

AL, BNP Navigate Murky Waters In Election Year



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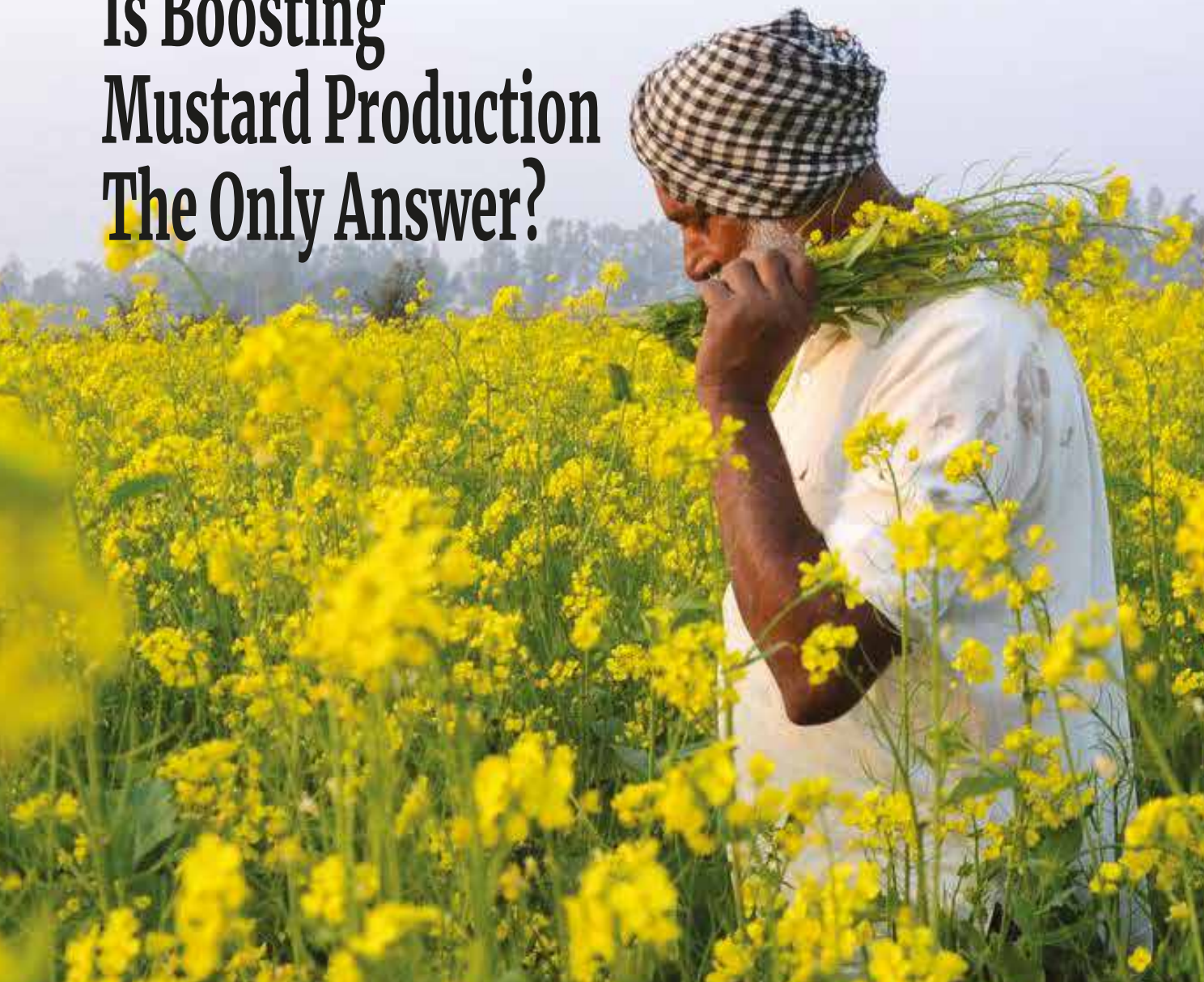
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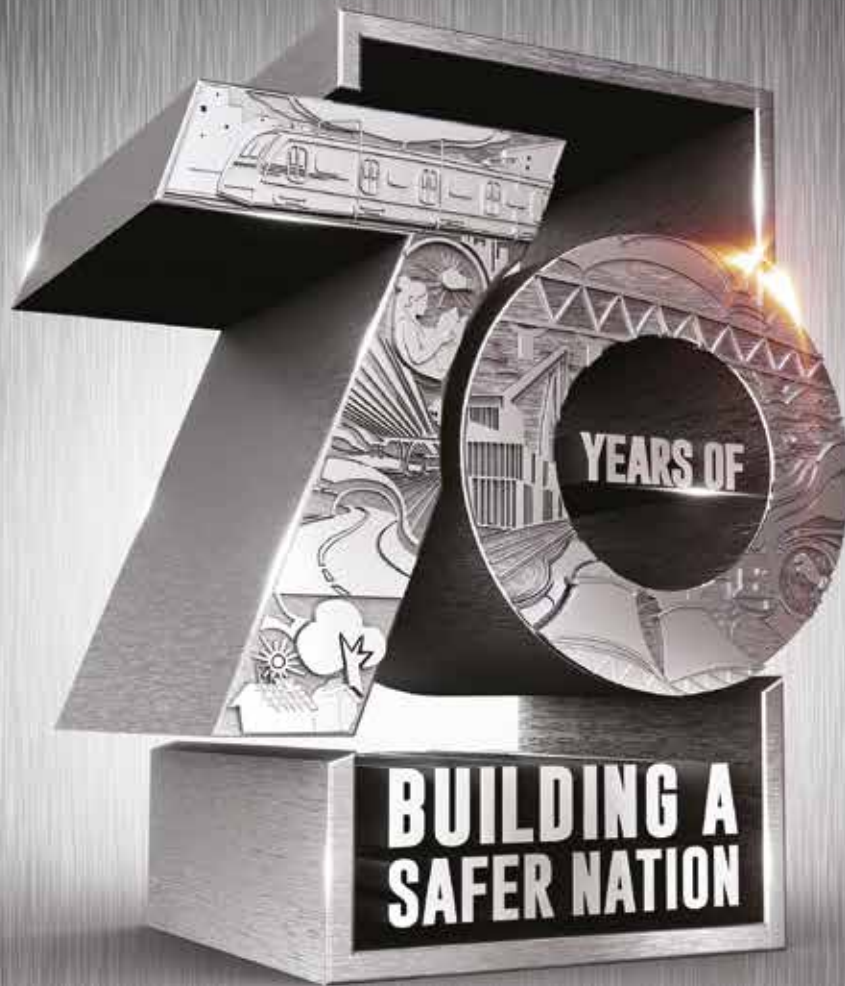
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Reducing Dependence On Imported Edible Oils

Is Boosting Mustard Production The Only Answer?



- With Big IMF Loan, Comes Bigger Liabilities
- Remittance Hits Five-Month High



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Make Mustard Production Sustainable

Mustard oil was our heritage on which we had been dependent for our edible oil. Not only for cooking purposes, it was used as a body lotion to protect the skin from winter's bacterial attack. But now, mustard oil has been replaced by foreign products, both as cooking oil and body lotion. The government has taken a plan to increase the production of mustard oil to reduce dependency on the foreign edible oils in the global volatile situation. Primarily, the Covid-19 situation in early 2020 and then the Russia-Ukraine war in early 2022 put the entire world into a major economic crisis. Edible oil, like many other essential products, has gone beyond the reach of the common people due to their skyrocketed prices. Against this backdrop, the government moved to increase its production and the agriculture ministry is currently implementing a Tk 278 crore project to increase production of mustard, sunflower and groundnut in order to meet 40 per cent of the country's edible oil demand through locally produced oilseeds by fiscal year 2024-25. The success of the project will help the country cut reliance on imported edible oil and save foreign currency. The country spent Tk 35,730 crore on imports of oilseeds and edible oil in fiscal 2021-22. Following the initiative, the mustard cultivation has exceeded the target in the current season. Farmers have cultivated the crop on 7.97 lakh hectares, far surpassing the targeted area of 6.7 lakh hectares, according to the Department of Agricultural Extension. The estimated output will be roughly 9.38 lakh tonnes, with a price of no less than Tk 11,725 crore based on current market rates. In the past dry season, per maund (37.32kg) of mustard sold for roughly Tk 5,000. There are reports that aside from the high profit, there are other factors that drive farmers to plant more mustard. The DAE has offered high-yielding seeds and fertiliser to 10 lakh farmers. It has also helped with mustard cultivation while growing Aman paddy. Mustard seed meal, an oil seed waste, is widely used in the cattle industry. DAE figures show that the mustard cultivation area doubled in the last 10 years.

But there is an observation that the overall favourable trend in mustard cultivation may not sustain once the price of the palm and soybean oils fall on the global market. This is the challenge the country's farmers will face to sustain the production of mustard oil. The policy makers now have to think about evolving a plan so that our mustard oil production can sustain. ■



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Service Exporters To Enjoy Foreign Currency Retention Quota Facility

The Bangladesh Bank (BB) has asked authorised dealer (AD) banks to provide service exporters with exporters' retention quota (ERQ) account services so that they could carry out remittance transactions. The retention quota facility will cover the export of software, ICT services, business services, research and advisory services, reports BSS citing a Foreign Exchange Policy Department circular issued on February 5. Service exporters would also have international credit, debit and prepaid cards against the balance in their ERQ accounts to make online payments abroad against bonafide requirements, the circular said. The circular advised non-AD banks to make arrangements with nearby ADs, central trade processing centres, and head offices to open ERQ accounts and issue international cards. ADs providing settlement account services to mobile financial service



providers shall arrange to open ERQ accounts and to issue international cards to freelancers, the circular added. According to concerned stakeholders, freelancers need to make payments abroad like other exporters. The ERQ account services could help them, for which service exports can be promoted further. ■

Vegetables, Fruits To Go To Middle East Directly From Now

Bangladesh can now export vegetables and fruits directly to the Middle East, Agriculture Minister Abdur Razzaque has said. An agreement has recently been signed with Dubai in this regard, he told reporters at the secretariat on January 1. "If we can export directly instead of going through Singapore, our ships will be able to reach Dubai in four to five days with the products," he said. "The Ministry of Commerce took measures in this regard earlier and we have helped to implement it," the minister added. In the 2018 elections, the government pledged that the country will be made self-sufficient in food production, he said. "We have reached the goal as people can eat at least twice daily." Now, the main challenge is providing people with nutritious food, said the minister. Nutritious food must be ensured so that everyone can remain active. ■



BB: Imports For Ramadan Will Arrive Before The Month Starts



Required commodities for the holy Ramadan will reach the country before it starts, the country's LC opening data showed. Except for chickpeas, the number of LC openings of the four other commodities — cooking oil, sugar, onion and dates — has already increased ahead of this year's Ramadan compared to last year. Ramadan is scheduled to start in Bangladesh in the last week of March. Traders say that the pressure starts to increase in the commodity market at least two weeks before the start of Ramadan. This time, there was a fear that the import of goods would be stuck due to the ongoing dollar crisis. ■

EU Ambassador For Investing In Bangladesh

Bangladesh has built a solid partnership with European Union in the recent past and there are areas and opportunities to invest here, said Charles Whiteley, ambassador and head of delegation of the European Union (EU) to Bangladesh. During a visit to LafargeHolcim Bangladesh's plant in Chhatak of Sunamganj recently, he said the company had made "the highest foreign direct investment in the construction sector". Going round the facilities, he said, "I am glad to see the health and safety standard, operational excellence, sustainable community development and innovation initiatives taken by the company." The ambassador wished the company success and took part in a tree plantation programme. Mohammad Iqbal Chowdhury, chief operating officer, Asif Bhuiyan, chief corporate affairs officer, and Harpal Singh, head of industrial operations, welcomed Whiteley at the plant, said a press release. ■



GDP Grows 7.1% In FY22



Bangladesh logged higher growth in gross domestic product (GDP) in 2021-22 fiscal year compared to the previous year, but it was 15 basis points below the provisional estimate. The economy grew by 7.1 per cent in 2021-22 fiscal year, up from 6.94 per cent the previous year. However, the provisional GDP growth rate figure was 7.25 per cent for FY22, according to data released by Bangladesh Bureau of Statistics on February 6. Similarly, the state-owned statistical agency revised downwards the per capita GDP of the country to \$2,687 from \$2,824. The GDP size also increased to \$470.22 billion in FY22, which was \$416.26 billion the previous year. ■

Romania Likely To Issue Visas To More Than 15,000 Bangladeshis During March-September

Romania is likely to issue visas to more than 15,000 Bangladesh citizens from March to September this year, said a foreign ministry spokesperson on February 9. Last year a consular team from Romania stayed in Dhaka for three months and issued around 5,400 visas. As the mission was run successfully, Foreign Minister AK Abdul Momen sent a letter to his Romanian counterpart requesting him to operate another consular mission, Ministry of Foreign Affairs (MoFA) spokesperson Seheli Sabrin said during a weekly briefing. "After that, Romania showed interest in running a consular mission in Dhaka for six months from March to September to facilitate the issuance of visas to Bangladeshis," she added. The Ministry of Foreign Affairs is making all the



arrangements for the operation of the consular mission of Romania in Dhaka, Seheli said. ■



Awami League brings out grand rally in the city

AL, BNP Navigate Murky Waters In Election Year

SMS Hasan

Opposition Bangladesh Nationalist Party (BNP) is planning to launch an all-out movement from March-April to oust the Awami League government. To achieve the goal, it has again started movement at the grassroot level, chalking out an action programme at the union level at the rural and urban areas across the country. As part of the plan, the BNP observed the “Nationwide March” programme on February 11. As a countermeasure, Awami League brought out “Peaceful Rallies” at union-level across the country. In many places, the activists of the two arch-rival parties locked in clashes leaving

many injured. Through the incidents, it became clear in the political arena that days coming ahead will not be peaceful. Rather, days will be tougher than ever. BNP wants to remove the government through a mass movement while Awami League does not want to give any space in the politics by allowing opposition movement. The question is who will be the winner in this political game—will it be the BNP or Awami League? Or any third force?

