

Politics: Is Khaleda Zia Issue Important For Govt ?

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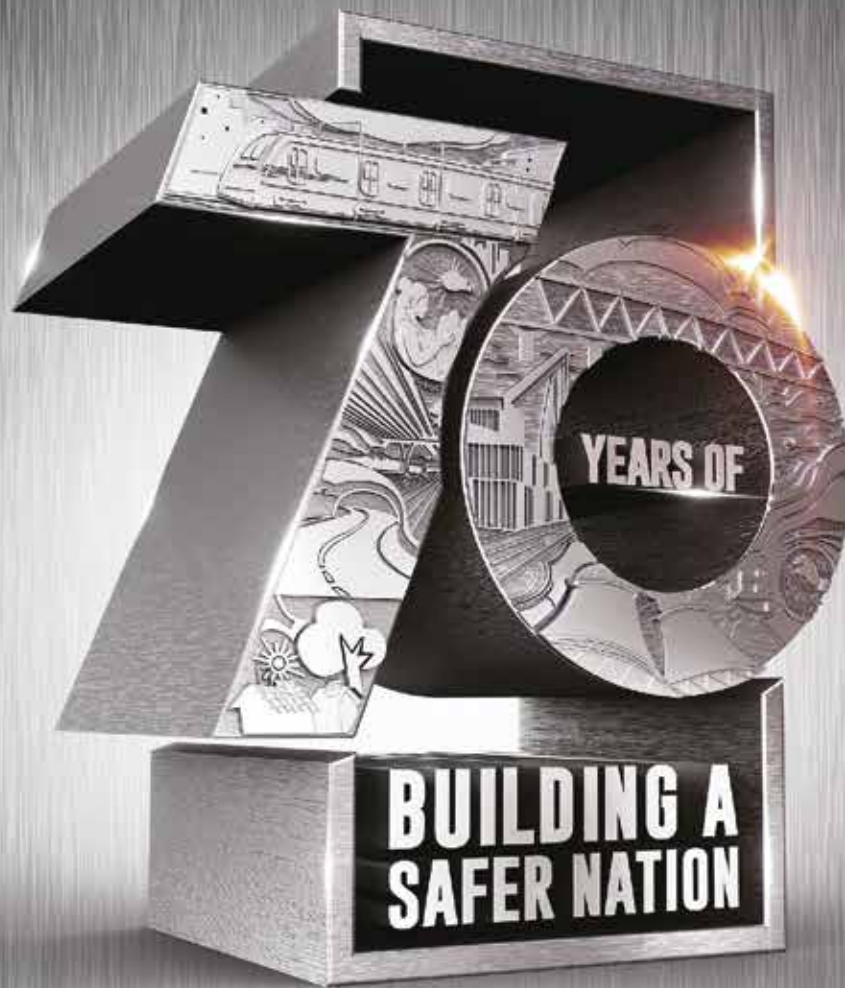
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Dysfunctional Monetary Policy

NPL Spreading Like Cancer



- Protein Diets Fading From Menu
- GE Offers High Efficiency Gas Turbines To Ease Nagging Energy Crisis



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Treat the NPL Cancer First

Non performing loan, a very old disease in the country's banking sector, still remains one of the main problems in the economy. As banking sector is treated as backbone of an economy, it substantially hurts trade and business. Many economists believe Bangladesh's economy bleeds because of the lack of control over the banking sector. The central bank itself admits that in its monetary policy statements. It has identified the non-performing loans as a major challenge to achieving its monetary policy objectives. But the reality is different. The NPL is growing irresistibly. There is no respite in high growth of bad loans which undermined the key policy of Bangladesh Bank aiming at infusing dynamisms in the country's economy. According to Bangladesh Bank latest disclosure, the NPL increased by Tk 17,383 crore in 2022 to Tk 1,20,656 crore from Tk 1,03,273 crore in 2021. The amount of NPL was Tk 89,340 crore in June 2018 and Tk 22,710 crore in 2010 despite repeated promises from the government and the central bank to cut them. Why is the NPL growing? The answer is simple –The lack of good governance. These two are inter-related. In the latest monetary policy for the January–June 2023 period, the BB said that the high NPL ratio and the issue of governance in banks and non-bank financial institutions were also matters of concern for financial stability of the economy. Most of the loan scams in the banking sector remained untried and scammers got unpunished. From the Hallmark loan scam in Sonali Bank to the fictitious loans approved by BASIC Bank's board of directors with Sheikh Abdul Hye Bacchu in the chair and the loan scam in Janata Bank staged by the little-known Anon Tex have been the best example of how the scammers and their godfathers remain unpunished. There is no doubt that recent lifting a staggering volume of more than Tk 30,000 crore recently by Chattogram-based S Alam Group from Islamic Bank Bangladesh Limited in violation of the banking rules indicates that the NPL size will grow further in the days to come.

The BB has been facing criticisms for its failure to rein in the defaulted loan and for not playing its regulatory role in addressing the massive irregularities in the sector. But soon situation will improve–nobody can make such hope in such a deteriorating situation. We will ask the central bank to do substantially so that people can regain their trust in banking sector and public money cannot go to the bank looters. ■



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Volume-12

Issue-04, 01 - 15 March 2023

Released on 28 February 2023

In this Issue



Cover Story

17

Dysfunctional Monetary Policy
NPL Spreading Like Cancer



22

Protein Diets Fading From Menu



POLITICS

05

Is Khaleda Zia Issue Important For Govt ?

10 Canada Wants To
Assist Bangladesh In
Developing Food Storage

14 BB Committed To
Provide Policy Supports
To Exporters, Importers

16 Govt To Reform
Savings Tools Policy

25 Palak Urges Japanese
IT Entrepreneurs To
Invest More In Bangladesh

26 GE Offers High Efficiency
Gas Turbine Tech To Ease
Nagging Energy Crisis

32 Govt To Procure 1.60cr
Litres Soybean Oil,
60,000 MTs Fertilizer

Read
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IDCOL Promotes New Financing Solutions For Energy Efficiency Interventions

An event titled “New Financing Solutions for Energy Efficiency Interventions” was held at Hotel InterContinental Dhaka on Sunday. Md Khurshid Alam, executive director, Bangladesh Bank, attended the event as chief guest, said a press release. In his speech, he highlighted various initiatives that have been undertaken by the government to promote energy efficiency and conservation across different industries. Alamgir Morshed, executive director and CEO of Infrastructure Development Company Ltd (Idcol) in his opening remarks stated that Idcol has already financed/approved more than Tk2,500 crore in RMG, textile, cement, steel, and commercial/industrial building sectors for energy efficient machinery and equipment. Michael Sumser, director, KfW Development Bank stated the fact that increasing industrial energy efficiency is an effective way for



Bangladesh to achieve significant cost savings and long-term energy security. The event highlighted new financing solutions of Idcol. In addition to long-term concessional BDT loans, Idcol will be able to offer long-term fixed-rate Euro and US dollar loans in association with KfW and GCF. The event was attended by top level representatives from various industries. ■

BSEC Appoints Four Independent Directors To DSE

Bangladesh Securities and Exchange Commission (BSEC) has appointed 4 new independent directors at Dhaka Stock Exchange (DSE). A letter signed by the Additional Director of BSEC Mohammad Nazrul Islam has been sent to the Managing Director of DSE on February 20. BSEC Chairman Professor Shibli Rubaiyat-ul-Islam confirmed it to UNB and said that four independent directors of the board have been appointed for the next three years. Two more persons will be appointed as directors in three categories soon, he said. The new four directors are -Dhaka University (DU) Dean of Faculty of Engineering and Technology Hafiz Hasan Babu, Professor of Banking and Insurance Department Abdullah Al Mahmud, former Secretary and Chairman Bangladesh Trade and Tariff Commission (BTTC) Afzal Hossain and Oracle Bangladesh Country Managing Director (Nepal and Bhutan) Rubaba Daula. ■



‘Don’t Make Goods Pricier During Ramadan’



Businesses should not raise prices of goods disproportionately during the holy month of Ramadan, Information Minister Hasan Mahmud said while addressing at the opening of the 30th edition of Chattogram International Trade Fair on February 16. Chattogram Chamber of Commerce and Industry organised the month-long fair at the Pologround in the port city. All countries of the world decrease prices of goods when there is a festival, but the opposite happens in Bangladesh, he said. “I request you (businesses) all, please keep prices of products at a bearable level during Ramadan.” The government runs with the help of the tax paid by the general mass, he said. So, the people with taxable income should be brought under the tax net immediately, Mahmud said. Some 300 companies from different countries, including India, Thailand and Iran, will showcase their products in 400 stalls. The fair will have 20 premier pavilions, 56 premier stalls, 94 gold stalls, 48 mega stalls, 11 food stalls in three separate zones. ■

