) will join the expo. Read more: Monster made of plastic waste at Cox's Bazar to spread awareness Commerce Minister Tipu Munshi is expected to inaugurate the expo while Industries Minister Nurul Majid Mahmud Humayun is scheduled to be present at the concluding session of the fair. Addressing the press conference the BPGMEA president said that the organisation has been organising the IPF for long which has now become one of the biggest trade events in South-East Asia.

"The event plays a pivotal role in attracting investment in the plastic sector, expanding the plastic goods' market and promoting the business in the local market and also exporting to the global market," he added. "We hope the plastic sector will make a significant contribution to the country's GDP through its performance," he said. The BPGMEA leaders mentioned that the last IPF was held in 2019. But no fair was held in 2020 due to Covid-19 situation, though it was scheduled to take place on

February 12-15 in 2020. The participants in the expo are joining the fair in different categories including plastic household items, crockeries, packaging materials, plastic mould, toys items, pharmaceuticals items, plastic furniture, melamine items, garments accessories items, PP woven bag, automobile, electric and electronic items. Read more: Give plastic, get rice and other food items: Bidyanondo's initiative for a waste-free St Martin's Island

The global market size of plastic goods is \$570 billion where Bangladesh's share is 0.1 percent while the local manufacturers have set a target to increase it to 3 percent.

They said the government has been providing a 10 percent cash incentive to the plastic sector to promote the export.

Currently, about 5030 firms are involved in the plastic sector which now produce and market goods worth Tk 40,000 crore annually. ■

## WEEKLY SELECTED ECONOMIC INDICATORS

**Chief Economist's Unit**  
(Policy Support Wing)  
26 January 2023

	25 January 2022	30 June, 2022 <sup>R</sup>	29 December 2022	25 January 2023
1. <b>Foreign Exchange Reserve (In million US\$)</b>	45159.01	41826.73	33747.74	32295.21
2. <b>Interbank Taka-USD Exchange Rate (Average)</b>	86.0000	93.4500	105.3272	106.2964
3. <b>Call Money Rate</b>	2.38	4.42	5.81	7.00
				Percentage change
<b>Broad/Overall Share Price Index</b>	25 January 2022	30 June, 2022	25 January 2023	From June, 2022
a) Dhaka Stock Exchange (DSE) <sup>®</sup>	7032.57	6376.94	6293.40	-1.31
b) Chittagong Stock Exchange (CSE)	20635.96	18727.52	18576.19	-0.81
5. <b>a) Wage Earners' Remittances (In million US\$)</b>	December, 2021	July-Dec, FY22	December, 2022 <sup>P</sup>	July-Dec, FY23 <sup>P</sup>
b) Annual Percentage Change	1630.66	10239.53	1699.69	10493.25
	-20.48	-20.90	4.23	2.48
	7854.60	33685.80	7591.60	35151.60
6. <b>a) Import (c&amp;f) (In million US\$)</b>	November, 2021	July-Nov, FY22	November, 2022 <sup>P</sup>	July-Nov, FY23 <sup>P</sup>
b) Annual Percentage Change	63.01	53.95	-3.35	4.35
	7267.00	31166.00	7034.00	32539.00
7. <b>a) Import (f.o.b) (In million US\$)</b>	November, 2021	July-Nov, FY22	November, 2022 <sup>P</sup>	July-Nov, FY23 <sup>P</sup>
b) Annual Percentage Change	63.05	53.97	-3.21	4.41
	4907.68	24698.55	5365.19	27311.26
8. <b>a) Export (EPB) (In million US\$)*</b>	December, 2021	July-Dec, FY22	December, 2022 <sup>P</sup>	July-Dec, FY23 <sup>P</sup>
b) Annual Percentage Change	48.27	28.41	9.33	10.58
	July-Nov, FY22	July-Nov, FY23 <sup>P</sup>	July-Nov, FY23 <sup>P</sup>	FY 2021-22 <sup>R</sup>
	-6223.0	-5670.0	-5670.0	-18697.0
9. <b>a) Tax Revenue (NBR) (Tk. in crore)</b>	November, 2021	July-Nov, FY22	November, 2022 <sup>P</sup>	July-Nov, FY23 <sup>P</sup>
b) Annual Percentage Change	22129.84	101547.78	24722.77	115640.45
	16.08	16.46	11.72	13.88
10. <b>Investment in National Savings Certificates (Tk. in crore)</b>	November, 2021	July-Nov, FY22	November, 2022 <sup>R</sup>	July-Nov, FY23 <sup>R</sup>
a) Net sale	701.09	10025.74	-983.32	-1615.92
b) Total Outstanding	354119.65	354119.65	362394.21	362394.21
	November, 2021	June, 2022	November, 2022 <sup>P</sup>	Percentage change
	332488.80	347162.50	346365.80	Nov'22 over Nov'21
	1602532.30	1708123.00	1740472.30	Nov'22 over Jun'22
				Nov'21 over Jun'21
11. <b>a) Reserve Money (RM) (Tk. in crore)</b>			4.17	-0.23
<b>b) Broad Money (M2) (Tk. in crore)</b>			8.61	1.89
				2.67
				9.43