Why does the BNP consider March-April a suitable time for movement? When asked, the policymakers of BNP said that the

people are fed up with the increased prices of essentials including fuel oil, electricity, and gas. The economic crisis will deepen in the coming days—especially during and after the Ramadan and the time will be March-April. BNP considers this period as an important time for a big movement.

Recently, the party leaders reviewed the economic situation of the country in the virtual meeting of its Standing Committee. According to their analysis, the economic condition of the country will worsen in the next few months. If the movement gets momentum, it can move towards Dhaka with a big

programme even during the fasting month.

They believe that due to various crises in the country, there will be a lot of people's involvement in the grassroots march. This will give an impetus to the movement. If a series of anti-government action programmes are executed, this will create a context for a greater big

Fakhrul said that a march would be held from Brothers Club ground to Jatiya Press Club on February 9 at Gopibagh at the initiative of Dhaka Metropolitan South. It will be organised by Dhaka Metropolitan South BNP. BNP's Dhaka Metropolitan North unit organised a march from Shyamoli Club ground on February 12 to Basila via Ring Road, Shia Mosque, Taj Mahal



Leaders and workers participating in the BNP rally

movement where people will be willingly involved. Such involvement was observed during the divisional public meetings last year.

BNP Standing Committee member Iqbal Hasan Mahmud said, "Last year's public meetings' target was not the fall of the government. But this time we have simultaneously started the movement to overthrow the government. Step by step the movement will be concentrated towards Dhaka from the grassroots."

More March In Dhaka

BNP announced a march programme in Dhaka on February 9 and 12. The party's secretary general Mirza Fakhrul Islam Alamgir announced the programme at a press conference at BNP Chairperson's office in Gulshan on February 7.

Road, Nurjahan Road, Mohammadpur Bus Stand. However, the February 9 programme was later rescheduled to show solidarity with the earthquake-stricken people of Turkey and Syria.

Responding to a question from journalists, Fakhrul said, "Now we have again gone to the union level. The main reason for this is that we want to take this movement to the final stage by involving the entire people of the country. Our ultimate target is to force this government to resign through the spontaneous participation of the people."

Joint Declaration Of Minimum Demands On The Cards

The work of making a joint declaration of minimum demands, summarising the demands of BNP and the parties involved in the

simultaneous movement, has started. Liaison committee of BNP has met with the liaison committee of other parties and alliances regarding this.

On December 10, BNP announced 10-point demands from the Dhaka Divisional Mass Rally. On the same day, other like-minded parties also raised their demands. A final joint announcement will now be made to concentrate on a single demand for government's registration before the general election.

Member of BNP Liaison Committee, Joint Secretary General of the party Moazzem Hossain Alal said other like-minded parties have been engaged in the process to make the joint declaration of the main demand. A proposal has been prepared and sent to the Standing Committee of BNP.

Like-Mind Parties, Allies Want Big Programme

Recently, Fakhrul held a series of meetings with the parties and alliances participating in the simultaneous movement. In these meetings, the leaders of the partner parties and alliances have advised him to give major programmes before the Ramadan. For this, they have proposed various programs including a long march towards Dhaka, road march, siege of Dhaka, mass march towards Dhaka, siege of the secretariat.

Abu Taher, President of NDP, a like-minded party, said that BNP has discussed with them about giving a programme of major movement towards Dhaka in the next few months.

Awami League's Fear

The ruling Awami League fears that at some stage of the anti-government movement, the BNP and like-minded opposition parties may sit down with a large

number of people in Dhaka. And once the BNP can sit down, then the party can go on a continuous sit-in programme demanding the fall of the government. Awami League is on the streets with a counter programme to prevent that.

The assessment of the ruling Awami League is that the BNP has not been able to create such a situation as the Awami League has taken a strong position on the streets as a counter to the opposition's strategy. It is still unclear whether BNP will take part in the upcoming parliamentary elections or not. In that case, if they continue the movement until the polls, Awami League will retain control of the streets in the same manner. The party workers will be strong. Besides, preparations for the election will also be done.

The party as well as the government has an internal assessment of the political situation. It is said that during the 14-year rule of the government, BNP has never been able to take control of the streets of the capital Dhaka. This is considered to be a major reason behind the current government's uninterrupted power for a long time.

If the BNP takes a stand in Dhaka ahead of the upcoming national elections, it can shake the confidence that the government has in the administration. The governments may become weak or it will fall—such a perception may be created among the common people. Then ordinary people who are angry with the increased price of essentials can also join the programme. It will be difficult for the government to handle such a situation.

Apart from this, Awami League is seeing the interest of some influential foreign countries in BNP's movement program this year. Perhaps the influential countries also want to see the strength of the oppo-

sition, including the BNP. For this, Awami League has strengthened the guard through a counter rally as an advance warning. The leaders of the party say that through this, on one hand, BNP is being put under pressure and on the other hand, it has also been shown that Awami League is strong on the streets as well as the government.

For 14 years, BNP has not been able

effectively as well as the law enforcement forces. For example, BNP created an atmosphere of panic around December 10. For this, the party and law and order forces entered the field simultaneously. US Assistant Secretary of State Donald Lu did not pressure the government that way when he visited Bangladesh. From this it is understood that Awami League's strategy is successful. Awami League presi-

*Awami League
Advisory
Council member
Md Shahabuddin
Chuppu
is set to become
the next President
of Bangladesh*



to create any impact on the streets. So why do you feel such fear? Responding to this question, two central leaders of Awami League said on the condition of anonymity that there is some pressure on the government to organise a fair election, not to obstruct the democratic programme of the opposition party and to ensure the participation of all parties including BNP in the election. For this reason, the government does not want to suppress the movement of the BNP with law enforcement forces. In addition, US sanctions against seven RAB officers and talk of more sanctions to come have also played a role in the somewhat restrained use of law-enforcement forces. For this, it has been emphasized to deal with the opposition as much as possible politically.

Those leaders also said that if the BNP still leaves the government in disarray, the Awami League's counter programme will be used

um member and Jatiya Sangsad deputy leader Matia Chowdhury said that the people of the country have not forgotten the past activities of BNP including arson. How can the Awami League be safe by leaving them? In addition, they are constantly lying. It needs to be answered. He said, Awami League program is far away from BNP. There should not be a problem if BNP does not start a fight.

The next President of Bangladesh

Awami League Advisory Council member Md Shahabuddin Chuppu is set to become the next President of Bangladesh as the ruling party on February 12 nominated him as the party's presidential candidate.

An Awami League team, led by the party's general secretary Obaidul Quader, submitted the nomination paper to the Election Commission.

“There is no reaction now. This is

Almighty Allah's will," Shahabuddin told reporters after submission of the nomination paper at the Election Commission.

Shahabuddin, a retired district and sessions judge, served as a commissioner at the Anti-Corruption Commission.

"Two applications have been

1949 and was one of the first members of Pabna district Chhatra League, Awami League's student wing. He would eventually become the unit's president. In 1971, he was the convenor of the Swadhin Bangla Chhatra Sangram Parishad in Pabna, and took part in the Liberation War.

He became the president of the Pabna district Jubo League in 1974.

within 90 to 60 days prior to the end of the incumbent president's tenure.

The previous presidential election schedule was announced on January 25, 2018.

Abdul Hamid was elected president unopposed for the second term on February 6 though the election was slated for February 18.

President Hamid is set to complete his tenure on April 23 this year

BNP has no interest

BNP senior leader Khandaker Mosharraf Hossain on February 12 said their party has no interest in the presidential election.

"We do not want to comment on what this government is doing or not doing," he told reporters at a press conference at the BNP chairperson's Gulshan office as they sought his comment on the ruling party's nomination for the presidential election.

The BNP leader said the purpose of their press conference was to inform the media about the attacks and obstruction by the police and the ruling party activists during their party's countrywide march programme at the union level on February 11.

Mosharraf, a BNP standing committee member, said they are least bothered about who is going to be the next president of the country as their main focus is now on the ongoing movement for realising their 10-point demand, including the restoration of the government, dissolution of parliament and holding the next polls under a caretaker government. ■



*BNP senior
leader and party
Standing
Committee
Member
Dr. Khandaker
Mosharraf Hossain*

submitted to the office of the Chief Election Commissioner and Presidential Election Officer at 11:00am and 11:05am for the same person. These two applications will be scrutinized on February 13. The chief election officer will inform you tomorrow after scrutinizing the nomination papers," said Election Commission Secretary Jahangir Alam.

The EC set February 19 for presidential election, but it will not be held as Shahabuddin is the lone candidate.

The ruling party's nominee will be declared the next president of the country as no other political party with representation in parliament proposed any name for the presidential election.

Shahabuddin was born in Pabna in

He was imprisoned following the brutal assassination of Bangabandhu Sheikh Mujibur Rahman in 1975. He was later appointed as the Law Ministry's coordinator in the Bangabandhu assassination case.

In 1982, he joined the BCS (Judicial) Department, and in 1995, he was elected General Secretary of the Judicial Service Association.

He served as the chairman of the Judicial Inquiry Commission, which investigated murders, rapes, thefts, and other crimes by BNP-Jamaat alliance's activists and leaders following the 2001 general election.

The commission set February 14 as the final date for withdrawing nominations.

According to the constitution, a new president has to be elected



Bangladesh, China Can Benefit From Better Coordination: FBCCI

Business Outlook Report

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on February 9 said that China and Bangladesh can benefit by coordinating the development strategies of both countries.

The trade organisation said this as a FBCCI team, led by its President Md Jashim Uddin, met with Chinese Ambassador Yao Wen at the Chinese mission in Dhaka. Jashim said the upcoming Bangladesh Business Summit to be held on 11-13 March 2023 in Dhaka will be the right avenue to explore the areas where both countries can harmonise trade and investment for shared development.

The mega event is being organised in partnership with the Bangladesh government. The summit envisages becoming Bangladesh's flagship business promotion bi-annual event to highlight the country's economic and market strengths, and concrete

trade and investment opportunities by convening national and global business leaders, investors, policy-makers, practitioners, policy and market analysts, academia, and investors, he added. Ambassador Yao Wen said this initiative of the FBCCI to show the world the investment opportunities Bangladesh offers is very timely.

He further informed that high-level government officials and high-profile businessmen/investors will join the summit. He suggested paying more attention, particularly to the green industries, ICT, and food processing at the summit. Besides, he recommended the arrangement of B2B meetings between Bangladeshi and Chinese businessmen and investors on the sideline.

Jashim proposed signing a memorandum of understanding (MoU) with the visiting business leaders from China. He assured that factory visits, bilateral and sectoral meetings, and the signing of MoUs on investment,

trade, and cooperation will be arranged during the Summit. FBCCI Senior Vice President Mostofa Azad Chowdhury Babu, Vice President M A Momen, Former Ambassador Abdul Hannan, Chairman of Policy Exchange of Bangladesh, and Technical Advisor of FBCCI's Golden Jubilee celebration program M. Masrur Reaz were also present at the meeting.

Meanwhile, FBCCI President Md. Jashim Uddin along with FBCCI team members met Charles Whiteley, Ambassador and Head of Delegation, Delegation of the European Union (EU) to Bangladesh.

The FBCCI President also invited EU higher officials and business personnel to attend the Bangladesh Business Summit 2023.

EU Ambassador and Head of Delegation Charles Whiteley said the Director General of the European Union may participate in the summit. ■

Bangladesh Falls Short Of Meeting Tea Production Target In 2022



Business Outlook Report

Bangladesh produced 93.8 million kg of tea in one year. However, Tea production in the country has reduced by 2.67 million kg. Despite the target of producing 100 million kg of tea in 2022, the country's tea gardens have failed to meet the target due to adverse weather conditions and labour strikes.

According to Bangladesh Tea Board sources, the country's tea production in 168 gardens in 2021 was 96.5 million kg, 18.7 million kg more than the annual target. Moreover, the country produced 10.4 million kg more tea than the target in 2020. But due to the hostile climate, domestic tea estate owners were unable to meet the target in 2022 after a long time.