US Companies Can Increase Investment In Power And Energy Sector

State Minister for Power, Energy and Mineral Resources Nasrul Hamid has said that American companies can increase their investment in the country's power and energy sector. "Some more mid-level companies from the USA will be welcomed if they want to invest in Bangladesh," he said when US Ambassador to Bangladesh Peter Hass called on him at his residence on February 23. Both the state minister and the US envoy discussed various bilateral issues of mutual interest. Welcoming the US ambassador, Nasrul Hamid said that different American companies like GE (general Electric), Exxon Mobil, and Excelerate Energy are showing their interest to make more investments in the country. He mentioned that US company Chevron has been making an important contribution in local gas production. The US ambassador said some more companies from the USA have expressed keen interest to invest in Bangladesh, said a press release of the Ministry of Power, Energy and Mineral Resources. ■



Robi Launches e-SIM



All of Robi's prepaid and postpaid customers can activate and manage Robi products and services directly from their smartphones using e-SIM, the telecom operator said in a media statement. To avail of e-SIM, the customers will have to visit Robi Service Centre or apply online to complete the biometric verification. Since e-SIM is virtual in nature, there is no concern of losing it, nor is there any need to open up one's smartphone to access it. Not only that, but users can also save multiple e-SIMs on their phones, and access the e-SIM they need when required. In case the QR code of the eSIM gets deleted, users can download it as many times as needed. Robi users with e-SIM-enabled handsets can use this highly secured smart technology. ■

Declaration No Longer Needed For Repatriating \$20,000 Income

The Bangladesh Bank on February 22 said service providers will no longer have to make a declaration to repatriate their income of up to \$20,000. Repatriation is the conversion of any foreign currency into one's local currency. To increase the flow of foreign exchange in the domestic market, the central bank in a circular changed the obligation of making a declaration for bringing such earnings to the country. The Bangladesh Bank relaxed its regulations on the repatriation of service sector income at a time when the country's foreign exchange is dwindling and the dollar crisis is causing problems in international transactions, including the opening of import letters of credit (LCs). The central bank notification said there would be no need to make a declaration for repatriating \$20,000 or its equivalent in other currencies for service sector income. Earlier this amount was \$10,000 or its equivalent in other currencies. The facility to repatriate



income up to \$20,000 without declaration in C-Form will enable service exporters to repatriate their money quickly. However, expatriates working abroad can remit any amount of money to the country and no declaration is required for that. ■



Is Khaleda Zia Issue Important For Govt ?

SMS Hasan

BNP Chairperson Khaleda Zia who's been conspicuously absent from active politics since her parole even as the country hurtles towards the election, has found herself at the centre of a political debate. Her eligibility to actively participate in political activities — given the fact that she's on parole — is now being debated among the Awami League top brass. The issue first came into the focus with the statement of Awami Leader Sheikh Fazlul Karim Selim on the floor of the Jatiya Sangsad (parliament) who said that Khaleda Zia while coming out of jail to receive treatment has given an undertaking that she will never do politics. It was her condition of the release and suspension of the imprisonment, Selim claimed.

But Law Minister Anisul Huq dismissed Sheikh Selim's claim and made a counter statement respond-

ing to reporters' query that so far in his knowledge, no such condition was tagged while Khaleda Zia was released from jail. But only on the condition that she has to take treatment from within the country and cannot leave the country.

BNP leaders also outright rejected the claim of Sheikh Selim's statement. But cautiously they refrained from making any further statement as they have seen it as a trap and part of a game plan to return Khaleda Zia to jail.

Some of the senior ministers also made different statements that differ from each other. Some of the statements were provocative, but BNP did not respond to any statements. Rather, they continued their policy not to make any comment.

Many BNP leaders believe that Awami League brought the issue to

the focus only to divert the attention of the people from the nagging crisis in the economy and make the BNP leaders and activists confused and mislead them. They said that if BNP leaders and activists are somehow misled and confused, the government will get a great relief from the current flow of political movement. On the other hand, people will then discuss the conflicts within BNP and the economic issues will be out of focus.

However, it is still really a big question why the government brought up the issue of Khaleda Zia's suspension of imprisonment. Political analysts are searching for the actual reasons behind the issue. The BNP again intensified its street movement following the visit of US Assistant Secretary Bureau Of South And Central Asian Affairs Donald Lu. The recent visit of another US official, Derek Chollet, a senior

policy advisor to US Secretary of State Antony Blinken, who arrived in Bangladesh on a two-day visit on February 14.

They believe that the ruling Awami League is still under tremendous pressure from US and its European allies for holding a free, fair and participatory election and also on the question of human rights and

has surfaced again, with several senior leaders of the ruling party commenting on the matter.

Political analysts say the government should have mentioned it earlier if Khaleda Zia could do politics now. The ruling party's remarks also created confusion about whether the suspension of her sentence would be upheld. BNP leaders say these are



Obaidul Quader Obaidul Quader Awami League

democracy. So, their movement will finally bring success and the government will finally accept the demand for holding an election under a neutral caretaker government. They said that if there is no neutral government BNP will not participate in the election. On the other hand, Prime Minister Sheikh Hasina and other ministers in their recent statements categorically said that they would not accept any caretaker government system. It's not clear if there is no understanding between the two arch rival parties on the issue of election-time government, then what will happen. What the US and its European and Asian allies will play the role in that situation. Only time will say.

What is the fuss about Khaleda Zia's political presence?

The question of whether imprisoned BNP Chairperson and former premier Khaleda Zia can do politics

nothing but political rhetoric and a trap hatched by the government to send Khaleda Zia back to jail before the next election. They also believe that the government has softened its stance upon being pressured by different quarters, including foreign diplomats.

Khaleda Zia was released from Dhaka Central Jail in March 2020 under an executive order of the government on the condition of receiving medical treatment at home due to her illness and not doing politics. In particular, Khaleda Zia is not barred from doing politics as her party leaders and relatives linked to the BNP often met her. But she cannot run for the election due to her conviction in corruption cases.

The BNP chief was convicted in corruption cases involving Zia Orphanage Trust and Zia Charitable Trust. But her sentence was suspended by Prime Minister Sheikh

Hasina on humanitarian grounds. In the absence of Khaleda Zia, her exiled son Tarique Rahman and Secretary General Mirza Fakhru Islam Alamgir are conducting party programmes and meetings. Khaleda Zia made rounds late last year when several BNP leaders said she would participate in the party's divisional rally in Dhaka on December 10, prompting the government to take a strict stance ahead of the rally.

The government did not permit the BNP to hold the rally as per its choice. The police arrested Mirza Fakhru and Standing Committee Member Mirza Abbas, among others, 48 hours before the rally after a clash in Naya Paltan central office area. Some political analysts think that the BNP and like-minded parties and alliances are holding programs simultaneously, demanding the government's resignation and a non-partisan government ahead of the polls. There may be doubts within the government and the Awami League whether Khaleda Zia could be brought to the streets at any stage of the ongoing movement.

When contacted, several BNP leaders said they would discuss the matter in the party forum and give a formal response.

What did the law minister say?

Law Minister Anisul said that the BNP chairperson could participate in politics, since it was her personal matter. "The government will not interfere in her politics," said the minister.

But she would not be able to contest the next general election because of her conviction in corruption cases. "The constitution states that any person who has been sentenced to two years of imprisonment cannot participate in the elections. There is nothing new to say," said Anisul.

What did Sheikh Selim say?

Earlier, senior Awami League leader Sheikh Fazlul Karim Selim claimed

in parliament on January 26 that an undertaking was given on the BNP chairperson's behalf that she would not do politics before her release from jail.

Selim, also a cousin of the prime minister, said that Khaleda's siblings had met the prime minister for her release. "A convict cannot be directly taken home if the person does politics. So, the premier told them that Khaleda won't be allowed to do so," he said.

What do the BNP leaders say?

Former BNP lawmaker and Assistant International Affairs Secretary Rumeen Farhana termed the comments by ruling party leaders a new trap by the government.

"First of all, if the law minister's statement is right, then why did their senior leader Sheikh Selim tell parliament that she cannot do politics? Their dual role is proving that the Awami League is lying and that what is true, they should clarify it to the nation."