	July-December, FY2021-22			July-December, FY2022-23 <sup>P</sup>			Percentage change		
	Opening	Settlement	15.79	Opening	Settlement	4.40	Opening	Settlement	4.69
<b>Total Domestic Credit (Tk. in crore)</b>	1507410.20	1671749.50	1745373.90	1671749.50	1745373.90	1745373.90	1671749.50	1745373.90	16.10
a) Net Credit to the Govt. Sector	240082.30	283315.00	299232.70	283315.00	299232.70	299232.70	283315.00	299232.70	28.18
b) Credit to the Other Public Sector	33082.30	37198.90	39426.70	37198.90	39426.70	39426.70	37198.90	39426.70	10.21
c) Credit to the Private Sector	1234245.60	1351235.60	1406714.50	1351235.60	1406714.50	1406714.50	1351235.60	1406714.50	3.82
<b>L/C Opening and Settlement (million US\$)</b>									
a) Consumer Goods	4699.05	4547.41	4125.87	4021.86	4125.87	4125.87	4021.86	4125.87	27.50
b) Capital Machinery	3673.97	2556.43	2374.19	1274.02	2374.19	2374.19	1274.02	2374.19	40.78
c) Intermediate Goods	3870.56	3385.58	2809.21	2586.20	2809.21	2809.21	2586.20	2809.21	35.23
d) Petroleum	3592.41	3670.79	5362.59	4875.77	5362.59	5362.59	4875.77	5362.59	116.18
e) Industrial Raw Materials	16547.49	13569.38	15275.93	12035.35	15275.93	15275.93	12035.35	15275.93	47.03
f) Others	11632.48	10682.10	11427.08	9308.46	11427.08	11427.08	9308.46	11427.08	39.46
<b>Total</b>	<b>44015.96</b>	<b>38411.69</b>	<b>41374.87</b>	<b>34101.66</b>	<b>41374.87</b>	<b>41374.87</b>	<b>34101.66</b>	<b>41374.87</b>	<b>46.15</b>
<b>Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)</b>	June, 2019	December, 2020	December, 2021	June, 2022	March, 2022	September, 2022	June, 2022	September, 2022	November, 2022
a) Twelve Month Average Basis	5.48	5.69	5.55	5.56	5.75	5.75	6.15	6.96	7.48
b) Point to Point Basis	5.52	5.29	6.05	5.64	6.22	6.22	7.56	9.10	8.85
<b>Corresponding Period</b>	June, 2018	December, 2019	December, 2020	June, 2021	March, 2021	September, 2021	June, 2021	September, 2021	November, 2021
a) Twelve Month Average Basis	5.78	5.59	5.69	5.65	5.63	5.63	5.56	5.50	5.48
b) Point to Point Basis	5.54	5.75	5.29	6.02	5.47	5.47	5.64	5.59	5.98