This information was derived from the Tea Board's latest production report until December. Meanwhile, tea production in the country has been consistently growing over the last decade. As tea production exceeds the target year after year, it was lifted by 22.2 million kg in the

previous year. Earlier, the tea board established an annual growth target of 2-2.5% for tea production.

Industry authorities believe that inadequate rainfall throughout the season, as well as weeks of labour strikes during the peak season, have prevented the record tea production target from being fulfilled. According to tea stakeholders, the country's tea production growth has been hampered this season mostly due to the tea labourers' strike over wage issues.

A 20-day strike in the middle of the year hampered tea production in the country. As a result, tea production dropped in July and August.

July production is lower than the previous year at 11.2 million kg while August production is lower than in past years at 10.7 million kg.

Although a record 14.7 million kg of tea was produced in September, the labour strike had the largest impact in October. In October, tea production was only 3.2 million kg, which was lower than in the same month

the previous year. The country's 168 tea estates managed to produce 93.8 million kg of tea at the end of November and December.

According to tea industry sources, tea production is at its peak in the country from June to October. The peak season for tea consumption begins in October. Tea consumption in the country has exceeded 95 million kg in recent years. As a result of production being less than consumer demands, there is a prospect of rising tea imports, they said. When asked about the cause for the decrease in tea production, Magnolia Group Senior Manager (DGM) SM Iqbal said that adequate rainfall is required throughout the tea production season.

However, this year's output is somewhat lower due to below-average rainfall. Apart from continued production growth, he believes that according to the tea board's initiative, there is a chance of boosting production relative to demand in the future.

According to tea board authorities, the country's tea consumption is growing year after year. Tea consumption is expanding for a variety of causes including domestic population increase and economic development.

The winter season, as well as the election atmosphere, influence tea consumption. If tea supply does not keep pace with demand, there will be no choice but to depend on imports.

In this regard, they believe that all tea estates must be connected to a technical irrigation system in order to boost tea output. A cooperative attitude from the labourers is also needed. ■



Defying All Odds January Exports See 5.89% Growth

Business Outlook Report

Bangladesh bagged \$5.13 billion through exports in January – the first month of the calendar year 2023 – fetching a 5.89% year-on-year (YoY) growth, according to recent data published by the Export Promotion Bureau (EPB). During the same period last year, the country earned \$4.85 billion from export earnings.

Moreover, Bangladesh's export earnings crossed the \$5 billion mark for the third consecutive month since November, when the country bagged \$5.09 billion for the first time. However, the single-month earning record broke further in December, when Bangladesh earned \$5.36, so far the highest ever single-month export earnings. In January, the readymade garment (RMG) – the highest export earner –

earned \$4.42 billion, fetching a growth of 8.24% from \$4.08 billion of the last FY. According to the EPB data, the earnings from exports in the first seven months (July-January) of the current fiscal year (FY2022-23) experienced YoY growth of 9.81% to \$32.44 billion, higher than \$29.54 billion in the last fiscal year (FY2021-22).

Readymade garments (RMG)— the highest export earner — bagged \$27.41 billion during July-January of FY23, fetching a YoY growth of 14.31% from \$23.98 billion in the mentioned period of the FY22. Among apparel products, in the first seven months of FY23, knitwear registered a growth of 12.70% to \$14.96 billion from \$13.27 billion in the same period of last year, while woven garments saw a growth of 16.30% to \$12.45 billion from

\$10.71 billion. Leather and leather goods witnessed a growth of 7.37% to \$733.09 million, higher than \$682.74 million in the same period of the last FY, making the sector the second earner. With consecutive growth over a certain period, the earnings from the home textile sector have been declining since last November.

The sector earned \$682.86 million in July-January of FY23, fetching a negative growth of 16.65% from \$831.31 million in the same period of the last FY. The promising agricultural sector also witnessed a negative growth of 25.86% to \$555.27 million in July-January period of FY23, lower than \$748.99 million in the mentioned period of FY22. The earnings from jute and jute products also dropped by 21.22% to \$548.1 million in the

mentioned period, which was \$695.73 million in the same period of the last fiscal year. The engineering sector, another promising sector of the country, also experienced negative growth of 36.86% to \$309.01 million in the July-January period of FY23, lower than \$489.4 million in the same period FY22, EPB data stated.

It is notable that except for the RMG sector, the major export earners of the country fetched negative growth which is alarming in sustaining the growth trend in the coming months. Talking to Dhaka Tribune, Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said that the export earnings have been better than expectations amid the current scenario. "The apparel sector has seen good growth due to the hard work of the entrepreneurs and the workers of the sector. Also,

workplace safety, green transition, apparel diplomacy, branding and state-of-the-art machinery also helped the sector," he added. Moreover, they are currently producing value-added items and the exports to non-traditional markets have also increased. However, they have to face many challenges in 2023, he added. "There are challenges regarding the cost and supply disruption of energy and power," he added, saying that the global economic situation is still turbulent.

"We've to move forward amid the challenges," he added. Echoing the president, BGMEA Director Mohiuddin Rubel said that there are some challenges despite the growth as various projections stated 2023 as a challenging year. "We may face both global and national challenges including inflation, recession, national polls and many more.

Consumers have reduced purchasing capacity," he added. Moreover, production costs increased due to the hike in energy and power prices. "The production of high-value products also increased and export also increased but due to the aforementioned facts, profit margin is narrowing," he added. He also said that they have to observe the coming days.

Professor Mustafizur Rahman, a distinguished fellow of the Center for the Policy Dialogue (CPD), said that except for the RMG and leather, major sectors saw negative growth.

"It is clear that the sole dependence on RMG is increasing which is not good in terms of export structure. In order to sustain this growth, we must identify where the problem lies in other sectors - in production, demand, or competitiveness," he added. ■

BPDB Seeks Revised Agreement With Adani Before Importing Power

Business Outlook Report

Bangladesh government has sought a revision to the power purchase agreement it signed with Adani Power Ltd for importing electricity from its thermal power plant in Jharkhand of India. Bangladesh Power Development Board, the government agency tasked with overseeing the development of the country's power sector, has already sent a letter to the Indian company in this regard, according to officials familiar with the deal.

It seems the price of coal to be purchased as fuel for the project has emerged as the prime bone of contention. 'We have sent a letter to the Adani Group following a request

we received in relation to opening LCs (in India) to import the coal that will be used as fuel for the 1,600 MW plant in Jharkhand,' a highly-placed official of BPDB told UNB, in return for anonymity to discuss the sensitive matter.

Since practically all the power generated by the plant located in the Godda district of Jharkhand state will be exported to Bangladesh, Adani Power requires a demand note from BPDB that it can present to Indian authorities before opening LCs against the coal import. The cost incurred to import the coal, including transport from port to plant, will ultimately be borne by Bangladesh, with the price factored

into the PPA's tariff structure. Adani Power recently sent a request for BPDB to issue the demand note, where the coal price is quoted at \$400 per metric ton - far above what BPDB officials believe it should be given the present state of the international market.

'In our view, the coal price they have quoted (\$400/MT) is excessive - it should be less than \$250/MT, which is what we are paying for the imported coal at our other thermal power plants,' the official said. The same sources also said Bangladesh's stance on the issue was communicated to Adani Power officials during the visit of a delegation led by State Minister for Power, Energy

and Mineral Resources Nasrul Hamid to the site of the power plant, that took place in the first week of January. Publicly however, the state minister gave no indication of any such issue during the visit, instead telling reporters that Bangladesh would start importing the power generated by one of the two units at the plant, some 750 MW, from March.

The subsequent letter counts as BPDB's formal request for the PPA to be reviewed and tariff structure to be adjusted before it can start importing the electricity, officials

Business Development President Kandarp Patel signed two documents – the PPA and an Implementing Agreement – on behalf of their respective sides.

Interestingly, reports in Bangladeshi media from the time suggest the agreement had to be rushed through in the end, on the insistence of the Indian company. A date proposed by the Power Division had to be brought forward, reported Energy and Power magazine, as the Indian company 'was insisting to sign the deal earlier'. Most of the top and senior officials of the Power

amount of coal required to operate these plants typically runs into the millions of tonnes.

The annual requirement of coal for the Godda plant is estimated to be 7-9 million tonnes. But given the omission of a discount provision, Bangladesh will ultimately end up paying Adani Power Tk 20-22 per unit of electricity, once all the hidden costs are piled on top of the tariff. 'Compare that to the price it pays for the electricity bought from coal-fired plants in Bangladesh, which is below Tk 12 per unit,' the senior BPDB official said. He and



said. A number of BPDB officials told UNB it was the absence of a provision for discounts on the purchase of coal in the PPA signed with Adani Power, that allowed the Indian firm to quote such a steep bill for the coal.

The absence of such a provision is all the more notable since it was made mandatory in the PPAs for thermal power plants signed with other independent power producers, domestic or foreign. In these PPAs, the price of coal to be purchased as primary fuel was kept as 'pass-through'. The PPA with Adani Power was signed in November 2017, in Dhaka. Then-Power Division Joint Secretary Faizul Amin, BPDB secretary at the time Mina Masuduzzaman and Adani's

Division were unable to attend, the report adds. Did this rush to sign 'ahead of schedule' in the end cause the absence of the discount provision to be missed? Incidentally the coal for the project, it is now known, will be purchased from the Adani-owned Carmichael mine in Queensland, Australia.

Normally, the price of coal is calculated on the basis of the Newcastle Price Index, with purchases of high quantities or with higher calorific values enabling the buyer to avail discounts of upto 55 per cent on the bulk value. For example, the provision is present in the PPA for the 1320 MW Payra power plant, a Bangladesh-China joint venture where BPDB is benefiting from discounts on coal purchases. The

others insist that if Adani doesn't agree to adjust the pricing mechanism for coal in the PPA, it would be simply unviable for Bangladesh to import power from the Godda power plant.

As per Power Division documents seen by UNB, Bangladesh would be paying Adani Power an estimated \$23.87 billion, equivalent to almost Tk 240,000 crore (considering US dollar exchange rate at Tk 100), over the 25-year life cycle of the plant, if the PPA remains unchanged.

Adani Power's investment in the plant, including transmission lines till the Bangladesh border, have been estimated at around \$2.1 billion. ■

LNG Import From Spot Market Begins After Over Six Months



Business Outlook Report

The government has resumed purchasing liquefied natural gas from the spot market ending more than six months suspension since its price went up in the global market. A cabinet committee on government purchases on January 1 approved a proposal from the energy division to import one cargo of LNG from the spot market under a competitive bidding as its price fell slightly.

The government decision to resume LNG import came on the heels of an executive order in the past month. Through the executive order, the government hiked retail piped gas prices in four consumer categories by up to 179 per cent. The hike became effective since Wednesday. Officials attending the meeting said

that about 33,600MMBtu LNG would be procured later this month. They added that the procurement deal was won by the French company, Total Energies, quoting \$19.74MMBtu against three other bidders. Since July 2022, the government stopped purchasing LNG from the spot market as its price increased significantly in the global market because of the war in Ukraine.

Previously, the country purchased spot LNG cargo for June 22-23 delivery at \$24.25 per million British thermal unit or MMBtu, according to Petrobangla officials. The prices went further in July, with the average price for August delivery estimated at \$40.50 per MMBtu. The suspension of LNG import from the spot market affected power production leading

to widespread power outages in the past summer. The country is relying on imported natural gas to generate power for nearly three quarters. It also imports LNG under long-term deals with countries like Qatar and Oman. The Petrobangla has targeted to procure more LNG cargos from the spot market following a fall in the item's price in the spot market.

Its officials, however, said that the price was still higher than the price under the long-term deal. They also stated that the country imported about 300-400 million cubic feet of LNG daily through a 10-year import deal with Oman and a 15-year import deal with Qatar. The cabinet committee meeting was presided over by agriculture minister Md Abdur Razzaque in absence of

finance minister AHM Mustafa Kamal who is now abroad. Additional secretary Sayeed Mahbub Khan of the cabinet division told reporters that the cabinet committee approved 11 proposals, but he failed to give details of the proposals.

The committee approved two proposals from the Trading Corporation of Bangladesh to purchase 1.65 crore litres of soya bean oil from local suppliers under the direct purchase method. It also approved a proposal from the roads and highways department to award a package – upgrading the Dhaka-Sylhet highway into six lanes – to a joint venture comprised of Hego of China and Mir Akhter of Bangladesh. The joint venture won the contract among nine other bidders quoting Tk 11,078 crore in a competitive bidding to construct over a 200-kilometre road.

In February 2021, executive committee of the National Economic Council approved Tk 16,919 crore South Asia Sub-regional Economic Cooperation Dhaka-Sylhet Corridor Road Development project.

Of the project cost, about Tk 13,245 crore will come as loan from the Asian Development Bank and Tk 3,674 crore from local contribution. ■



Main Coolant Pipeline Welding At Unit 2 In Rooppur NPP Completed: Rosatom

Business Outlook Report

Belding of the main coolant pipeline (MCP) has been successfully completed in the reactor building of Unit 2 at Rooppur Nuclear Power Plant (NPP). According to Rosatom, the Russian Contractor of the Rooppur NPP, the entire process of joining, welding, and heat treatment of 28 weld joints took 60 days.