Rumeen Farhana thinks the Awami League recently may have come under pressure from international quarters as they are barring Khaleda Zia from politics.

"On the other hand, if Khaleda Zia starts participating in political activities, then the government can again send her to jail claiming that Khaleda Zia's physical condition is okay now. So, I think it's totally a trap by the government," she added.

What did the AL-BNP spokespersons say?

After the remarks by Sheikh Selim, journalists asked the senior leaders of Awami League, including General Secretary Obaidul Quader, about the matter.

Quader said: "Sheikh Selim is a senior party leader and he might have some information on what he said." On the other hand, Mirza Fakhru said there was no question

of giving such a bond that Khaleda Zia would not do politics.

"The Awami League leader [Sheikh Selim] gave false and absurd statements. The leaders of the ruling party are now giving baseless speeches after being alienated," Fakhru added at that time.

Meanwhile, Road Transport and Bridges Minister Obaidul Quader

Malik said: "Bails are usually given as a promise to refrain from criminal or criminal activities. Politics is certainly not a criminal activity. So the question of bailing Khaleda Zia for not participating in political activities cannot arise."

The law minister probably wanted to clarify this concept, he added.

"Whether Khaleda Zia will partici-



Mirza Fakhru Islam Alamgir Secretary General BNP

said that as a convict, the BNP chairperson had no scope for politics. Quader, also the general secretary of the ruling Awami League, was replying to journalists following a joint meeting of the AL and its associated bodies at the party's Bangabandhu Avenue central office. Earlier, Information Minister Dr Hasan Mahmud said that the BNP chief was granted conditional permission to stay at home due to her medical condition and age. She cannot do politics according to the conditions.

"It is not mentioned in the conditions that she will not do politics. But it says that she will take medical treatment while at home. But it is mentioned that she cannot take part in any other activities. Therefore, she should not be allowed to do politics either," the minister added.

What do legal experts say?

Prominent lawyer Dr Shahdeen

pate in political activities is entirely her decision. However, the decision on the next step may be after examining the relevant documents and legal aspects of Khaleda Zia's suspended sentence under Section 401 of the Criminal Procedure Code," Shaheen told the media.

Law minister clarifies

Referring to the temporary release of BNP Chairperson Khaleda Zia from jail, Law Minister Anisul said that she will not be able to contest in the upcoming parliamentary polls as she is a convicted criminal.

"She has been released from jail temporarily for medical treatment. Apart from that, her current physical condition is not suitable for politics," the law minister said while speaking at an event in Brahmanbaria on February 25.

Mentioning that Khaleda Zia is named in two corruption cases, the law minister noted: "While one case

has already been tried, the other one is still under trial. As per Article 66 of the constitution, she is disqualified from participating in any election due to being sentenced."

The law minister also mentioned that in view of Khaleda Zia's brother's plea, she was released on two conditions.

"The conditions of her release were that she must receive medical treatment at her home in Dhaka and cannot travel outside the country.

However, no conditions were imposed regarding her political activities," he added. Huq mentioned that Prime Minister

activities.

Fakhrul: Constitution must be amended

BNP Secretary General Mirza Fakhrul Islam Alamgir on February 17 said the latest presidential election has proved the current constitution needs to be amended, as it is not conducive to resolving the country's problems.

Fakhrul also described the prime minister's assertion about credible polls under the Awami League government as laughable, and reiterated that BNP will not join any more polls under the current regime. "The president-elect said in a televi-

a participatory credible election - all of which requires amending the constitution.

As part of BNP's scheduled program on February 24, the leaders and activists of BNP's Dhaka South City unit marched from Motijheel to Nayabazar to press home the party's 10-point demand, including holding the next polls under a non-party caretaker government.

"The government has turned the country into a failed state. They badly destroyed the country and its institutions. Like the previous year, the USA again did not invite Bangladesh to its Summit for Democracy. It's a matter of sorrow," the BNP leader said.

He said Awami League is basically a "terrorist" party which always wants to cling to power by resorting to violence and spreading panic among people.

"They usurped power in 2014 and 2018 by creating a reign of terror and intimidating people. They're again trying to again grab power by force in the upcoming election. BNP and the country's people will not go to any more polls under the Awami League government," he said.

"The prime minister is saying to the foreigners who are coming to Bangladesh that there will be very good elections under the Awami League-led government and everyone will be able to vote freely. Even the horses started laughing after hearing such a remark," Fakhrul said.

He unequivocally said BNP and the people of Bangladesh will not join any election under the Awami League government. "The people of Bangladesh will never accept any election in which they won't be able to cast their votes." Fakhrul urged the government to quit immediately without wasting any more time. "You must step down, and dissolve the parliament after taking steps for



BNP's scheduled program on February 24, leaders and activists of BNP's Dhaka South City unit marched from Motijheel to Nayabazar to press home their 10-point demand

Sheikh Hasina granted her release on humanitarian grounds.

The law Minister also said that he agreed with the leaders of the ruling party regarding Khaleda Zia's participation in the polls.

"My colleagues are making statements based on the current situation. It is reasonable to assume that someone who is released from prison for medical reasons should not engage in politics. Their remarks are logical," he said.

The law minister also stated that journalists have created confusion about whether or not BNP Chairperson Begum Khaleda Zia will be able to continue her political

sion interview that he knew nothing about it (his nomination). We also didn't know anything about it. This presidential election proves that the existing constitution can't resolve the problems of the country. So, the constitution must be amended," the BNP leader said.

In an address prior to launching the BNP Dhaka South City unit's march program, he said their party talked about amending the constitution in the 27-point memo it presented earlier for the reform of the state. He said a balance should be ensured between the power of the Prime Minister and the President and a polls-time caretaker government system must be restored for ensuring

holding the next election under a non-party caretaker government to be conducted by a new Election Commission. Otherwise, the country's people won't spare you."

10 BNP activists killed by police since August

Referring to a report from rights body Ain O Salish Kendra, Fakhrul said 72 people were subjected to extrajudicial killing by police in the last 13 months.

He said police also unfairly obstructed the opposition's political activities and gunned down 10 BNP leaders and activists during the ongoing anti-government movement that began in August last year.

The BNP leader also alleged that police arrested many leaders and activists unlawfully and raided their houses and repressed them.

He said the common people are gradually getting poorer while the ruling party men are getting richer by indulging in corruption and plundering. "They've indulged in

BNP's Dhaka north city unit marched from Uttara's Jasimuddin Road intersection to Abdullahpur. Apart from BNP, LPD, Gonoforum, People's Party, Jatiyatabadi Samanona Jote and Peshajibi Ganatantrik

outright rejected any possibility of restoring the obsolete caretaker government system by amending Bangladesh's constitution. "The caretaker government will not return. No matter whatever efforts



Anisul Huq, Minister for Law, Justice and Parliamentary Affairs

Jote also staged the march program in different areas of the capital at different times on Friday as part of the simultaneous movement to oust

you make, the government will stick to the constitution," he said while speaking at the unwrapping ceremony of a book titled "Deshnetri Sheikh Hasinar Sharna Jugh" at Jatiya Press Club in Dhaka.

Quader, also the road transport and bridges minister, reiterated that there is no chance of changing the state power without elections.

"If you want to change power, there is no alternative to participating in the elections," he said.

About the BNP's allegations against the government, the Awami League general secretary said the claim of lodging cases against five million BNP leaders and workers is unreasonable, fabricated and false.

During the AL regime, the Election Commission was formed first in the country following the law, Quader said.

He said the Awami League government is gradually making the country's democracy and electoral system flawless. ■



Sheikh Fazlul Karim Selim Jatiya Sangsad member representing the Gopalganj-2

plundering and theft in a way that now there's no money in the bank and no dollar for opening LCs to import goods. They have exceeded all limits of theft."

Earlier, the leaders and activists of

the current government.

Quader: No way to restore caretaker govt

Awami League General Secretary Obaidul Quader on February 19



Canada Wants To Assist Bangladesh In Developing Food Storage

Business Outlook Report

Canada is keen to collaborate with Bangladesh in the agriculture sector particularly in the development of food storage and small-scale farmers. Canadian Minister of International Development Harjit S Sajjan expressed this interest during a courtesy call on Prime Minister Sheikh Hasina at the her official residence Ganabhaban on February 24.

PM's Speechwriter Md Nazrul Islam briefed reporters after the meeting. According to the spokesperson, the visiting Canadian minister appreciated the development of Bangladesh in agriculture

and education, reports UNB. The minister also praised Hasina for developing a large agro-farm inside her residence complex. The premier called upon the Canadian entrepreneurs to make investment in agro-processing industry and others in the special economic zones of Bangladesh.