<b>Classified Loan</b>	June, 2019	December, 2019	December, 2020	June, 2020	June, 2021	December, 2021	December, 2021	March, 2022	September, 2022
a) Percentage Share of Classified Loan to Total Outstanding	11.69	9.32	7.66	9.16	8.18	7.93	7.93	8.53	8.96
b) Percentage Share of Net Classified Loan to Total Outstanding	2.53	1.02	-1.18	0.15	-0.47	-0.43	-0.43	-0.07	0.90
<b>Agricultural and Non-farm Rural Credit (Tk. in crore)</b>	November, 21	December, 21	November, 22 <sup>P</sup>	July-Dec, FY22	December, 22 <sup>P</sup>	July-Dec, FY23 <sup>P</sup>	July-Dec, FY23 <sup>P</sup>	FY 2021-22	FY 2020-21
a) Disbursement **	2868.43	3723.49	3308.34	14497.04	3892.42	16670.10	16670.10	28834.21	25511.35
b) Recovery	2741.69	3254.78	3090.79	13593.80	3558.65	16429.76	16429.76	27463.41	27123.90
c) Outstanding	46523.25	47659.51	50206.69	47659.51	50997.35	50997.35	50997.35	49802.28	45939.80
<b>SME Loan (Tk. in crore)</b>	Jan-Mar, 20-21	Apr-Jun, 20-21	Oct-Dec, 21-22 <sup>P</sup>	Jul-Sep, 21-22	Jan-Mar, 21-22 <sup>P</sup>	Apr-Jun, 21-22 <sup>P</sup>	Apr-Jun, 21-22 <sup>P</sup>	Jul-Sep, 22-23 <sup>P</sup>	2022
a) Disbursement	44445.67	41788.73	57118.60	42075.49	51716.69	56484.26	56484.26	51676.81	207395.04
c) Outstanding	240169.54	243074.82	252082.09	245325.67	259704.21	271448.58	271448.58	273906.60	1028560.55
<b>Industrial Term Loan (Tk. in crore)</b>	Jan-Mar, 20-21	Apr-Jun, 20-21	Oct-Dec, 21-22 <sup>P</sup>	Jul-Sep, 21-22	Jan-Mar, 21-22 <sup>P</sup>	Apr-Jun, 21-22 <sup>P</sup>	Apr-Jun, 21-22 <sup>P</sup>	Jul-Sep, 22-23 <sup>P</sup>	FY 2021-22
a) Disbursement	17379.01	19430.74	18772.59	14834.23	17340.49	21413.63	21413.63	18562.45	72360.94
b) Recovery	16893.10	14734.86	18477.42	12979.47	16572.97	16832.73	16832.73	20610.17	64862.59
c) Outstanding	299048.73	315294.16	308918.45	303329.12	310572.40	320410.22	320410.22	328742.50	320410.22
<b>GDP Growth Rate (in percent, Base: 2005-06=100)</b>	FY2013-14	FY2014-15	FY2016-17 <sup>N</sup>	FY2015-16	FY2017-18 <sup>N</sup>	FY2018-19 <sup>N</sup>	FY2019-20 <sup>N</sup>	FY2020-21 <sup>NR</sup>	FY2021-22 <sup>NP</sup>
	6.06	6.55	6.59	7.11	7.32	7.88	3.45	6.94	7.25