Another 6 days were required to complete surfacing with austenitic stainless steel that will protect the pipeline from aggressive media, it said. The main coolant pipeline is a system of pipes connected to the primary circuit. It consists of four loops, each of which is connected to the reactor and reactor coolant pump and steam generator. The MCP is 140 meters long with an inner diameter of 850 mm and weighs 238 tons. "During the NPP operation, coolant with a temperature of 320 degrees centigrade will be circulating through the MCP, therefore, pipeline

welding is a very responsible process involving the most experienced welders. Each weld joint passes seven inspections at different work stages, which guarantees its reliability and quality", said Alexey Deriy, ASE Vice President and Director of Rooppur NPP Construction Project.

About 100 employees of Energospetsmontazh were engaged in the works. Specialists from NIKIMT-Atomstroy provided technical, expertise, and consultation support. Rooppur NPP is being equipped with two Russian VVER-1200 reactors of a total 2400 MW capacity. The VVER-1200 reactors belonging to Generation III+ fully comply with all the international safety requirements. The Engineering Division of Rosatom State Corporation of Russia is implementing the project as the general contractor. According to Bangladesh Atomic Energy Commission (BAEC), the 2400 MW

Rooppur Nuclear Power Plant project, with two units, was undertaken in 2010. A target was set by the government to complete the construction of the first unit in 2022 and second unit in 2023. But later the target was reset, and the first unit was to be completed by June 2024 and second unit by June 2025.

Bangladesh's Science and Technology Minister Yeafesh Osman has recently said that the government is trying to complete the construction work of Rooppur Nuclear Power Plant project within the stipulated timeframe.

"Due to the Russia-Ukraine war and subsequent dollar crisis, work of the project has been delayed to some extent," he said while briefing reporters after a joint meeting of his ministry with the Power Division on in November last year at Dhaka's Bidyut Bhaban. ■

Remittance Hits Five-Month High

Business Outlook Report

Remittance flow to Bangladesh rose to a five-month high in January as banks have made an all-out effort to mobilise US dollars from abroad to overcome the stress in the foreign exchange market.

Expatriates sent home \$1.95 billion last month, the highest since September when \$1.53 billion flew into the country, data from the Bangladesh Bank showed.

January's receipts were nearly 15 per cent higher than December's \$1.69 billion and 14.9 per cent from \$1.70 billion recorded in the same month last year.

A central banker described the rising flow of remittance as a positive sign for Bangladesh, which needs a higher supply of US dollars to tackle the instability in the foreign currency market.

Owing to the shortage of American greenback, the forex reserves are declining, the taka has lost its value by about 25 per cent in the past one year, and inflation has been at elevated levels for nearly a year.

"The robust inflow of remittances in January has given a breathing space to both the government and the central bank to manage the ongoing crisis in the foreign exchange market," the central banker said.

The reserves have fallen alarmingly in recent months, creating difficulties for businesses to clear import bills. The reserves stood at \$32.29 billion on January 25 in contrast to \$45.15 billion a year ago.

The higher inflow of remittances has indicated that the volatility may ease in the days ahead. Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says

that almost all banks have given huge efforts to increase the inflow of remittances.

"Banks are running campaigns among expatriate Bangladeshis to encourage them to send their hard-earned money through formal channels. This has put a positive impact on remittances."

The Bangladesh Foreign Exchange Dealer's Association, an organisation of banks that implement forex-related policies, and the Association of Bankers' Bangladesh, a platform for managing directors of banks, have

jobs. More than 11.35 lakh Bangladeshis left the country for jobs abroad last year, the highest in history, data from the Bureau of Manpower Employment and Training showed.

Still, the remittance has not picked up proportionately as workers reportedly send half of their money to the beneficiaries back home using informal channels owing to the better rates of the US dollar offered by hundi operators.

Experts say unofficial channels are attractive to migrant workers since



recently decided to collect remittances from foreign exchange houses at Tk 107 per USD.

A managing director of a bank, however, says that some banks have offered more than the ceiling. "So, some banks have managed to receive more remittances than others."

Between July and January, expatriate Bangladeshis sent remittances amounting to \$12.45 billion, up 4.25 per cent year-on-year.

However, the flow of remittance is still lower than expected given that a record number of Bangladeshis went abroad in 2022 in search of

they can send money easily and receive better rates. The exchange rate gap between the formal and informal channels is also to blame.

With a view to encouraging remittance through legal channels, the government hiked the rate of incentives by 0.5 percentage points to 2.5 per cent in January last year.

The government also withdrew the mandatory provisions for the submission of earning documents of the remitters in the case of availing cash incentives against remittances exceeding the amount of \$5,000. ■



IMF Loan Proves Macroeconomic Fundamentals Are On Solid Foundation

Business Outlook Report

Finance Minister AHM Mustafa Kamal said the approval of US\$4.7 billion loan from the International Monetary Fund (IMF) proved that the basic areas of the country's macroeconomic fundamentals are on solid foundation. "The country's macroeconomic fundamentals are better than many other countries of the world," he said.

The Finance Minister said this after the IMF approved Bangladesh's US\$4.7 billion loan proposal during a board meeting on January 30. He alleged that many had expressed doubt that the international financing organisation would not extend such credit facility to Bangladesh due to its alleged weaknesses in the basic macroeconomic fundamentals. But, ultimately those proved wrong with the approval of the credit. Kamal thanked the IMF for extending such credit support especially its Deputy

Managing Director Antoinette M. Sayeh and Mission Chief Rahul Anand alongside the other officials involved in this process. Following the approval of credit, Bangladesh will get about US\$3.3 billion under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) and about US\$1.4 billion under the Resilience and Sustainability Facility (RSF).

IMF's ECF/EFF approval has enabled the immediate disbursement of about US\$476 million as the first of the seven installments slated over 42 months. The remaining amount will be in six equal installments of US\$704 million each. The 42-month programme will help preserve macroeconomic stability, protect the vulnerable, and foster inclusive and green growth. Reforms will focus on creating fiscal space to enable greater social and developmental spending, strengthening the financial sector, modernising policy frameworks and

building climate resilience. IMF said Bangladesh's robust economic recovery from the pandemic has been interrupted by Russia's war in Ukraine, leading to a sharp widening of Bangladesh's current account deficit, depreciation of the Taka and a decline in foreign exchange reserves.

The IMF-supported programme under the ECF/EFF arrangements will help preserve macroeconomic stability and prevent disruptive adjustments to protect the vulnerable, while laying the foundations for strong, inclusive and environmentally sustainable growth.

The concurrent RSF arrangement will supplement the resources made available under the ECF/EFF to expand the fiscal space to finance climate investment priorities identified in the authorities' plans, help catalyze additional financing, and build resilience against long-term climate risks. ■



With Big IMF Loan, Comes Bigger Liabilities

Apu Ahmed

The government has received \$476 million as the first tranche of a new loan programme of the International Monetary Fund (IMF).

IMF Conditions

As usual, the IMF loan programme has attached reforms in major economic areas for which the government needs to fulfill 45 conditions to get the entire amount of the loan in the next 42 months. Among the conditions, cutting subsidies on gas and power, increasing tax base and reducing non-performing loans are the main ones. The government has already raised prices of power, fuel oil and gas to reduce subsidies and has been able to release the first tranche. It brings relief for the government since it needs dollars to overcome the lingering foreign currency crunch.

High Inflation

However, the price hikes of energy items have put people to face an almost double-digit inflation. The low and fixed income groups are in serious

problems to meet both ends. The businesses also feel the pinch since the cost of doing business has gone up. Apparel exporters projected slowdown in export because of looming recessions in the Western economies amid geopolitical volatilities centering the war in Ukraine. Anyway, the government's top priority is to ensure availability of dollars rather than addressing problems faced by the majority of people.

IMF Tough on Subsidy

It is now trying to fix problems in the country's



macro-economy that became critical because of the government's shyness to reforms. The current government's decision to seek assistance from the IMF has been described as a pre-emptive move against the backdrop of bankruptcy in its South Asian neighbour Sri Lanka. IMF reform programmes in revenue and banking sectors are welcomed although they are not new. The country's economists have long been urging the government to do reforms but without much success. Now there has been an apprehension that the Washington-based lender may not be so tough on the reform agenda in banking and tax sectors as it is for subsidy.

IMF Goes Soft

Economists recalling the past IMF loan programme between 2012 and 2015 said the agreed reforms in the critical areas — banking sector and tax administration — were not properly implemented. During



the period the government increased the price of fuel oil on five occasions and the price of power on eight occasions. The agreed reforms in banking and tax administration under the IMF loan programme of the Extended Credit Facility between in 2012-2015 had remained incomplete.

IMF Was Tough

However, IMF did not stop paying installment under the Extended Credit Facility although it had records of suspending payment under its loan programme in the mid-2000s. The multilateral lender did not disburse \$123 million under the Poverty Reduction Growth Facilities citing government failure to develop a new strategy for sale of Rupali Bank and forming a tax policy unit under the Ministry of Finance. The then government that initiated the Poverty Reduction Growth Facility agreement in 2003 and received around \$467 million in six installments faced problems to maintain balance of payment amid price hike of fuel oil, fertiliser and food in the global market following the suspension of seventh and final tranche.

Govt Managing Capacity Grows

It will not be wrong to say that the government makes upward adjustment in prices of fuel oils by the prescription of the IMF but somehow manages to keep the reform in other areas incomplete. As per the Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding of the Extended Credit Facility in 2012, the government committed continuing to strengthen the state owned commercial banks' capital position in line with regulatory capital adequacy standards, conditional on progress on actions agreed under the MoUs and in the business plans approved by the SOCBs. Bangladesh Bank will continuously monitor loan recovery practices by SOCBs.

Incomplete Banking Reform

But those conditions were not executed leaving the country's banking sector in an abysmal state. The sector is overburdened with defaulted loans, amount of 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 bad loans which are almost beyond 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 from the country. A small group is benefitting from the banking sector although savings of small investors account for over 80 per cent of a bank asset. Despite repeated calls from the country's economists, the government has failed to establish discipline in the sector known as the nerve of the country's overall economy.

New Reform Recipe

IMF while releasing the first tranches of the current loan programme on February 2 identified failure to address the problems in the banking system. It includes high non-performing loans among the risk assessment matrix. High and increasing NPLs and low capital adequacy in the State Owned Banks would hamper the banking sector's ability to finance business investment, add to the fiscal burden, and undermine growth. It suggested addressing main causes of weak bank performance, including structural weaknesses in governance, regulation, supervision, and legal systems. Improve the ability of banks to deal with NPLs, including by establishing a framework that can help NPL resolution. Reassess the role of state-owned commercial banks, said the IMF. Tax Reform The country's revenue-GDP ratio is 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 the 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.

Big Challenges

Now the IMF suggested that the government should take tax revenue measures yielding an additional 0.5 per cent of GDP in the FY24 budget.

In fact, such the condition will remain until the conclusion of the programme leaving the government to mobilise an additional overall Tk 234,000 crore to meet the IMF conditions tagged with its \$4.7 billion loan. Attaining the target will be very challenging if the National Board of Revenue follows its business, said Ahsan H Mansur. Former World Bank Dhaka office chief economist Zahid Hussain hoped that reform in the tax and banking sector will be carried out properly.

Proper Reform Must

But improper reform will only add to the woes of the common people since the flawed policy on power generation has forced the countrymen to buy electricity at a higher price. ■



Bangladesh Seeks Extended Oil Credit From Saudi Arabia

Business Outlook Report

Cash-strapped Bangladesh asked Saudi Arabia for extended credit on oil supplies, Dhaka's foreign ministry said, as the South Asian nation grapples with dwindling foreign exchange reserves.

Saudi Arabia supplies more than half of Bangla-

desh's crude imports, but Bangladesh has been hit hard by the global surge in energy and food prices following Russia's invasion of Ukraine.

At the same time the taka has depreciated about 25% against the US dollar, driving up costs for petrol distributors and power utilities that have

rippled across the rest of the economy. Nationwide blackouts of up to 13 hours a day hit the electricity grid last year and the government offered food relief for households unable to afford rice and other staples.

In a meeting with Riyadh's ambassador on

January 1, Foreign Minister AK Abdul Momen asked Saudi Arabia to consider supplying crude and refined oil "on a deferred payment basis", the foreign ministry said in a statement.

The economic strains come with a general election due by next January. The opposition Bangladesh Nationalist Party has blamed the government for the crisis, accusing it of squandering cash on multibillion-dollar vanity projects. It has organised a series of rallies demanding Prime Minister Sheikh Hasina's resignation and an early poll under a neutral administration.

Authorities hiked retail electricity prices by five percent recently, the second such increase in three weeks, while gas prices for generators were raised by an eye-watering 178% last month. ■



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Reducing Dependence On Imported Edible Oils Is Boosting Mustard Production The Only Answer?