She said Bangladesh is now setting up 100 special economic zones throughout the country. Canadian investors can make investments there. She said her government puts emphasis on the development of the agro-processing industry to export processed foods alongside meeting the local demand.

Noting that Bangladesh is a small country with a large population, the PM said her government has been trying to boost farm production significantly in a small area in order to feed the local people and export the surplus food or assist other countries with food. She said Bangladesh became successful as its scientists have been able to develop many high yielding varieties of crops.

A huge number of lands which once used to remain fallow in the country, particularly its southern region, have been brought under cultivation thanks to the development of varieties which are tolerant of saline and drought, she

added. About her government's steps to promote small farmers, Hasina said the government provides them with subsidies to irrigation, agriculture appliances and agricultural mechanisation, and assists them under many other programmes. She said the government has introduced a micro-saving programme and so, the small farmers can save their money and also take loans from it.

In irrigation, the government now puts importance to rainwater harvesting and use of surface water instead of underground water for the sake of conservation of nature, she added. About the Rohingya issue, the

PM sought cooperation from the development partners over repatriation of displaced Rohingya people to their motherland.

She, however, sought their assistance to develop more areas in Bhashan Char, island in Noakhali, to relocate more Rohingyas from Cox's Bazar for their temporary shelter.

PM Hasina said Bangladesh developed the Bhashan Char island with its own fund to arrange a better living condition for Rohingyas. A good number of Rohingyas have already been shifted to

Bhashan Char. If the area with better living conditions can be expanded there, more Rohingyas can be relocated from Cox's Bazar, she said, seeking help from the donors in this regard.

The PM said some of the Rohingyas have got involved in various crimes like human and drug trafficking and internal conflicts in Cox's Bazar.

She said an inhuman environment exists in camps for women particularly children and adolescent girls. If they go to Bhashan Char, they will get a decent environment.

Talking about climate change, Hasina said Bangladesh is mainly emphasizing the adaptation and mitigation to fight the impacts of climate changes. The problems induced by climate changes are being addressed by local solutions, she said.

She said the government focuses on minimizing damages of lives and livelihood during natural disasters.

In this context, she mentioned that cyclone shelter centres, cyclone-resilient houses and greenbelts were built

on the coastal area.

Turning to education, the premier said her government is putting importance to the development of skilled manpower alongside general education to create scopes for self-employment and increase remittance outflow exporting skilled labour to foreign markets.

PM's Principal Secretary M Tofazzel Hossain Miah, Foreign Secretary Masud Bin Momen and Canadian High Commissioner to Bangladesh Lilly Nicholls were present. ■

BGMEA Urges Proparco To Provide SMEs With The Low-Cost Fund, Grant



Business Outlook Report

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the French Development Agency the financial wing Proparco to provide the small and medium enterprises (SMEs) of the country with the low-cost fund and grant as they

often cannot avail of regular financing schemes due to stringent due diligence. "Bangladeshi garment factories are making huge investments to make their production process cleaner and more energy efficient. However, the SMEs need low-cost funding to integrate environmental sustainability

practices," said BGMEA President Faruque Hassan. A delegation of Proparco met with Faruque in Paris on February 18 to discuss possible collaboration in supporting the sustainable development of Bangladesh's RMG industry. The Proparco delegation led by Reza Hassam Daya, deputy head of manufacturing, also included Nahema Lemarchand, Jean-Emile Loubet and Théodore Planes. The two sides discussed the present status of Bangladesh's apparel industry, its vision, challenges and potential. Faruque informed the Proparco team about the progress made by Bangladesh's RMG industry in the areas of workplace safety, social and environmental sustainability and workers' wellbeing.

Chair of BGMEA Standing Committee on Press, Publication and Publicity Shovon Islam was also present at the meeting. ■



Govt Launches CCMS Platform To Check Cheating In E-Commerce

Business Outlook Report

The government today launched the Central Complain Management System (CCMS) platform to check digital cheating in e-commerce. Commerce Minister Tipu Munshi formally inaugurated the CCMS platform as the chief guest at a function held at the Ministry of Commerce conference room at Bangladesh Secretariat on February 19.

State Minister for ICT Junaid Ahmed Palak spoke on the occasion as the special guest. The CCMS platform has been developed by the Ministry of Commerce. Speaking on the occasion, the Commerce Minister said that the "Digital Bangladesh" is now moving towards "Smart Bangladesh" as the people of the country is now enjoying the digital facilities. He said with the increase of coverage of e-commerce, the trend of digital cheating has also increased for which all concerned need to remain alert.

Tipu noted that with the launching of CCMS platform, all concerned stakeholders would now get the benefits of e-commerce. "This platform will act as a bridge among the consumers, regulators and the e-commerce stakeholders," he added. Mentioning that the e-commerce

has played a very important role during the COVID-19 pandemic as the common people were able to buy their desired products while staying at home, he said the commoners are still continuing to enjoy such facility. The Commerce Minister said that with the passage of time, the coverage of e-commerce has increased further for which the CCMS platform has been launched to make secure the transactions through e-commerce.

"We'll have to move a long way to build 'Smart Bangladesh'. We'll have to discharge our duties with honesty and efficiency from our respective positions," he added. State Minister for ICT Junaid Ahmed Palak said the popularity of e-commerce is increasing day by day as it was very much necessary during the pandemic period. "There has been a huge demand for e-commerce platform as it has simplified the livelihood of common people as well as changed their lifestyle," he added.

Noting that the country's people are now enjoying the facilities of digital services in various sectors, Palak said everyone is now enjoying the facilities of dialing 999 side by side animals are also being sold at digital hut. He said that they are working in a coordinated manner to build a smart and developed Bangladesh as outlined by

Prime Minister Sheikh Hasina. The CCMS is a central platform, where anyone can raise any justified e-commerce related complain, and thus can get remedies. The platform will work automatically in coordination with the Directorate of National Consumer Rights Protection (DNCRP), e-commerce stakeholders, filing system and various industry regulators.

The CCMS is expected to play a very important role towards ensuring client services of the fast growing e-commerce industry as well as protecting the rights of

the consumers. Additional Secretary of the Commerce Ministry and WTO cell DG Md Hafizur Rahman, DNCRP Director General AHM Shafiquzzaman, e-Commerce Association President Shomi Kaiser spoke, among others, on the occasion.

Eerlier, a 10-member business delegation, led by Indian Bengal Chamber President Subir Chakrabarty, met the Commerce Minister at the Ministry and discussed issues related to mutual interests and investment. ■

Deal Signed For Saline-Tolerant Wheat Production Across Bangladesh Coast

Business Outlook Report

A deal has been signed between 'Lal Teer Seed Limited, Bangladesh, and 'OlsAro Crop biotech, Sweden for wheat production in coastal region where salinity is a major challenge.

As per the joint collaboration, Lal Teer and OlsAro will work for the adaptation of the saline-tolerant wheat in the coastal areas of Bangladesh, which contributes to increasing domestic wheat production.

The signing ceremony was held on February 22 at a hotel in the city. The Chairman of Lal Teer Seed Abdul Awal Mintoo presided over the ceremony while Dr

Sofia Strom, Chief Executive Officer of OlsAro Crop Biotech, was present as the special guest. From OlsAro Crop Biotech, Elen Fexo, Professor Olf Olsson, and Professor Henrik Aronsson were also present at the event.

The lines were tested by Lal Teer in the coastal area along with the salt-tolerant variety BARI Gom-25. The line OA-62 performed potentially well continuously for the last two years and out-yielded BARI Gom-25, said M Abdur Rashid, General Manager of Lal Teer Seed Limited.

He said the OA-62 variety of wheat yield around 5.15 tonnes per hectare in normal land

while it yields around 3.52 tonnes in the saline-infested soil.

OlsAro is a famous biotechnological company working for the development of wheat salt tolerant lines through chemical mutations with joint collaboration of the Gothenburg University of Sweden.

According to Agriculture Extension Directorate, climate change poses a particular challenge to the agriculture sector due to long-term changes in temperature and precipitation, floods, sea level rise, drought, salinity, and magnitude of monsoon season. Bangladesh owns a huge coastal region in the southern part of the

country covering about 2.85 million hectares, which are over 30 percent of the net cultivable area of the country.

Out of these 2.85 million hectares, more than one million hectares are affected by different degrees of salinity in certain parts of the year. This coastal area is prone to flood, drought, and salinity intrusion. Only one rice crop is cultivated during the rainy season but without potential yield.