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

In million US \$(Provisional)

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

Data downloaded: on 31.08.22



## 3.5m Bangladeshis To Remain Jobless In 2023

*Business Outlook Report*

**A**round 3.5 million people in Bangladesh would remain unemployed in 2023, surpassing the pre-pandemic level by 0.4 million, necessitating prudent government policy interventions. The International Labour Organization (ILO) made the projection in its latest report titled 'World Employment and Social Outlook: Trends 2023 (WESO Trends)', published on January 16.

According to the report, Bangladesh's unemployment rate would remain 4.8 per cent in 2023, down from the projected 5.0 per cent in 2022. The 2023 projection is, however, higher than the pre-pandemic level by 0.4 per cent. In pre-pandemic 2019, Bangladesh's unemployment rate was 4.4 per cent

or around 3.1 million unemployed labour forces, and the ILO report projected that Bangladesh would see a negligible 0.2 per cent annual recovery until 2023 since 2020 when the rate was 5.4 percentage points. The report said that the current global economic slowdown is likely to force more workers to accept lower quality, poorly paid jobs which lack job security and social protection, thus accentuating inequalities exacerbated by the COVID-19 crisis.

The UN labour agency also projected that global employment growth will be only 1.0 per cent in 2023, less than half the level in 2022. Global unemployment is slated to rise slightly in 2023, by around 3.0 million, to 208 million (corresponding to a global unemployment rate

of 5.8 per cent). The moderate size of this projected increase is largely due to tight labour supply in high-income countries. This would mark a reversal of the decline in global unemployment seen between 2020 and 2022. It means that global unemployment will remain 16 million above the pre-crisis benchmark (set in 2019).

In addition to unemployment, 'job quality remains a key concern', the report says, adding that 'decent work is fundamental to social justice'. A decade of progress in poverty reduction faltered during the COVID-19 crisis, it said, adding despite a nascent recovery during 2021, the continuing shortage of better job opportunities is likely to worsen. "The current slowdown means that many workers will have to accept

lower quality jobs, often at very low pay, sometimes with insufficient hours."

Furthermore, as prices rise faster than nominal labour incomes, the cost-of-living crisis risks pushing more people into poverty. This trend comes on top of significant declines in income seen during the COVID-19 crisis, which in many countries affected low-income groups the worst, it said. "The labour market deterioration is mainly due to emerging geopolitical tensions

men. This 24.9 percentage point gap means that for every economically inactive man there are two such women.

According to the report, in 2023 Africa and the Arab States should see employment growth of around 3 per cent or more. However, with their growing working-age populations, both regions are likely to see unemployment rates decline only modestly (from 7.4 to 7.3 per cent in Africa and 8.5 to 8.2 per cent in the Arab States). In Asia and the Pacific and

limited growth in the working-age population. "The need for more decent work and social justice is clear and urgent," said ILO Director-General Gilbert F Houngbo.

"But if we are to meet these multiple challenges, we must work together to create a new global social contract. The ILO will be campaigning for a Global Coalition for Social Justice to build support, create the policies needed, and prepare us for the future of work," he added. "The slowdown in global



and the Ukraine conflict, uneven pandemic recovery, and continuing bottlenecks in global supply chains," the WESO Trends says.

Together, these have created the conditions for stagflation - simultaneously high inflation and low growth - for the first time since the 1970s. Women and young people are faring significantly worse in labour markets. Globally, the labour force participation rate of women stood at 47.4 per cent in 2022, compared with 72.3 per cent for

Latin America and the Caribbean, annual employment growth is projected to be around 1.0 per cent. In Northern America, there will be few or no employment gains in 2023 and unemployment will pick up, says the report.

Europe and Central Asia are particularly hard hit by the economic fallout from the Ukraine conflict, it said. While employment is projected to decline in 2023, their unemployment rates should increase only slightly given the backdrop of

employment growth means that we don't expect the losses incurred during the COVID-19 crisis to be recovered before 2025," said Richard Samans, Director of the ILO's Research Department and report coordinator. "The slowdown in productivity growth is also a significant concern, as productivity is essential for addressing the interlinked crises we face in purchasing power, ecological sustainability and human well-being." ■



# H1 Direct Tax Collection Up 6.19pc

*Business Outlook Report*

**D**irect tax collection-growth slowed by 7.01 per cent against the target set for the first half of the current fiscal year (FY) for sluggish economic activities in the country. However, the growth was 6.19 per cent higher than the corresponding period of the FY 2021-22.