Apu Ahmed

Mustard cultivation has exceeded the target in the current season thanks to a record hike in edible oil prices on the local market in recent months.

Cultivation Expands

Farmers have cultivated the crop on 7.97 lakh hectares, far surpassing the targeted area of 6.7 lakh hectares, according to the Department of Agricultural Extension. The estimated output will be roughly 9.38 lakh tonnes, with a price of no less than Tk 11,725 crore based on current market rates. In the past dry season, per maund (37.32kg) of mustard sold for roughly Tk 5,000. A total of 8.24 lakh tonnes of mustard was produced on 5.9 lakh hectares of land last year.

It is expected that price will remain at last year's level since soybean oil is

selling at historic high level on the local market. The country is entirely reliant on imports of soybean oil.

Leading Factors

Aside from the high profit, there are other factors that drive farmers to

plant more mustard. The DAE has offered high-yielding seeds and fertilisers to 10 lakh farmers. It has also helped with mustard cultivation while growing Aman paddy. Mustard seed meal, an oil seed waste, is widely used in the cattle industry.



The demand for meal has grown significantly with the expansion of the poultry industry. The popularity of mustard cultivation has also been attributed to the short period of time. DAE figures show that mustard cultivation area doubled in the last 10 years. Farmers grew mustard on 4.62 lakh hectares in 2009-10 fiscal year.

Beekeeping

The mustard cultivation is also linked with commercial beekeeping, which is gaining popularity in the country. Honey production might surpass 11,500 tonnes in the current season with at least 20 per cent growth due to favourable weather conditions. The market value of the projected amount of honey will be around Tk 550 crore. Commercial beekeepers first collect honey from mustard and other oilseed fields in December-January period, then from black cumin, coriander and pulse fields in January-March period, and from litchi gardens in March-April period, according to the Bangladesh Small and Cottage Industries Corporation. Tangail, Manikganj, Gazipur, Dhaka, Jamalpur, Sirajganj, Bogra, Pabna, Natore, Madaripur, Faridpur, Thakurgaon, Dinajpur, Rajshahi, Magura, Jhenaidah, Meherpur, Jashore, Satkhira, Bagerhat, Khulna, Noakhali, Feni and Lakshmipur are key oilseed and litchi growing districts.

Govt Initiatives

The agriculture ministry is currently implementing a Tk 278 crore project to increase production of mustard, sunflower and groundnut in order to meet 40 per cent of the country's edible oil demand through locally produced oilseeds by fiscal year 2024-25. The success of the project will help the country to cut reliance on imported edible oil and save foreign currency. The country spent Tk 35,730 crore on imports of oilseeds and edible oil in fiscal 2021-22. According to the

Bangladesh Bank, import costs were four times lower in 2009-10, at Tk 8,160 crore. The depreciation of local currency against the US dollar is mostly to blame for the need for more local currency to cover import bills for edible oils.

Edible Oil Prices At Historic High

The recent price hike of edible oils on the global market for a number of reasons, including the war in Ukraine, have forced local consumers to pay record prices for the item. Over 90 per cent of the annual requirements of oils and fats are met through imports. Palm oil and soya bean oil are the major edible oils consumed in the country. In 1995, the share of palm oil in the imported edible oil market in

mustard may fall because of availability of soybean and palm oils at cheap rates. The oil mill crushers will be able to market the items at a low price. This is the challenge the country's farmers will face to sustain the production of mustard oil. Looking back, we can see how the local edible market became import-dependent. In the early 1960s, the country was self-sufficient in oils and fats. At the time, mustard oil was the most common oil consumed by the 7 crore people.

Look Back

Since the country's independence in 1971, its farmlands have been used to grow food and cash crops. Production of oil seeds was neglected for the high benefit of growing



Many vendors instantly produce mustard oil through van mounted machines on the streets to sell to customers

Bangladesh was only 10 per cent as the market was dominated by soybean. But palm oil staged a dramatic rise in late 1990s when local edible oil refineries, equipped with modern machinery and technical know-how, started producing and marketing refined palm olein. Since 2003, palm oil held the leading position among all edible oils consumed in the country.

Sustainability

However, the overall favourable trend in mustard cultivation may not sustain once the price of the palm and soya bean oils fall in the global market. The consumption of

staple amid frequent natural calamities like floods and droughts which reminded the famine in 1974 and the deluge in 1988 affecting almost all districts. However, the mustard seeds remained the major source of raw material for producing traditional edible oil. But its production went down in the last decade mainly due to insufficient land. According to available data from Malaysian Palm Oil Council Office in Dhaka, the country imported 1,42,000 tonnes of mustard oil seeds in 2018 to meet the local demand after 1,25,000 tonnes of mustard seeds were produced that year. The rising demand for edible



The mustard cultivation is also linked with commercial beekeeping, which is gaining popularity in the county

oils because of the growing population had led the businesses to import palm oil from Malaysia in the 1970s. The consumption of imported soybeans had begun a decade earlier in the 1960s. Palm oils, mainly imported from Malaysia and Indonesia, suffered some difficulties to maintain its share in

the local market in the mid-1990s.

Edible Oils Market Dynamic

In 1995, the share of palm oil in the imported edible oil market in Bangladesh was only 10 per cent as the market was dominated by soybean. But palm oil staged a dramatic comeback in late 1990s

when local edible oil refineries, equipped with modern machinery and technical know-how, started producing and marketing refined palm olein. Double fractionated olein, locally known as super olein, palm olein became a popular edible oil by 2000. In the year 2003, palm olein had clinched the leading position among all the edible oils consumed in the country.

Challenges

So, the sign of revival of mustard oil cultivation to substitute 40 per cent import as per target by the government by 2025 is still challenging. It depends on the policy required to contain the private oil seed crushers and international market price. The government needs active cooperation from the oil millers to promote mustard oil so that farmers feel encouraged to grow more mustard. ■

Banking Diploma Must For Bank Officers' Promotion

Business Outlook Report

The Bangladesh Bank on Feb 8 made it mandatory for bank officials to obtain a banking diploma to be eligible for promotion to senior officer position and above. The central bank issued a circular in this regard on the day with the aim of increasing the bank officials' skills and efficiency. The requirement will come into effect on January 1, 2024 and will be applicable to all bank officials involved in banking activities, with the exception of doctors, engineers, and publication and communication officers in banks. According to the BB circular,

bank officials must possess Junior Associate of the Institute of Bankers, Bangladesh (JAIBB) and Diploma Associate of the Institute of Bankers, Bangladesh (DAIBB) certificates for promotion.

experience in regards to banking regulations and standards, it said. Previously, the central bank had issued guidelines, allocating of certain marks for having a banking diploma for the total marks a bank

BB circular, the banking sector has a significant role in the development of the country's macroeconomic situation.

So, it is necessary to make skilled human resources who have basic banking knowledge, it said.

Moreover, it is mandatory to enhance capacity of the officials for making proper decisions, it said.

The certificates of JAIBB and DAIBB degrees are the benchmark of evaluation of the bankers' knowledge and experience in banking laws and rules, it added. ■



These certificates serve as a demonstration of a banker's knowledge and

official needed to be promoted to any senior position. According to the

BB Moves To Boost QR Code-Based Transactions



Business Outlook Report

In a bid to gear up digital transactions, banks and financial institutions have been asked to replace their proprietary QR codes within June with a uniform one developed earlier by the Bangladesh Bank.

The central bank gave the directive on February 8 as most banks and financial institutions are reluctant to embrace the common platform although two years have passed since the system was launched.

The central bank also withdrew a maximum daily transaction limit of Tk 20,000 for an individual client using Bangla QR.

A quick response (QR) code is a type of barcode

that stores information as a series of pixels in a square grid and can easily be read by smartphones.

Essentially any smartphone with a built-in QR scanner can be used to scan QR codes through the camera to make payments whereas a proprietary code can only be scanned via a specific application.

Banks, mobile financial service (MFS) providers, payment service providers (PSPs), and payment system operators (PSOs) will be allowed to set transaction limits for individual clients based on their transaction profiles, according to a BB notice.

A Bangladesh Bank official said the central bank introduced its QR

code styled "Bangla QR" two years ago, but the majority of banks, MFS providers, PSPs and PSOs have not shown interest in embracing the platform.

Rather, they are using their own proprietary QR codes, which is why the central bank is facing difficulties in bringing digital transactions under a common platform, he said.

So, the central bank has made the replacement mandatory for all banks and other related financial institutions.

Under the system, clients of all banks and related financial institutions will be able to conduct transactions with Bangla QR codes anywhere, such as grocery stores and street

shops. The central bank's initiative came at a time when a growing segment of the population has started preferring conducting transactions digitally because of the convenience it offers.

The BB official said the central bank plans to install QR code booths across the capital on a massive scale in the quickest possible time before moving to divisional cities with a view to helping small businesses accept digital payments.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the central bank's initiative was a time-befitting one as it would give a boost to digital transactions.

The QR code-based payments will quickly gain popularity in remote areas as the central bank in November 2020 relaxed the rules pertaining to the opening of personal retail accounts by micro and underprivileged businesses. Clients will also be encouraged to use the QR code as well, said the official.

Clients already can pay bills by scanning a QR code using their smartphones at major outlets if there is an agreement between the outlet and the entity that holds the customer account. ■



Modhumoti Bank Limited signed a partnership agreement with Zaynax Health at the head office of the bank. Md. Shafiu Azam, managing director and CEO of Modhumoti Bank, and Parvez Ahmad, COO of Zaynax Health, signed the agreement. Under the agreement, Modhumoti Bank through its agent banking network will provide customers easy access to Zaynax Health's packages through which they can easily sign up for Zaynax Health's packages, pay for their services, and receive the care they need from anywhere and anytime. ■



The Managers' Conference-2023 of Chattogram Central, South & North Zone and Agrabad & CDA Corporate Branch of Pubali Bank Limited was held recently. Mohammad Ali, managing director and CEO of Pubali Bank, was present in the conference as the chief guest. ■



IBA ALUMNI INAUGURATES CLUBHOUSE: IBA Alumni Club Ltd. has inaugurated its initial clubhouse on its own premises in the capital's RAJUK Purbachal New Town recently. Chairman of the IBA Alumni Club Nazmul Hassan Papan, MP, members and dignitaries joined the programmes marking the inaugural ceremony. The Alumni Club also recognised the contributions of BAT Bangladesh by presenting a crest of honour to the company's Managing Director Shehzad Munim. ■



The Annual Business Development Conference-2023 of First Security Islami Bank Ltd was held at Radisson Blu Dhaka Water Garden in the capital. Syed Waseque Md. Ali, managing director of the bank, presided over the conference. ■



National Bank Limited organised a day-long workshop, titled 'Prevention of Money Laundering and Combating the Financing of Terrorism', at the National Bank Training Institute. Hossain Akhtar Chowdhury, DMD and CAMLCO, was present as the chief guest in the workshop. ■



BRAC Bank has joined hands with the garment buying house association to represent Bangladesh in Texworld, Apparel Sourcing Trade Show in New York. Bangladesh Garment Buying House Association (BGBA), led by its President Kazi Iftaquer Hossain and 10 Bangladeshi companies, took part in a special Bangladesh Pavilion at the exposition on January 31-February 02, 2023. Tareq Refat Ullah Khan, deputy managing director and head of corporate banking of BRAC Bank, attended the event as a resource person. Texworld, Apparel Sourcing USA Trade Show is the largest apparel sourcing event on the East Coast, USA, where thousands of international exhibitors gather to connect with buyers. ■



A views-exchange meeting was held among investors of Investment Corporation of Bangladesh (ICB), ICB Capital Management Limited (ICML) and ICB Securities Trading Company Limited (ISTCL), Rajshahi Branch, at the Rajshahi College Auditorium. Chairman of the board of directors of ICB Prof Dr Md Kismatul Ahsan was present as the chief guest at the event, presided over by ICB Managing Director Md Abul Hossain. After the meeting, the relocated branch offices of ICB, ICML and ISTCL were inaugurated. ■



Union Bank Limited organised an Annual Risk Management Conference 2023 in Cox's Bazar. Managing Director & CEO of the bank ABM Mokammel Hoque Chowdhury inaugurated the conference as the chief guest. Deputy Managing Director & CRO Md Nazrul Islam and SEVP Golam Mostafa were present as special guests. ■



MTB Foundation initiated the 'Sensitization on Disability Inclusion' programme at Mutual Trust Bank Limited (MTB) in partnership with Bangladesh Business & Disability Network (BBDN). The first sensitization session was inaugurated by Syed Mahbubur Rahman, managing director and CEO of MTB, in the presence of the senior management team at the corporate head office of MTB. The session was moderated by Samia Chowdhury, chief executive officer of MTB Foundation. ■



General Manager (Business and Marketing Department) of JBL Meher Sultana and General Manager of BHBFC Md Khairul Islam signed the MoU on behalf of their respective organisations at the JBL head office in the city in presence of JBL Managing Director and CEO Md Abdus Salam Azad and BHBFC Managing Director Md Abdul Mannan. ■



NCC Bank arranged a workshop on 'Different CMSME Refinance and Credit Guarantee Scheme of Bangladesh Bank' for senior executives of credit and CMSME divisions at the bank's training institute recently. Mohammad Mamdudur Rashid, managing director and CEO of NCC Bank, inaugurated the workshop as the chief guest while Md Sharafat Ullah Khan, additional director of SMESPD Division of Bangladesh Bank, was present on the occasion as a special guest. ■



Shahjalal Islami Bank Limited (SJIBL) Chairman Mohammed Younus presiding over the 355th meeting of the board of directors of the bank at its corporate head office in the city. The board approved a number of investment proposals in the meeting. SJIBL Managing Director & CEO Mosleh Uddin Ahmed was present, among others, in the meeting. ■

Potato Acreage Shrinks To 7-Year Low



Business Outlook Report

Potato acreage has declined to a seven-year low this season as many farmers switched to other crops, particularly mustard, as the production cost of the oilseed is lower than the tuber while its prices are more attractive. The total area for cultivating potato, one of the most highly consumed vegetables in Bangladesh, dropped 2 per cent to 4.55 lakh hectares this season from 4.64 lakh tonnes a year ago, according to provisional data from the Department of Agricultural Extension.