If Bangladesh can utilise the coastal land for cultivating saline-tolerant wheat its dependency on importing wheat would reduce significantly, experts said. ■



BB Committed To Provide Policy Supports To Exporters, Importers

Business Outlook Report

Bangladesh Bank Deputy Governor Ahmed Jamal today said that the Bangladesh Bank is always committed to provide policy support to the exporters and importers.

"Given the ongoing situation due to Covid-19 pandemic, Bangladesh Bank extended policy supports to international trade by the ways of (a) extending repatriation of export proceeds, (b) extension of usance periods of import payments including back to back LCs, (c) EDF loan repayment extended to 360 days, (d) refinancing from EDF for normal back to back LCs and So on" he said.

Jamal was speaking at the certificate award ceremony of ICC Bangladesh Workshop on Factoring & Open Account for International Trade Finance held in the capital on

February 19, said a press release. The Deputy Governor of Bangladesh Bank in his keynote speech mentioned that the central bank after huge exercises brought radical changes in foreign trade transactions by issuance of FE Circular No. 25 on June 30, 2020.

He observed even during the pandemic situation they are being visited by several international financing institutes. "This indicates that we are growing despite different odds. I am sure external financiers will be benefited from trade transactions of Bangladesh," he said. Jamal also requested the exporters to use the policy so as to protect their payments.

ICC Bangladesh vice president AK Azad said that in the context of on-going global financial and economic crisis, banks and businesses need to take stringent measures to

ensure that their sales transactions are watertight.

He said open account and international factoring is being adopted by most of the countries around the world for better and smooth trade finance. "Factoring in South Asia as a region in general and Bangladesh in particular has still been very limited, whereas factoring in most other regions of the world has exploded with the shift towards open account trade," the deputy governor added.

Azad said Bangladesh has made a strong economic recovery from the COVID-19 pandemic. The export earnings are increasing and also successfully advancing overcoming all hurdles. During FY22, the RMG exports were \$42.62 billion, which is about 82 per cent of the total export of \$52.08 billion. "The Country is poised to overtake China in

garments export to EU. Bangladesh's share in global RMG, market is only 6.50% as against China's 32.21%," he added.

Azad mentioned that BGMEA is targeting to export \$100 billion worth of garment items by 2030. Besides, there is an immense potential for Bangladesh to increase its export of leather goods, pharmaceuticals, plastic products and other products.

"Bangladesh government is promoting digitization to make Smart Bangladesh. Therefore, we would suggest appropriate policy changes should be made by Bangladesh Bank to digitize international trade. We from ICC Bangladesh will be delighted to support Bangladesh Bank in implementing DSI developed by

ICC HQ," he added.

Dr. Md. Akhtaruzzaman, Director General, Bangladesh Institute of Bank Management (BIBM) & Mr. Peter Mourly, Secretary General, Factor Chain International, The Netherlands addressed the inaugural session and ICC Bangladesh Secretary General Ataur Rahman delivered the welcome address. In the workshop a panel discussion was held. The panel discussion was moderated by Muhammad A. (Rume) Ali and the keynote speaker was Ahmed Jamal, Deputy Governor, Bangladesh Bank.

The panelists were : Md Fazlul Hoque, managing director, Plummy Fashions Ltd.; Mohammad Hatem, executive president, BKMEA & managing director, MB Knit Fashion Ltd.; Muhammad Mohsin

Reza, general manager, Supply Chain of SKF Pharmaceuticals Limited; Naser Ezaz Bijoy, president, Foreign Investors' Chamber of Commerce & Industry (FICCI) and chief executive officer, Standard Chartered Bank; Ahmed Shaheen, additional managing director, Eastern Bank Limited; Peter Mulroy, secretary general, Factor Chain International (FCI) and Dr. Prashanta Kumar Banerjee, professor, Bangladesh Institute of Bank Management (BIBM).

A total of 131 participants including officials of the Ministry of Commerce and Bangladesh Bank, 96 participants from 31 banks and 32 participants from 24 companies attended the day-long the workshop. ■

Nagad Islamic Wins 'Best Innovation In Other Financial Institution' Award



Business Outlook Report

Nagad Islamic has scooped up the "Best Innovation in other Financial Institutions" award at the fifth Bangladesh Innovation Award gala 2023. They received the honour for their "innovative approach and extraordinary success in introducing the country's first and

only Shariah-compliant mobile financial service." The award ceremony, presented by GPH Ispat in collaboration with Aspire to Innovate (a2i) and in association with The Daily Star, was held Saturday at a city hotel in Dhaka, mobile financial services provider Nagad said on February 20. ICT State Minister Zunaid

Ahmed Palak was the chief guest at the event. From Nagad, Sheikh Aminur Rahman, chief corporate affairs officer, Sadat Adnan Ahmad, chief marketing officer, Muhammad Solaiman, director of public affairs, Abu Sufian Mohammad Khaled, general manager of digital planning and GTM, and Ariful Alam, manager of corporate communications, received the award. Nagad Islamic has come up with a suitable option for practising Muslims to manage their funds in an interest-free and Shariah-compliant manner, maintaining their religious values and principles, Mohammad Aminul Haque, executive director of Nagad and

member of the Shariah Supervisory Committee of Nagad Islamic, said. "We are happy that our initiative that offers people the Shariah-compliant payment solution has got recognition," he added. The award ceremony, which was preceded by the fourth edition of the Bangladesh Business Innovation Summit, honoured 49 innovations with 26 winners and 23 honourable mentions. The award programme was attended by more than 500 professionals and industry experts.

This year, more than 300 nominations from more than 100 organisations were submitted for the award in 21 categories. ■



Govt To Reform Savings Tools Policy

Business Outlook Report

The government has planned to bring reforms to savings tools so that the commoners get a relief amid high inflationary pressure on the economy, officials related to the development sector said. The Internal Resources Division (IRD) under the Ministry of Finance formed a committee for drafting an integrated policy for savings tools with an open ceiling of investment for expatriates with dollars.

“The development is now at the initial stage. We want to do something better for the common savers amid inflationary pressure. We are hopeful to complete the task before next fiscal year,” said Suraiya Parvin, joint secretary at IRD. Parvin has been entrusted with developing the draft on savings certificates of three-monthly schemes, family savings and pensioner savings schemes. Officials of the Ministry of Finance, National Board of Revenue (NBR), Department of National Savings (DNS) and Bangladesh Bank held a meeting in the first week of February.

DNS has made some proposals to IRD for bringing some amendments for attracting more investments in four savings certificates including documents, income tax, procedures of procurement, registrations and renewals are

similar but interest rates and age limits of investors are different. Therefore, the four schemes are going to be brought under an integrated policy. The Directorate of National Savings drafted a policy in Bengali and sent it to the IRD for approval.

Sources said the ceiling for buying wage earner development bond is being relaxed to attract expatriate investors and resolve dollar crunch in the country. The Bangladesh Embassy in UAE and the Sonali Bank first proposed to hike the ceiling of wage earner development bonds to boost investment in savings certificates and to resolve the dollar crisis. The Ministry of Finance asked the IRD to take necessary initiative in this regard. A survey shows that expatriates are willing to invest in the wage earners development bond for having 12 percent interest which is higher than any banks. They are willing to invest more, requiring the existing ceiling waived. Under the new system, an expatriate will be able to buy wage earners development bond upto Tk 10 million.

The officials of foreign missions will have scope for investing in the scheme. An investor can withdraw interest six monthly and can take loan against his savings. ■



Dysfunctional Monetary Policy NPL Spreading Like Cancer

Apu Ahmed

Bangladesh Bank has been identifying non-performing loans as a major challenge to obtain its monetary policy objectives in its monetary policy statements.

No Respite in NPL Growth

But there is no respite in high growth of bad loans which undermined the key BB policy aiming at infusing dynamisms in the country's economy. The NPL in the country's banking sector increased by Tk 17,383 crore in 2022 to Tk 1,20,656 crore from Tk 1,03,273 crore in 2021, according to Bangladesh Bank latest disclosure. The amount of NPL was Tk 89,340 crore in June 2018 and Tk 22,710 crore in 2010 despite repeated promises from the government and the central bank to reduce those.

BB Policy Stance

"NPL remains one of the key

challenges of the monetary transmission channels, making interest rates downward sticky and less sensitive to the monetary policy actions," according to the BB monetary statement for the January-June 2019 period. In the latest monetary policy for the January-June 2023 period, the BB said that the high NPL ratio and the issue of gover-

nance in banks and non-bank financial institutions were also matters of concern for financial stability of the economy.