Tax officials said net income of both individuals and companies contracted during the last one year with its Domino effect on direct tax-mobilization scenario. Experts think looming global recession affected government's direct tax collection in the

July-December (H1) period. The National Board of Revenue (NBR) collected Tk 446 billion in income taxes in the H1 against its target at Tk 470 billion. Last year, the NBR collected Tk 420 billion worth of income tax in the corresponding period. Tax experts opine that government's austerity measures resulted in the shrinking of import of goods and other revenue-generating activity.

The direct tax-collection growth was below NBR's average revenue-collection growth of 14 per cent. Officials point out that the Large Taxpayers Unit under income tax department collects a big

chunk of revenue from banks and financial institutions every year. Profits and losses of banks at the year-end in December leave significant impact of LTU tax collection. LTU officials said most banks' operating profits were in a positive trajectory in the last calendar year, 2022.

They, however, expect that tax collection from large taxpayers may not face any major blow if financial health of banks remained sound until end of the current FY. Until December, the LTU had collected Tk 105.34 billion in tax revenue--mainly from corporate taxpayers. Last year, the unit collected Tk 93

billion taxes against its target for Tk 112 billion. The NBR received Tk 41 billion in income taxes from individual taxpayers in the H1 with the tax return. The extended deadline for tax-return submission by individual taxpayers expired on January 1, 2023.

A senior tax official said the income-tax wing collects a major part of its revenue from Advance Income Tax (AIT) collected at source. Gradually, share of source taxes or AIT in the income-tax collection is increasing, he said. Dr Mohammad Abdur Razzaque, Chairman of the Research and Policy Integration for Development (RAPID)

and Research Director of the Policy Research Institute (PRI), says the country's tax net is still narrow with a slow growth of tax-return submission.

"Revenue generation on per return has marked a nominal growth, indicating that marginal group of people have mostly filed tax returns this year," he adds. He suggests that the NBR should follow up whether

its mandatory rule on submission of proof of tax-return submission for obtaining 38 types of services is working properly. "Direct tax-collection growth remains poor due to our dependence on indirect-tax mobilization," he says to indicate a systemic fault.

Indirect tax would grow naturally while it is difficult to escalate the pace of direct tax collection through

building awareness and motivational campaigns, he said. The NBR will have to focus on the emerging growth centres where many people remain still out of tax net, he added.

Capacity building and recruitment of manpower would be needed to intensify the NBR's effort to expand the direct tax net. He points that the tendency of tax evasion is relatively high in Bangladesh where only 8

million are registered taxpayers out of 160 million people while 29,000 companies file tax returns out of above 2,00,000 registered companies in the Registrar of Joint Stock Companies and Firms. He suggests an overhaul of the existing wealth-surchARGE provisions as only a few people are paying the taxes for faulty rules of wealth valuation. ■

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## Pakistan Seeks US Help In Unlocking \$1.1b IMF Loan



### Business Outlook Report

**P**akistan has sought support from Washington to unlock a stalled International Monetary Fund programme that would release \$1.1 billion to its strained economy as the country rebuilds after last year's devastating floods, Dawn newspaper said on January 26.

The IMF and Pakistan signed a \$6

billion bailout in 2019, that was topped up with another \$1.1 billion last year, but that came with conditions attached, aimed at reducing the budget deficit before the loan is released.

With interest rates already at 17 per cent, inflation hitting 24.5 per cent in December, and foreign reserves barely sufficient to cover three weeks of

imports, the South Asian nation is in dire need of external financing, reports Reuters. Finance Minister Ishaq Dar met a visiting US Treasury delegation on Wednesday. He told them that Pakistan would honour its international commitments and was in the process of taking "very tough decisions" such as increasing natural gas and electricity prices, Dawn reported, citing sources.

"However, he pointed out, Pakistan required breathing space as the industry and agriculture had passed through most challenging times after the devastating floods," the report in the Pakistani English-language newspaper said. The finance ministry did not immediately respond to a request for comment.

Last year's severe floods submerged swathes of the country, killed at least 1,700 people, and battered its already strained economy.

Rebuilding costs were estimated at \$16.3 billion and international donors this month pledged to finance more than half of that. ■

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