Bangladesh Bureau of Statistics data showed that the latest acreage of potato is the lowest since fiscal year 2016-17. The reflection of the reduced acreage is visible in the market through prices, which remained higher

this season compared to a year ago. In Dhaka, consumers could buy the tuber at Tk 22-28 per kilogramme yesterday, up 16 per cent from a year ago, showed prices data compiled by the state-run Trading Corporation of Bangladesh. "Farmers are getting higher prices this year too," said Zuhurul Islam, a farmer in Joypurhat, a potato producing district in the country's northwest.

Freshly harvested potato, namely the Asterix variety, is being sold at Tk 500 per maund (40 kilogrammes) while it was around Tk 300 a year ago. "The crop condition is good, and yields will be higher, but overall production is expected to decline for reduced acreage. This is why farmers are getting profitable prices. Farmers and

traders will profit this year if the government does not intervene," he added. Islam has cultivated potato on 15 bighas land this year, down from 25 bighas last year. "This is because the production cost of potato has increased. The cost of seeds and fertilizer was higher this year. So, I have switched to mustard," he said.

Islam went on to say that his production cost for potato would be Tk 30,000 per bigha this season whereas that of mustard is around Tk 6,000 for the same area. Mohammad Ali, a farmer at Sherpur, another north-western district, has a different reason for reducing potato cultivation. He has grown maize on the land where he grew potato last year to profit from increased prices for the grain that is used mainly

in feed mills. "Many others have shifted to maize too," he added. Bangladesh, the world's seventh largest potato producer, bagged 1.01 crore tonnes of the vegetable in fiscal year 2021-22, up 2.6 per cent from the previous year.

Apart from use for seed, most of the tuber is consumed locally as annual export is below 100,000 tonnes, according to official data. On the other hand, Md Monirul Islam, chief scientific officer of the Tuber Crops Research Centre under the Bangladesh Agricultural Research Institute, said production would not be affected this year.

"Crop condition is good in the field. Besides, we have not seen any natural calamity this cultivation season. As far as we know, there is no disease attack this year either," he added. Md Mostafizur Rahman, member director for seed and horticulture of the Bangladesh Agricultural Development Corporation (BADC), echoed the same.

"Farmers have planted some high yielding and exportable varieties of potato this year. So, production is unlikely to fall," he said.

The BADC sold 37,000 tonnes of seed potato for this cultivation season. Of that amount, it had to sell 17,000 tonnes at reduced prices amid slack demand among farmers. ■



Economy Showing Sign Of Recovery

Business Outlook Report

Despite facing external economic shocks that have led to a dollar crisis, Bangladesh's export earnings and foreign remittances increased in the first month of 2023. The Export Promotion Bureau (EPB) reported that Bangladesh's export earnings rose by 5.89 percent to reach \$5.13 billion in January 2023, compared to \$4.85 billion in the same period last year.

Foreign remittances, a crucial source of foreign currency for the country, also showed a positive trend. The central bank reported that remittances rose to \$1,958.8 million in January, up from \$1,704.5 million in January 2022 and \$1,699.6 million in December 2022. Economic analysts are seeing the trend as a positive sign for the economy and the rise in exports and inward remittances may help address the dollar crisis the country is now grappling with. January's exports

reached close to the monthly strategic target of \$5.24 billion. Export earnings in the first seven months of FY23 from July to January increased by 9.81 percent to \$31.44 billion, propelled by better apparel shipment. In the same period a year earlier, the country exported \$29.54 billion worth of merchandise. Readymade garment exports in the July-January period grew by 14.32 percent to \$27.41 billion from \$23.98 billion in the same period of the previous fiscal year.

Shipments of woven garments increased by 16.30 percent to \$12.45 billion during the same period, whereas sales of knitwear garments grew at a slower rate of 12.70 percent to \$14.96 billion. Apparel exporters said January's rise in RMG exports is a positive sign, but the sector needs more orders as it is peak business season now. They also informed that January's RMG export growth was higher earlier. Even

though the industry is currently facing a sluggish trend in work orders from global apparel buyers amid the Ukraine-war-induced economic slowdown in major export destinations, increasing interest being shown by many new buyers has made RMG exporters optimistic about the continuation of the rising trend in export growth this year and the years ahead.

"The global apparel demand is plummeting but we are hopeful about increasing our market share," Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan had said in November. He said the Bangladesh RMG industry is expected to grab 12 percent of the global market by 2023. This isn't the first time Bangladesh's economy has shown signs of turning around from economic shocks. Bangladesh posted its highest-ever single-month export earnings of \$4.72 billion in

December 2021, despite all the lockdowns, travel restrictions, and pandemic-induced economic downturn. Even though some sectors showed increased growth – export earnings from leather and leather goods in the first seven months saw slower growth of 7.37 percent, leather footwear by 4.12 percent and other leather products by 22.23 percent.

In contrast, some sectors witnessed a sharp fall in exports. The earnings from home textile exports decreased by 16.65 percent to \$692.86 million compared to \$831.31 million in the

same period of FY22. Agriculture products also found fewer buyers as export earnings dipped by 25.86 percent to \$555.27 million from \$748.99 million in the same period of FY22.

Exports of jute and jute goods fell by 21.22 percent to \$548.10 million compared to \$995.73 million during the same period a year earlier, EPB data showed. Frozen and live fish exports dipped by 22.83 percent in the first seven months of FY23. Meanwhile, remittance inflow increased by 15.24 percent in January compared

to that of December last year, according to central bank data.

With the latest addition, the year-on-year growth in receiving remittances stood at 4.3 percent for the first seven months, July to January, of the ongoing fiscal year (FY23) as the country received \$12.45 billion in total during the period.

In the last calendar year 2022, remitters sent home \$21.27 billion. A year earlier, the country received a record \$22.08 billion in remittances. ■

IMF Lifts 2023 Growth Forecast With Boost From China Reopening



Business Outlook Report

Global growth is set to be higher than expected this year, the IMF said Monday, raising its

forecast on surprisingly strong consumption and investment while China's lifting of zero-Covid restrictions provides another boost. World

growth has been bogged down by fallout from Russia's invasion of Ukraine last year, economic downturns and efforts to rein in spiraling costs of

living. Against this backdrop, the International Monetary Fund expects the global economy to expand 2.9 percent this year, slowing from 2022 to

a rate that remains weak by historical standards. But "adverse risks have moderated" since last October's forecast, said the IMF in the latest update to its World Economic Outlook report.

"The year ahead will still be challenging... but it could well represent a turning point with growth bottoming out and inflation declining," IMF chief economist Pierre-Olivier Gourinchas told

to overcome to reach sustainable recovery, he said.

Surprising resilience

Most advanced economies are expected to slow this year, driving the global growth decline, said the IMF. Yet, many countries have shown surprising resilience.

"The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation -- especially

adapted better than expected to the energy crisis in Europe too, he added, with the region seeing lower-than-anticipated gas prices and having enough resources to make shortages unlikely this winter.

Inflation has shown signs of decreasing globally as well, and China's reopening holds the promise of a rapid rebound in the country's economic activity, Gourinchas said. The

year. This comes as high energy prices hurt households and businesses, while tighter monetary policy weighs on economic activity.

'Not yet won'

Despite a rosier outlook, the IMF warned of numerous risks on the horizon. An escalation of war in Ukraine could impact food and energy prices, and China's recovery might stall on a deepening real estate crisis or severe Covid outbreaks -- due to low population immunity and insufficient hospital capacity. Stubborn inflation could also prompt further tightening by central banks and hold back business activity as borrowing costs rise.

"The fight against inflation is not yet won," Gourinchas said. Overall inflation may have peaked, but the "core" calculation which strips out the volatile food and energy components remains well above pre-pandemic levels in most economies.



reporters. In particular, the IMF sees Germany and Italy avoiding recessions this year, shifting from earlier predictions, as European growth proved "more resilient than expected" despite shocks from war in Ukraine.

And the fund does not expect global GDP to shrink, with Gourinchas noting "we're well away from any sort of global recession marker." While the outlook has not worsened this time around, there are still challenges

in advanced economies -- as well as the war in Ukraine," the IMF said. But although US growth is projected to fall to 1.4 percent in 2023 and euro area growth is set to slump to 0.7 percent, both figures reflect upward revisions from last October.

"Economic growth proved surprisingly resilient in the third quarter of last year, with strong labor markets, robust household consumption, and also business investment," said Gourinchas. Countries

world's second-biggest economy has in the past contributed up to 40 percent of global growth, IMF chief Kristalina Georgieva previously noted.

This year, its growth is pegged at 5.2 percent -- 0.8 points more than earlier expected -- on "rapidly improving mobility" after it abruptly ended its zero-Covid policy in December. But the United Kingdom saw a significant downgrade to its growth forecast, and is now seen to contract 0.6 percent this

Even as tighter monetary policy starts to cool demand and lower inflation, the IMF warned its "full impact is unlikely to be realized before 2024."

There could be favorable surprises, such as if consumption remains solid or inflation falls without sparking a rise in unemployment.

But Gourinchas cautioned it is "premature to put too much weight on that sort of benign scenario" where prices cool on their own. ■



DITF Ends With Export Orders Worth About Tk 300 Crore

Business Outlook Report

The 27th Dhaka International Trade Fair-2023 ended on January 31 with businesses receiving export orders worth about \$30.38 million (about Tk 300 crore) while goods worth Tk 100 crore were sold in the month-long exhibition at the Bangabandhu Bangladesh-China Friendship Exhibition Centre at Purbachal in Dhaka.

A total of 47 businesses received awards in several categories like best pavilion and stalls for their performance in the event. Textiles and jute minister Golam Dastagir Gazi attended as chief guest and distributed the awards among the businesses at the closing ceremony of the month-long event.

Commerce minister Tipu Munshi and Federation of Bangladesh

Chambers of Commerce and Industry senior vice-president Mostofa Azad Chowdhury Babu attended as special guests at the closing ceremony of the country's largest international trade fair on the BBCFEC premises. EPB vice-chairman AHM Ahsan delivered the welcome speech. He said, 'The trade fair this year received satisfactory response from visitors and traders.'

Participation of traders was 37 per cent higher than the previous trade fair and more than 1 lakh visitors visited the fair every day, he said. The event played a significant role in promoting local industrial products to the world, said Tipu Munshi.

Diversification of the products was also remarkable in the fair, he said. Businesses received export orders of Tk 300 crore which indicate the

success of the fair despite the ongoing global economic crisis, he said. The government has set export target of \$67 billion for the current financial year and hopefully we will achieve the target, he said. He also urged the businesses to work together to promote the export basket of the country on global markets.

Golam Dastagir Gazi said, 'The government has been working to promote the businesses for the interest of the national economy.' Most of the businesses have been able to recover from the Covid impact as the government offered cash incentive support timely, he said.

The trade fair creates a bridge between local and international businesses, he said. The government has been working on developing

transport communication system across the country and it will add a new chapter to the country's trade development in coming days, he

more visitors in coming days, he said. Dastagir said, 'Gradually, infrastructure and transport sectors have developed which would help to



added. Observing this year's visitors' response, he urged the government to extend the area of the trade fair venue so that the venue can host

promote our export basket.' The trade fair was successful in attracting a huge crowd, he said. Mostofa Azad Chowdhury Babu said, 'The new

DITF venue is a permanent venue. Our economy in the past 10 years has grown.' The government needs to invest more to develop the venue so that the coming years fair would be arranged more dynamically as the venue has a shortage of capacity, he said.

'We have to stress on more value-added products and also focus on skill development to achieve the export target of \$300 billion by 2040,' he added.

There were about 351 local and foreign stalls, pavilions and mini pavilions in the fair, up from the previous year's tally of 225.