Loan Scams

However, the BB such policy statement contradicts its actions to check the NPL hamstrung the banking sector known as the nerve of the



Bangladesh Bank Governor Abdur Rouf Talukder

economy. So it is quite natural that BB has been facing criticisms for its failure to rein in the defaulted loan and for not playing its regulatory role in addressing the massive irregularities in the sector. From the Hallmark loan scam in Sonali Bank to the fictitious loans approved by BASIC Bank's board of directors with Sheikh Abdul Hye Bacchu in the chair and the loan scam in Janata Bank staged by the little-known Anon Tex remain unaddressed. Moreover, lifting a staggering volume of more than Tk 30,000 crore recently by Chattogram-based S Alam Group from Islamic Bank Bangladesh Limited in violation of

anonymous names, making recovery impossible. There is nothing positive about the NPL. The high NPL destroys the trust of depositors, which is resulting in reduced deposit growth in the banking sector. Moreover, it has reduced the capacity of banks to provide loans to good borrowers.

Monetary Policy Targets Off-track

The BB has been failing to fulfil its targets to disburse credit to the private sector, the main driving force of the country's economy, because banks cannot perform their responsibilities. The central bank in its latest monetary statement said the

chief economist Zahid Hussain noted that private sector investment not only depended on BB targets but also on other issues, including favourable investment climate and access to credit for entrepreneurs. "The investment environment is not conducive for private businesses," he pointed out. The country made a negligible progress in the 2022 Bangladesh Business Climate Index due to the lack of a comprehensive national reform programme on access to land, availability of regulatory information, infrastructure, labour regulation, dispute resolution, trade facilitation, paying taxes, technology adoption and access to finance. This was reflected in the index released on January 27, 2023 jointly by the Metropolitan Chamber of Commerce and Industry, Dhaka and the Policy Exchange, Bangladesh. The country scored 61.95 on a 0–100 scale in the 2022 index. The score was 61.01 in 2021.

Proper Action Needed

According to former BB governor Salehuddin Ahmed, the central bank should come up with specific targets on arresting and cutting the NPL volume and on defaulted loans and written off loans. Otherwise, the monetary policy statements will remain less than effective, he said. "You can't expect a good crop after ploughing the land with sick cows," said former BB chief economist MK Mujeri while indicating to financial condition of banks on which the BB heavily relied in order to maintain money flow to different sectors of the economy. BB policy failure has pushed the inflation close to a double-digit figure recently for the first time in the past one decade, causing the majority households to undergo price pressure for food, education and treatment, among other needs. Though the BB has been blaming the war in Ukraine and the price hike on energy items and fertiliser on the international market for the high inflation in the country, economists said weakness



the banking rules indicates that the NPL size will grow further in the days to come.

Capital Flight

Experts have expressed concern over the alarming and unstoppable surge in defaulted loans, warning that it will have a devastating impact on both the banking sector and the economy. They said that most of these default loans were taken by wilful defaulters, backed by the political, financial, and lobbying power of the borrowers. Ahsan H Mansur, executive director of the Policy Research Institute, suspected that a large portion of the defaulted loans had been laundered abroad because they were taken under

private sector credit growth increased by 12.76 per cent in the first half of FY23 compared with the same period of the previous year, though the target was 14.1 per cent. It also failed to achieve the targeted private sector credit growth on most occasions between FY14 and FY 21 as the actual disbursement was lower than the targets, according to an analysis by the Centre for Policy Dialogue in 2021. The private sector credit growth was 8.40 per cent, compared to the target of 14.80 per cent, in FY21 when the low private sector investment did little in generating employment.

Doing Business

Former World Bank Dhaka office

in the banking sector and in the financial sector should also be blamed.

IMF Reform

The country's forex reserve fell below \$33 billion in January from \$48 billion about a year ago due to high import payments. The nation is now facing problems in importing necessary goods, which would aggravate the supply situation in the coming months. Economists said a massive reform plan agreed by the government under the \$4.7 billion loan from the International Monetary Fund shows some promises to make the banking sector disciplined.

The IMF has already asked the BB to



show banks' rescheduled loans alongside the non-performing loans

in the annual financial stability report by next November. The international lending agency also wanted the implementation of the memorandums of understanding to reduce NPL, increase capital adequacy and provision coverages of the state-owned commercial banks and private commercial banks.

Irony for BB

IMF suggestions can be seen as irony for BB since such steps are always vital to check the NPL. BB also knows but failed to enforce those. ■

Adani Group Starts Discussion With Bangladesh To Resolve Issues On Coal Pricing

Business Outlook Report

Adani Group has started discussion to resolve the issues on "coal pricing mechanism of the power purchase agreement (PPA)". According to highly placed sources at state-owned Bangladesh Power Development Board (BPDB), a 5-member delegation of Adani Group arrived in Dhaka and held a meeting with the top officials of BPDB on February 23.

A chief executive and a chief procurement officer of Adani were among the 5-member delegation while one official from Adani's Dhaka office also joined the meeting, said the source without mentioning their names. A number of BPDB officials including the member (company affairs) and the member (finance) were present at the meeting, it said.

"The meeting started in the afternoon at Biduyt Bhaban and lasted for more than an hour," a top official of the BPDB told UNB. The issue of the meeting was kept secret as it was sensitive for both sides.

Sources said both the sides heard each other and they presented their points in favour of their respective sides on the issue. "But both sides expressed interest to continue discussion," said the

sources adding that Adani's representative informed them that they would communicate BPDB's stance on the coal pricing mechanism of the PPA to their top management and they will sit in more follow-up meetings.

"Adani officials are convinced with the BPDB's points on the issue," said the official preferring anonymity.

"We're hopeful that Adani will finally accept Bangladesh's request for revising the PPA to set a new coal pricing mechanism" he said.

Following the meeting, the Adani team met the BPDB chairman. Sources said the Adani team has a plan to meet State Minister for Power and Energy





Nasrul Hamid and also Prime Minister's Energy Advisor Dr Tawfiq-e-Elahi Chowdhury. Earlier, the Bangladesh government sought a revision to the power purchase agreement (PPA) it signed with Adani Power Ltd for importing electricity from its thermal power plant in Jharkhand, India. The BPDB, 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. Read: Amid standoff over tariff, transmission lines for electricity from Adani plant completed It seems the price of coal to be purchased as fuel for the project has emerged as the prime bone of contention.

The BPDB sent a letter to the Adani Group following a request it 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 (MT) – 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 BPDB official referred to the coal procurement of Rampal Power Plant where the supplier Bashundhara Group won the contract to supply coal at \$232.33 per ton to reach the product to the jetty.

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 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.



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Protein Diets Fading From Menu

Apu Ahmed

Prices of protein items are soaring past the purchasing capacity of the middle-class due to price hikes of the items in the local market ahead of Ramadan that will begin from the third week of the current month.

Price Hike of Broiler Chicken

The country's burgeoning middle-class is forced to compromise more with protein items since the prices of chicken, egg, fish, beef and mutton went through the roof in the city last month. It is reported that the price of broiler chicken soared to Tk 240 a kilogram while beef and egg became costlier. Broiler chickens and eggs, known as poor men's protein, continued becoming costlier for the past one month. The price of broiler chicken increased by Tk 80-90 a kilogram on the city markets during the period while the prices of a quartet of eggs shot up to Tk 50. Rezanur Rahman, who relies on his fixed monthly income, said he had no way but to increase the weekly protein-less day to tackle the current price hikes of chicken, egg and fish.

Govt's Monitoring Agency Ineffective

Retailers said that farm owners and wholesalers

increased the prices of broiler chicken and egg abnormally in the pretext of the price hike of poultry feeds. They said that wholesale prices of the items were rising almost every day on the market. Amid the gradual price hike of broiler chicken and egg, the price of beef also rose in the city market. Many low- and middle-class families have already dropped red meat from their menu. Many said the local commodity market becomes the ideal one for the open market economy thinkers as businesses are dictating the prices for maximising profits amid silence of consumers' right protection body and price competition commission. They said the presence of such government bodies was ineffective.

Poor In Queue From Dawn

The struggle of the middle-class people for food items has started when poor people are already making a beeline for essential items at the government-run open market sales spots. Failing to cope with the continuous price spiral of essential items since the past year, many tried to buy rice and flour at subsidised rates to meet ends. It has been reported that many even reach the OMS spots in the dawn.