Besides, some 17 organisations from 10 countries, including Singapore, Indonesia, Korea and India also took part in the fair. ■

External Agents Now Dictating Relative Autonomy Of The State

Business Outlook Report

External agents like World Bank and International Monetary Fund (IMF) are now dictating the relative autonomy of the state as the government has failed to ensure the same, said Distinguished Fellow of Centre for Policy Dialogue (CPD) Dr Debapriya Bhattacharya.

"As Bangladesh doesn't have relative autonomy of state in place, now external agents like IMF and World Bank impose relative autonomy of the state what the government was supposed to do," he said while speaking at a session styled "The Power Dynamics between State and Business: How is Capitalism Evolving in Bangladesh" on February 5. The session was held on the second day of the two-day 6th SANEM Annual Economists Conference (SAEC), organised by

the South Asian Network on Economic Modeling (SANEM) at the city's BRAC Centre Inn. Speaking as a panelist, he said the

government has now surrendered to IMF and World Bank giving up its principles and made Bangladesh captive. "We have been talking



about bringing in reforms in different sectors," he said. This is incompatible with the government's development ambition what they have been talking about for long, he observed.

Mr Bhattacharya said whichever system the government is running will not be sustainable and "countervailing force" of the system has been created in the womb of this

were also sources of capital accumulation in the country over the period. "So it is evident that capital accumulations in the country were actually misappropriation of state assets and mechanism and it will not grow in future without this misappropriation," he said.

Dr Mirza M Hassan, Senior Research Fellow, BRAC Institute of Governance and Development

politics should be freed from money power, muscle power and manipulation.

Founder of Bangladesh Environment Network (BEN) Dr Nazrul Islam said there are many countries where a dominant party rules a country.

He said Bangladesh is still at a growing stage of a capitalist state. Dr Ashikur Rahman, senior economist, Policy Research Institute (PRI), said politics should be freed from money power. He added political system in Bangladesh is vulnerable to capitalist system.

"Politics has become very expensive in the country," he said, adding less expensive politics will ensure liberal democracy in the country.

The keynote paper said during post 90s period, as a starter the collective action process of the business has never been a non-partisan affair.

It said larger political dynamics sent signals to the political elites that the existing duopolistic settlement generates political uncertainty and needed to be replaced by the logic of monopolistic partyarchy.

It said successive regimes were able to progressively monopolise the leadership of the association by ensuring that the FBCCI's elections reflect pre-determined outcomes.

The paper said business-state relation throughout the (CPS) Competitive Party System (1991-2013) stage largely exhibited the dynamics of clientelistic incorporation rather than transiting towards a liberal pluralist order as pluralist interest group theory would have predicted. The impacts of post-2014 (DPS) Dominant Party System on the collective action dynamics of the business community seems to be significant," it said, adding that the partyarchal control over the prominent associations appeared to have reached an unprecedented level. ■



*Dr Debapriya Bhattacharya
Member, CPD*

regime. "A new middleclass and higher middle class grew over time in the womb this regime is now the new social force and they are ready to challenge the ruling political system," he said. "Absence of democracy and accountability is also reflected in other stakeholders of the state," he said adding, for example, there has been no election in trade bodies in recent years. The CPD distinguished fellow said primitive capital accumulation of the country should be discussed if discussion of capital comes of this land.

"We have to keep in mind that abandoned properties and assets after liberation war were key sources of capital accumulation here," he said. He also said foreign aid funded projects, development financing and capital market manipulation, over-valued state-run projects and misuse of regulatory mechanism

(BIGD) presented keynote paper at the session while Professor Rounaq Jahan, Distinguished Fellow of the CPD, moderated it. Professorial research associate (Department of Development Studies) at the University of London Shapan Adnan said those who are not in dominant party in the country have been muted to ability to speak and present.

He added lobbyists and businessmen in the country are no more in their class, rather they are now politicians.

"They have become an "amalgamated ruling order" in total," he said.

Central leader of CPB and Professor of Department of Economics, University of Dhaka Dr Mahbubul Mokaddem said how business groups are influencing politics should be questioned. He added



No Respite From Jute Export Slump

Business Outlook Report

Earnings from jute exports from Bangladesh slumped for the second consecutive year in July-January, raising concerns for the promising industry, one of the few sectors for which raw materials are locally available.

Due to the global economic slowdown, shrinking demand, increasing domestic production cost and the persisting anti-dumping duty imposed by India played a part in dragging exports down, industry insiders and economists say.

The country's jute industry fetched \$548 million by selling jute and jute-made

products in the first seven months of the current financial year of 2022-23, down 21.22 per cent year-on-year, data from the Export Promotion Bureau showed.

In the same period of 2021-22, the export receipts stood at \$696 million, also a decrease of 9 per cent from a year prior. "Jute exporters are struggling to sustain in the global market even after cutting prices, owing to the shrinking global demand," said Mohammed Mahbubur Rahman Patwari, a former chairman of the Bangladesh Jute Spinners Association (BJSa).

Bangladesh exports raw jute, jute yarn and twine,

sacks and bags, and jute-made products. Local industries mainly export jute yarns to Turkey, China and India.

The jute yarn export suffered because of a dip in demand among carpet makers, the main user of the item, said Helal Ahmed, chief operating officer of Janata Jute Mills

and Sadat Jute Industries Ltd.

Bangladesh usually exported 220,000 tonnes of yarn to Turkey, the key market. But the shipment to the country declined by nearly 100,000 tonnes as carpet makers have cut production in the face of falling demand for the products because of the



war in Ukraine and the slowdown in the global economy. A section of carpet makers has shifted to using alternative yarn owing to the higher prices of jute yarn, said Ahmed.

Orders from China have decreased due to the coronavirus-related lockdowns as Chinese companies could not run their export activities

the effects of the coronavirus pandemic and the ongoing Russia-Ukraine War. "We were exporting to Russia and Ukraine, but these markets are not accessible now," he said.

Jute millers cited the country's high production cost stemming from high energy prices, driven by the spike in both gas and

reduce output in the wake of falling demand in the export markets. Janata-Sadat is one of the largest jute yarn and jute goods producers in Bangladesh with 110,000 tonnes in annual production capacity.

Islam, also a director of the BSJA, said millers like him face a 2 per cent source tax, which worked against

nowhere, according to Esrat Jahan Chowdhury, a director of the Bangladesh Jute Goods Exporter's Association. "At the onset of the pandemic three years ago, exporters had to pay extra for raw materials. Then there was the high freight cost. At that time, some buyers turned to alternative packaging items."

"Besides, our competitors are steadily capturing the global market due to a lack of strong marketing initiatives on the part of Bangladesh." Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, terms the negative trends of the jute export sector as a threat to the industry as well as the economy. The economist blamed India's anti-dumping policy, the stance of the government of Bangladesh and the persisting dollar domination in the global market for the current situation.

"The anti-dumping policy is a major barrier for us as India is a big market for Bangladeshi jute. The government should try to negotiate the issue as soon as possible."

He urged the government to promote the golden fibre by implementing supportive policies.

Ahmed expects the demand from export markets to remain sluggish in the first half of 2023.

"It may recover in the second half." ■



properly after importing yarn from Bangladesh. Both Patwari, also the managing director of Sonali Aansh Industries Limited, and Md Abul Hossain, chairman of the Bangladesh Jute Mills Association, blamed the policy of persisting anti-dumping duty issued by the Indian government for the low export performance.

"The anti-dumping duty is a major problem for local jute exporters," said Hossain. In December, India extended the anti-dumping duty on jute products imported from Bangladesh by five years. Hossain also blamed

electricity tariffs. As a result, a number of jute textile millers have been either forced to shut down their factories or operate below their capacity, they said. "I have been forced to cut production by half to avoid incurring losses," said Md Saiful Islam, managing director of Mazeda Jute Industries.

The production of jute textiles was 2.43 lakh tonnes in 2021-22, down by 28 per cent a year ago, according to the Bangladesh Bureau of Statistics. Janata and Sadat Jute's Ahmed said their companies have not cut production significantly but many jute mills had to

their competitiveness in the global market since costs have gone up. "The jute industry needs to be saved by withdrawing or suspending this tax and by unveiling other conducive policy support." Pakistan, Nepal and India are the major importing countries of Bangladeshi raw jute, but these nations have cancelled orders, saying they can't afford to open letters of credit, said Arzu Rahman Bhuiyan, senior vice-chairman of the Bangladesh Jute Association.

Bangladeshi exporters are facing challenging times but the current situation has not emerged from

Govt Launches National Tea Award



Business Outlook Report

Tea garden owners in Bangladesh that play an exemplary role in the industry and thereby further the country's economy will now be recognised for their efforts, according to a gazette notification from the commerce ministry.

As per the "National Tea Award Policy 2022" announced on January 25, the awards will be given in eight categories -- highest producing garden based on yields per acre, highest quality tea producer, best tea exporter, best small-scale producer and best tea garden in terms of workers' welfare. Besides, producers will be awarded for marketing diverse tea products and providing the best packaging while there is also an individual award for the best tea picker. In its gazette, the commerce ministry said that the Bangladesh Tea

Board (BTB) and its various partners, including plantation owners, packaging and marketing companies, and other related industries are making significant contributions to the economy through their activities. In order to accelerate their progress, the commerce ministry and BTB have decided to confer the National Tea Award on National Tea Day, which is held on June 4 each year, it added.

There are a total of 167 tea gardens that cover almost 280,000 acres of land across the country. Bangladesh is currently listed as the world's ninth largest tea producer, accounting for around 2 per cent of global production. Local brands dominate the domestic market with a 75 per cent share while non-branded producers make up the rest. However, domestic tea production decreased by nearly 3 per cent year-on-year in

2022. Last year, some 94 million kilogrammes of tea were produced, according to the BTB. The government has set a target to increase tea production by about 46 per cent to 140 million kilogrammes by 2025 in order to meet the growing demand for the beverage.

Ispahani Tea Limited is one of the largest tea trading companies in Bangladesh, capturing about 50 per cent of the market for loose tea leaves and 80 per cent for tea bags, according to its website. Shah Moinuddin Hasan, general manager of Ispahani Tea, said the issue of this award had been discussed whenever tea day came around for the past few years.

"Finally, the matter was published in the form of a gazette," he added.

Hasan then said the award will have a positive impact on the industry. ■

WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit
(Policy Support Wing)
09 February 2023

1.	08 February 2022	30 June, 2022 ⁸	31 January 2023	08 February 2023
Foreign Exchange Reserve (In million US\$)	45392.47	41826.73	32222.55	32639.02
2.	08 February 2022	30 June, 2022	31 January 2023	08 February 2023
Interbank Taka-USD Exchange Rate (Average)	86.0000	93.4500	105.2293	106.2260
3.	08 February 2022	30 June, 2022	31 January 2023	08 February 2023
Call Money Rate	2.32	4.42	6.93	6.13
	08 February 2022	30 June, 2022	08 February 2023	Percentage change
Broad/Overall Share Price Index				From June, 2022
4.				From June, 2021
a) Dhaka Stock Exchange (DSE) [@]	7072.79	6376.94	6295.66	-1.27
b) Chittagong Stock Exchange (CSE)	20714.77	18727.52	18571.76	-0.83
	January, 2022	July-Jan, FY22	January, 2023 ^P	July-Jan, FY23 ^P
5.				FY2021-22
a) Wage Earners' Remittances (In million US\$)	1704.53	11944.06	1958.86	12452.12
b) Annual Percentage Change	-13.12	-19.87	14.92	4.25
	December, 2021	July-Dec, FY22	December, 2022 ^P	July-Dec, FY23 ^P
6.				FY2021-22
a) Import (C&F) (In million US\$)	8436.70	42122.50	6042.90	41194.50
b) Annual Percentage Change	56.57	54.47	-28.37	-2.20
	December, 2021	July-Dec, FY22	December, 2022 ^P	July-Dec, FY23 ^P
7.				FY2021-22
a) Import(f.o.b) (In million US\$)	7805.00	38971.00	5593.00	38132.00
b) Annual Percentage Change	56.57	54.49	-28.34	-2.15
	January, 2022	July-Jan, FY22	January, 2023 ^P	July-Jan, FY23 ^P
8.				FY2021-22
a) Export (EPB) (In million US\$)*	4850.37	29548.92	5136.24	32447.50
b) Annual Percentage Change	41.13	30.34	5.89	9.81
	July-Dec, FY22	July-Dec, FY23 ^P		
9.				FY 2021-22 ⁸
a) Current Account Balance (In million US\$)	-8297.0	-5270.0	-18697.0	
	December, 2021	July-Dec, FY22	December, 2022 ^P	July-Dec, FY23 ^P
10.				FY2021-22
a) Tax Revenue (NBR) (Tk. in crore)	27513.62	129061.40	27105.53	142923.21
b) Annual Percentage Change	18.05	16.80	-1.48	10.74
	December, 2021	July-Dec, FY22	December, 2022	July-Dec, FY23
11.				FY2021-22
Investment in National Savings Certificates (Tk. in crore)				
a) Net sale	-435.96	9589.78	-1490.94	-3106.86
b) Total Outstanding	353683.69	353683.69	360903.27	360903.27
	December, 2021	June, 2022	December, 2022 ^P	Percentage change
12.				Dec'22 over Dec'21
a) Reserve Money (RM) (Tk. in crore)	323666.30	347162.10	380011.70	9.46
b) Broad Money (M2) (Tk. in crore)	1620634.90	1708122.50	1757968.40	2.92
				Nov'21 over Jun'21
				FY2021-22
				-0.26
				9.43