Mohammad Alam, 68, a resident of Shahidnagar in Lalbagh area, is one of them who began queuing at about 4am at an OMS point near Azimpur Chhapra Masjid since price hikes of essentials made his four-member family life simply tough. He said he made the mark at OMS point at dawn so that he could buy the food items before the end of the OMS operation on the day.

Unequal Income Distribution

Such struggling for food items, the foremost prerequisite for nutrition, by the poor and middle class will not make any difference for those policy makers who are obsessed with the country's growth in gross domestic products. They are pleased with the growth statistics and hardly care about the unequal distribution of economic gains over the years. It is the unequal distribution of economic gains that should be blamed mainly for hunger among the vast majority of the population amid the external shocks. Had there been improvement in distribution of assets over years, people might not stand in queue for ration in the early morning.

Middle-Class Trapped

Same things are also applicable for the vast majority of middle-class people who are trapped between their stagnant income and the price hike of essentials. The country's current economic policies cannot ensure sustainable income for the majority population. They are vulnerable to economic shocks which become complicated due to volatility in market prices and lack of market monitoring. Volatility in the price of essential consumer products is nothing new in the country. Price hikes of essentials with the approaching holy month of

makers held meetings with the businesses in a bid to check the price hike. Their mission was completed when the businessmen assured them of price stability during Ramadan. Triumphant policy makers finally gave a statement that there were no price hikes of essentials in the holy month. But



unlike previous years, the upcoming fasting month is going to be challenging. First of all, businessmen will have readymade answers of dollar shortage for causing price hikes of essentials. None should be surprised when the businessmen will even tag dollar shortage for price hike of locally grown fruits. That the price hikes of locally grown items be it fruits or other commodities are the outcome of the upward adjustment of fuel oils and fertilisers during the August-November period of 2022 and their domino effects on every aspect of life.

Wage Remains Stagnant

However, local businesses lack capacity to identify the actual reasons for the price hike of the essentials. This suggests that speculation is highly active in the local market when monitoring bodies hardly monitor the market with proper analysis backed by authentic data. The performance of the monitoring body was poor, said Consumers Association of Bangladesh president Ghulam Rahman. As the wages of the majority of consumers did not increase compared to high inflation, many consumers had to struggle to make ends meet. "Many rely on savings and borrowings to overcome the price shock," said the CAB president, adding that there was no relief for millions of consumers. Local think tank, the Centre for Policy Dialogue, said in an analysis on December 17 that workers in 42 sectors were unable to afford basic needs like food, education, and health with the



Ramadan have been common over the past one decade. Market analysts said an unholy alliance had been active to make abnormal price hikes of items on various pretexts before the fasting months when demand for particular items such as sugar, edible oils increased.

Challenges Ahead of Ramadan

Amid widespread criticism, the government policy

minimum wage. Another local think-tank SANEM, between 51 per cent and 60 per cent female garment workers earn less than their living costs.

Purchasing Power Erodes

The reality is that the prevailing high inflation has pushed numerous households below the poverty line since the distribution of economic gains over the years has been unequal, said former Bangladesh Bank governor Salehuddin Ahmed. "The purchasing power of the majority of people is decreasing amid high inflation and growing income inequality," he said. Economists said steps from the government should be taken to increase income generation scopes. But such steps are missing because of dull private investment. Public investment is mainly political and flawed. Many government investment projects under the Annual Develop-

ment Programme are proved to be overvalued, time consuming and less economically viable.

Import Drops

Meanwhile, the Bangladesh Bank policy to tighten imports to increase reserves holding as per conditions of the International Monetary Fund in connection with its \$4.7 billion loan posed two risks. One of them is the availability of many essential imported items due to discouragement on import. Letter of credit on six products including soybean oil, palm oil and sugar dropped in January although BB has issued several circulars over the past couple of months to keep the opening of LCs normal for the imported essentials. The other risk is consolidation of the cartel over the imported products in an import-dependent country like ours. There are many small importers who cannot keep their import business running. ■

Indian Forex Reserves Fall To Eleven-Week Low



Business Outlook Report

Bndia's foreign exchange reserves fell for the third straight week to hit an eleven-week low of \$561.27 billion for the week ended February 17, the Reserve Bank of India's (RBI) statistical supplement showed on February 24.

According to Financial

Express newspaper, the decline in the reserves was primarily on account of foreign currency assets, which fell \$4.5 billion to \$496 billion.

The RBI holds major currencies, including the pound-sterling, yen and euro in its reserves, which are expressed in dollar terms. The value of gold reserves in US dollar

terms also fell \$1 billion to \$42 billion. SDRs fell by \$87 million to \$18 billion, the RBI data showed.

On a year-on-year basis, reserves were down by \$72 billion and \$46 billion compared to March 31, 2022. The change in forex reserves is caused due to RBI intervention in the

currency market to prevent the volatility in the exchange rate or dollar movement against other currencies held as reserves.

In the previous week, the rupee fell 0.4% against the greenback, its fourth weekly decline in a row. The likelihood of sharp appreciation in the dollar remains low, economists have said.

The US Federal Reserve released the minutes to the FOMC meeting earlier this week. The minutes indicated that some members wanted to hike rates by 50 basis points (bps). The FOMC had raised its benchmark interest rate by 25 bps, to a target range of 4.50-4.75%. ■

Palak Urges Japanese IT Entrepreneurs To Invest More In Bangladesh



Business Outlook Report

State Minister for ICT Zunaïd Ahmed Palak has urged Japanese IT entrepreneurs to invest more in Bangladesh, taking the opportunity of the country's "competitive strengths and policy incentives", reports UNB.

He was speaking at the webinar "Investment Opportunities in Hi-Tech Parks in Bangladesh" hosted by the Embassy of Bangladesh in Japan, UNIDO ITPO Tokyo, and the Bangladesh Hi-Tech Park Authority (BHTPA) hosted on February 19. More than

100 Japanese companies attended the event. Palak said Japan could be a very good market for the local IT and ITES industry in the coming years.

Bangladesh has a huge potential in hardware manufacturing too, as nationwide infrastructures are being built to support heavy manufacturing as well as technology manufacturing, he added. "Bangladesh offers cost-effective solutions for technology and services, making it an attractive destination for international companies looking to outsource or establish a presence in the region. It has a young

and educated population that is eager to adopt and use technology, creating a large potential market for ICT services and products," Palak said.

Bangladesh Ambassador to Japan Shahabuddin Ahmed said: "Japan is a very potential country for Bangladesh in terms of trade, business, investment and bringing skilled human resources. The Embassy of Bangladesh in Japan will provide all possible support to Japanese investors in starting and expanding business in Bangladesh."

Khandoker Azizul Islam,

managing director of the BHTPA, said the BHTPA is committed to providing necessary services to investors in hi-tech parks through its one-stop services, various incentives such as exemption of taxes and duties are also available for investors.

Yuji Ando, country representative of JETRO Dhaka, said Japanese companies consider Bangladesh a promising country for business. "According to the latest JETRO survey, 71.6 percent of Japanese companies want to expand their business in Bangladesh." ■

GE Offers High Efficiency Gas Turbine Tech To Ease Nagging Energy Crisis

Business Outlook Report

GE Gas Power, a world leader in natural gas power technology, services and solutions, is focused to generate electricity that is reliable, affordable and sustainable for the people in Bangladesh, said a senior official of the company.

The company is confident that its highly efficient and record setting gas turbine technology is a suitable fit to replace old and inefficient power generation units in Bangladesh, thus offering increased power output with lowest cost of electricity.

"In Bangladesh, we are offering our latest and most advanced gas turbines that would reduce the overall generation cost to a single digit, despite using imported LNG as fuel", said Deepesh Nanda, the Chief Executive Officer of GE Gas Power for the South Asia region, in an exclusive interview with UNB. He said that Bangladesh has set a target to supply uninterrupted electricity to the people at an affordable cost with highest reliability. "We're ready to take the challenge as GE Gas Power's 9HA.02 gas turbine can generate electricity at more than 64 percent net efficiency in combined-cycle mode while Bangladesh's average efficiency level is 47 percent", said the GE top official. GE has been engaged in Bangladesh for more than 40 years now and has its presence in most of the gas-based power stations that use GE's gas turbines and other power generation equipment.

At present, the portfolio of 38 GE gas turbines is capable of generating more than about 3 GW of electricity.



Deepesh Nanda, Chief Executive Officer of GE Gas Power for South Asia

ty. Not only as an equipment supplier, but GE Gas Power is also making significant contributions to the country's power and gas sectors. "We invested as an equity partner in the 341 MW Summit Bibiyana power plant, 335 MW Summit Meghnaghat Power Plant and also partnered with other key players in the sector," Deepesh said.