	Total Domestic Credit (Tk. in crore)	1532188.00 234544.10 34396.40 1263247.50	1671749.10 283314.60 37198.90 1351235.60	1761762.40 293619.40 42009.40 1426133.60	14.98 25.19 22.13 12.89	5.38 3.64 12.93 5.54	6.41 6.12 14.59 6.26	16.10 28.18 23.92 13.66	
12.	a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector								
		Percentage change							
	L/C Opening and Settlement (million US\$)	July-December, FY2022-23 ^P			July-December, FY2022-23			FY 2021-22	
		Opening	Settlement	Opening	Settlement	Opening	Settlement	Settlement	
13.	a) Consumer Goods b) Capital Machinery c) Intermediate Goods d) Petroleum e) Industrial Raw Materials f) Others Total	4699.05 3673.97 3870.56 3592.41 16547.49 11632.48 44015.96	4547.41 2556.43 3385.58 3670.79 13569.38 10682.10 38411.69	4125.87 2374.19 2809.21 5362.59 15275.93 11427.08 41374.87	-14.41 -65.32 -33.18 35.72 -27.27 -19.98 -22.52	-9.27 -7.13 -17.02 46.09 12.58 6.97 7.71	27.50 40.78 35.23 116.18 47.03 39.46 46.15		
	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)	June, 2019	December, 2020	June, 2021	March, 2022	June, 2022	September, 2022	December, 2022	
14.	a) Twelve Month Average Basis b) Point to Point Basis Corresponding Period a) Twelve Month Average Basis b) Point to Point Basis Classified Loan a) Percentage Share of Classified Loan to Total Outstanding b) Percentage Share of Net Classified Loan Agricultural and Non-farm Rural Credit (Tk. in crore) a) Disbursement ** b) Recovery c) Outstanding SME Loan (Tk. in crore) a) Disbursement c) Outstanding Industrial Term Loan (Tk. in crore) a) Disbursement b) Recovery c) Outstanding GDP Growth Rate (in percent, Base: 2005-06=100)	5.48 5.52 June, 2018 5.78 5.54 June, 2019 11.69 2.53 November, '21 2868.43 2741.69 46523.25 Jan-Mar, '20-21 44445.67 240169.54 Jan-Mar, '20-21 17379.01 16893.10 299048.73 FY2013-14 6.06	5.69 5.29 December, 2019 5.59 5.75 December, 2019 9.32 1.02 December, '21 3723.49 3254.78 47659.51 Apr-Jun, '20-21 41788.73 243074.82 Apr-Jun, '20-21 19430.74 14734.86 315294.16 FY2014-15 6.55	5.56 5.64 June, 2020 5.65 6.02 June, 2020 9.16 0.15 July-Dec, FY22 14497.04 13593.80 47659.51 Jul-Sep, '21-22 42075.49 245325.67 Jul-Sep, '21-22 14834.23 12979.47 303329.12 FY2015-16 7.11	5.75 6.22 March, 2021 5.63 5.47 June, 2021 8.18 -0.47 December, '22 ^P 3892.42 3558.65 50997.35 Jan-Mar, '21-22 ^P 51716.69 259704.21 Jan-Mar, '21-22 ^P 17340.49 16572.97 310572.40 FY2017-18 ^N 7.32	6.15 7.56 June, 2021 5.56 5.64 December, 2021 7.93 -0.43 July-Dec, FY23 ^P 16670.10 16429.76 50997.35 Apr-Jun, '21-22 ^P 56484.26 271448.58 Apr-Jun, '21-22 ^P 21413.63 16832.73 320410.22 FY2018-19 ^N 7.88	6.96 9.10 September, 2021 5.50 5.59 March, 2022 8.53 -0.07 FY 2021-22 28834.21 27463.41 49802.28 Jul-Sept, '22-23 ^P 51676.81 273906.60 Jul-Sept, '22-23 ^P 18562.45 20610.17 328742.50 FY2019-20 ^N 3.45	7.70 8.71 December, 2021 5.54 6.05 June, 2022 8.96 0.49 FY 2020-21 25511.35 27123.90 45939.80 FY 2021-22 207395.04 271448.58 FY 2021-22 72360.94 64862.59 320410.22 FY2020-21 ^{NR} 6.94	January, 2023 7.92 8.57 January, 2022 5.62 5.86 September, 2022 9.36 0.90 FY 2019-20 22749.03 21245.24 45592.86 FY 2020-21 173904.82 243074.82 FY 2020-21 68765.25 58488.71 315294.16 FY2021-22 ^{NP} 7.25

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

In million US \$(Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back L/Cs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	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 Mise 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



Launch Campaigns At Grassroots To Boost Tax

Business Outlook Report

P rime Minister Sheikh Hasina has asked the National Board of Revenue (NBR) to launch campaigns at the grassroots level and motivate people to pay tax as the country's socioeconomic condition has improved radically in the last 14 years.

"If you carry out campaigns there [at the upazila and union levels] in a good manner, people will spontaneously come forward [to pay tax]. They [taxpayers] are now getting services. So, people will pay tax to avail the services," Hasina added. The premier made this comment while inaugurating the Revenue

Conference 2023 at the Bangabandhu International Conference Centre in Dhaka on February 6.

The NBR organised the two-day conference, which is the first of its kind, to develop the country's revenue management system.

Hasina then said the socioeconomic condition of the people of the country, including grassroots people, has witnessed a radical change in the last 14 years.

"So, there are people at the upazila and even union levels that have the capacity to pay tax," she added. In this context, she asked all the capable

people of the country to pay tax as the government would spend the money to enhance services for them.

The prime minister went on to say that the government wants to expand the tax net instead of increasing the tax rate amid the existing inflation.

"We'll have to increase the number of taxpayers," she said.

The number of income taxpayers is still very low in the country mainly because the people face many hassles and there is a lack of awareness in this regard.

"There should be no

coercion. The people should not be put into any fearful situation. The people will have to be motivated," she added. Hasina asked the people to run their businesses properly, ending tax evasion.

Pointing to NBR officials and employees, the premier asked them to perform their professional duties with a mindset to serve the people.

She urged the authorities concerned to take steps to raise revenue collection by working sincerely to this end.

"We have to expand the tax net and motivate people so that a larger

number of them pays tax," Hasina said. The two-day revenue conference seeks to raise awareness about VAT, customs, income tax and online services. Three seminars on VAT, customs and income tax will take place on the sidelines of the conference, where there will be information booths to make people aware of tax-related issues. Abu Hena Md Rahmatul Muneem, chairman of the NBR, and Abdul Mannan Shikder and Pradyut Kumar Sarkar, members, also spoke on the occasion.

PM Opens New Revenue Bhaban

On Sunday, the premier



opened the newly constructed Revenue Bhaban in the city's Agargaon area, which would be used as the NBR head office. She unveiled the name plaque of the

12-storey building and visited the Revenue Bhaban in the morning.

The Public Works Department constructed the modern and

eye-catching building at a cost of Tk 412 crore.

The NBR will fully start office in the new building from March 1, 2023. ■

BB Inks Deal With 49 Banks For Tk10,000cr Export Fund

Business Outlook Report

The Bangladesh Bank has decided to raise its dollar price by 1% to Tk 101, after economists called for market-determined exchange rates amid forex instability.

The revised rate takes effect from the first week of February, officials said about the development coming in the wake of the dollar crisis.

The central bank is making its dollar costlier as it has planned to raise its exchange rate to market-equilibrium level within the next few months, they also said. Currently it sells the US

dollar at Tk100 each, much lower than the market rates. The move comes in line with the suggestions from the International Monetary Fund (IMF) team that visited Dhaka recently to

reach a uniform rate of dollar on the market. As part of a plan, the central



bank had already increased the rate by Tk1 on November 10 to fix it at Tk98 each, but the interbank weighted average rate was Tk103 that time. Sources opined that the measure would

protect the forex reserves, already under stress in the wake of dollar appreciation

and mounting import costs against falling earnings from export and remittance amid global doldrums set off by the Russia-Ukraine war.

Economists also see regulated lower rates of the greenback as a major disservice behind the ebbing forex earnings from the two main sources as the exporters and remitters may be dodging official channels for higher gains from currency cartels.

Currently, many government organizations are buying the dollar directly from the BB following a big gap on the market. ■



Small Industries Pressured By Higher Costs

Business Outlook Report

The government's decision to increase the power tariff twice last month has created undue pressure on small industries that are unable to keep up with rapidly rising production costs, according to various businesspeople. Customers will now end up bearing the brunt of the higher costs of goods sold, they said.

Small companies usually lack the additional investment capacity needed to face the burden of higher input costs and subsequently become less competitive. On January 12, it was announced that the retail price of electricity would be increased by 5 per cent effective from January 1.

Just 19 days after the announcement, the retail price of electricity was yesterday hiked by another 5 per cent

effective from today. Along with this, wholesale electricity prices have also been increased by 8 per cent. Small companies usually lack the additional investment capacity needed to face the burden of higher input costs and subsequently become less competitive.

Abdur Razzak, president of the Bangladesh Engineering Industry Owners Association (BEIOA), said frequent price hikes for power create a burden for small capital-based businesses, such as those in the light engineering sector.

"Unlike corporate houses, we do not have capacity to tackle the situation when utility charges suddenly increase," he added. As such, he considers the notification issued by the power division last night as an

unprecedented and sad development for the light engineering sector. According to the BEIOA chief, some investors in the light engineering sector are leaving the business as they do not have the capacity to survive amid the increasing cost of doing business.

"It is really a big pressure for the light engineering sector to operate amid the continuous increase of utility tariffs along with US dollar price hike that led to higher raw material costs," he said, adding that even a 5 per cent increase in power tariff puts tremendous pressure on their shoulders.

Besides, he said investors in this sector do not have the additional financial capacity to survive in situations such as the ongoing crisis. Razzak then alleged that the government is

increasing utility tariffs to reduce the subsidies provided in order to fulfil the conditions set by multilateral lenders, including the International Monetary Fund.

Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry, said exporters will lose their competitiveness in the global market while local consumers will also suffer for an increase in the price of products sold. He fears that the continuous increase of product prices will increase inflation further. He

compelled to adjust our prices in line with the higher cost of production, demand will decrease immediately, which is practical market behaviour," he added.

According to Shahidullah, sales of steel have already dropped by around 20-25 per cent over the last five-six months while mills are running below their production capacity due to the lack of raw materials. Manufacturers have been compelled to reduce imports of scrap steel as there is a restriction in opening letters of credit for non-essen-

want to purchase quality products at reasonable prices, which is a really tough ask given the current circumstances. So, the sales volume will decline as customers will postpone purchasing products or search for cheaper alternatives.

"Ultimately, both investors and consumers become losers in this situation," he said. Debasish Singha, head of export at Danish Biscuit, said the local biscuit industry will lose its competitiveness in the international market as manufacturers cannot ask



then stressed the need for cooperation between the government and private sector to find doable solutions to get rid of this challenge for low-income people. "Small businesses will face severe challenges as they do not have access to finance and lack efficiency," he said, adding that the government should consider giving benefits to help them survive the situation.

Md Shahidullah, secretary general of the Bangladesh Steel Manufacturers Association, said frequent increase of utility prices result in commercial adjustments that automatically increase the price of products. Ultimately, the pressure falls on consumers while also increasing the cost of development projects under the Annul Development Programme. "As we manufacturers will be

tial goods. Shahidullah then said the government is always the gainer when it comes to an increase in product prices as its tax revenue grows as a result.

Selim H Rahman, chairman and managing director of Hatil Furniture, expressed concerns about how they would have to adjust their prices due to the frequent increase of power price.

There is no alternative than to increase the price of products to adjust with the higher production cost, which will be borne by consumers, he added.

Rahman went on to say that investors do not aim to increase product prices as it has a negative impact on consumers behaviour. Consumers

for higher prices despite the rise in production costs. "So, the profit margin will fall to 7 per cent from 10 per cent in the international market," he added.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said most local garment exporters procure raw materials from the domestic market and so, any increase in the price of power will affect their overall production cost.

Also, the cost of living will also increase, he added.

Hassan then said the government could have hiked the price of electricity in staggered way so that manufacturers could adjust their costs gradually. ■

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Kilns of Ceramic	Metal & Aluminium Industry
	Food Industry etc.

OMERA PRIORITY OFFERS

- Liquefied Petroleum Gas (LPG) as a green & clean fuel
- Competitive energy solution compared to diesel
- Alternate energy solution to natural gas
- 24/7 secured supply of LPG across the country
- Flexible LPG storage set-up solutions
- Best technical service in the industry



Industry



Vaporizer and
Regulating Station



LPG
Storage Tank

Omera
LPG



**BEST ENERGY COMPANY
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