GE had invested in Summit's FSRU (floating storage and regasification unit) in Moheshkhali of Cox's Bazar. "Now we're planning to increase our presence further across the Bangladesh market through foreign direct investment (FDI) while keeping the focus on transforming the power sector," he said. Referring to GE's own analysis on Bangladesh's power sector he said that as

per our estimates for using HFO (furnace oil) vs. Coal vs. LNG as a fuel in power generation - the cost of electricity by using HFO is Tk 16-15 per kilowatt hour (each unit) while coal costs Tk 12 and gas Tk 9.7 per kWh. There is a significant gap between the cost for using HFO and gas.

"The government did a remarkable job in ensuring energy security and using HFO-based engine plants for power generation", he said adding that as the fuel prices went up, engine plants saved the day. However, the LNG costs \$13 per mmbtu under the contracts with Qatar and Oman and by using this LNG to generate electricity the levelised cost of electricity (LCOE) would be Tk 9.7 per unit. LCOE even accounts

for the maintenance cost of the power plant for 22 years and all that cost is included in the current price. "And if the fuel price comes down to earlier levels, or if we are using domestic gas then the LCOE will be reduced further," he added.

He said that the net efficiency of GE's 9H.02 gas turbine is 64.1 percent in a combined-cycle mode, which means that more than 64 percent of the fuel energy is

of electricity by using GE's 9HA gas turbines will be Tk 8.5 to Tk 9 per kWh", he added. That's almost half of the HFO price. And it is almost 40 percent lesser than coal-based power plants," the GE top official claimed.

Deepesh said that GE Gas Power is committed to resolve the energy trilemma in Bangladesh. "The first part of the energy trilemma deals with affordability, the second with fuel security and the third part

subsidy burden comes down, pass on the lower cost of electricity benefit to the public, and the industry benefits as well – by getting continuous supply of reliable power." he said.

He said if for instance the cost of electricity for the textile units increases in Bangladesh, then other countries in South Asia will become more competitive and that will impact the foreign exchange revenue of the country. He further



GE's gas turbine fleets already play an important role in Vietnam's energy transition

efficiently converted to electricity using GE's technology. But it is difficult to change all the plants overnight, he noted. "That's why there should be a long-term plan to replace the old power plants, where the local gas is burnt inefficiently, with new and efficient combined-cycle gas power plants. The focus should be on upgrading the power generation equipment in these older plants", he mentioned.

"If you take the worst-case scenario of higher fuel prices today, the cost

relates to sustainability". Switching to gas-based power generation from coal reduces carbon-emissions straight by 50 percent. GE believes that the accelerated and strategic deployment of gas power and renewables can change the near term trajectory of climate change, enabling substantive reductions in emissions quickly.

"This is how, you can take care of the environment, burn fuel efficiently, save money, ensure benefits to the government – as

claimed that emerging electricity markets such as Bangladesh which are regulated should always keep the focus on the long-term transformation of the power sector.

Bangladesh is on the right track by signing long-term LNG contract with Qatar. Because in the long term, the price of gas will always be below \$10 whereas in the short term there can be spikes in prices, Deepesh said. ■

Bangladesh Private Power Producers Seek \$1bn In Foreign Currency For Fuel Imports



Business Outlook Report

Bangladesh's private power producers will need \$1 billion in foreign currency to import fuel oil and avert an energy crisis this summer, their industry association said in a letter to the central bank seen by Reuters.

Analysts expect power cuts in Bangladesh to worsen this year, as a rapid decline in the value of its currency and foreign exchange reserves have limited its ability to import power generation fuels, whose prices have surged following Western sanctions on major energy exporter Russia.

Outages have already hampered commercial operations in Bangladesh, hitting lucrative garment industry supplies to clients such as Walmart, Gap Inc, H&M and Inditex's Zara. The Bangladesh Independent Power Producers' Association (Bippa) flagged a shortage of US dollars to pay for crucial energy imports, and said private

generators would need over \$250 million a month until June to pay for fuel shipments. "We humbly urge Bangladesh Bank to enable local commercial banks to establish letter of credit for critical imports such as fuel oil... by providing US dollars to local commercial banks," Bippa told the central bank in a letter on Monday.

Private power producers, including small private producers and public/private partnerships and led by Summit Power International, provide more than half of the country's electricity. Mezbaul Haque, a spokesperson for the central bank, said the bank would "look into the matter," without elaborating.

"Measures have been taken to ease the dollar crisis and the trend is stable now," Haque said, adding that dollar holdings at commercial banks were on the rise. Bangladesh imports the bulk of the fuel it needs for electricity. BIPPA said irrigation during the annual harvest season, festivities

during the holy month of Ramadan and hot weather would drive a sharp rise in electricity demand this summer, adding that lack of support from the central bank could force utilities to resort to widespread power cuts.

Temperatures typically start increasing from the end of March, and BIPPA estimates power producers to require 2.12 million tonnes of fuel oil in the four months to June 2023. Dwindling local gas reserves and a lack of sufficient coal-fired capacity have forced the country to depend on liquefied natural gas (LNG) imports and polluting fuels such as fuel oil for power generation over the years.

High global prices forced Bangladesh to slash its imports in 2022 despite a rise in power demand, resulting in a fuel shortage that forced millions of citizens into hours of darkness every week during the second half of last year. ■



South Korean Envoy Visits Matarbari Coal-Powered Plant Construction Works

Business Outlook Report

South Korean ambassador to Bangladesh Lee Jang-keun has visited the project site in Matarbari Coal-powered Plant to observe the work being done by 75 Korean engineers and to encourage them.

He was briefed on the progress by project managers, listened to the challenges faced by the South Korean firm POSCO E&C, and discussed solutions to overcome them. During the visit on February 20 Ambassador Lee said that South Korean companies are actively involved in major infrastructure projects in Bangladesh, including Taeyoung E&C's involvement in the Bhandal Juri water supply project and Samsung C&T's role in the construction of Hazrat Shahjalal International Airport's Terminal 3.

Despite the outbreak of the COVID-19 pandemic during the launch of these projects, they have received high commendation from Bangladesh authorities for their

punctuality and high-quality outputs, he added. South Korean companies are anticipated to expand their operations in major infrastructure construction projects in Bangladesh.

The Matarbari Coal-fired Power Plant project is expected to improve electricity supply in the region, thus supporting economic development of Bangladesh and well-being of the people, said the South Korean Embassy in Dhaka on Tuesday. According to the South Korean corporation, POSCO E&C, the construction of the coal-fired power plant is on schedule and 95.9% of the construction has been completed as of February 2023.

The Matarbari Ultra Super Critical Coal Fired Power Plant Project involves building a coal-fired power plant with the capacity of generating 1,200 megawatts (MW) of power and affiliated facilities over a period of seven years with the funding provided by JICA. Japan's Sumitomo,

Toshiba, and IHI are collaborating as a consortium to implement the project, with POSCO E&C subcontracted to construct the major part of the plant.

As part of its commitment to supporting the region's economy, POSCO E&C has employed some 4,000 local workers daily on average. Despite the challenges posed by the COVID-19 pandemic, the construction of the coal-powered plant began in March 2020 and proceeded without delay.

In order to meet the completion target, POSCO E&C has worked day and night without day-offs since the project inception, said the South Korean Embassy.

It is anticipated that the first unit of the Matarbari coal-powered plant will start commercial production in January 2024, with the second unit following in July of the same year. ■



NBR Chairman Abu Hena Md Rahmatul Muneem inaugurating a new plants of noodles and cables in the industrial park of PRAN-RFL Group in Habiganjon. Ahsan Khan Chowdhury, chairman and chief executive officer of PRAN-RFL Group, was also present on the occasion. ■



Abdul Kadir Molla, Chairman of South Bangla Agriculture and Commerce (SBAC) Bank Limited, inaugurated the Annual Business Development Conference 2023 as the chief guest at a city hotel. Presided over by Managing Director and CEO Habibur Rahman. ■



United Commercial Bank PLC handed over medical equipment to the National Institute of Traumatology and Orthopaedic Rehabilitation (NITOR) as part of its corporate social responsibility (CSR) activities. Managing Director and CEO of United Commercial Bank PLC Arif Qadri, formally handed over medical equipment including trolleys, diathermy machine to Professor Dr. Abdul Gani Molla, director of the National Institute of Traumatology and Orthopedic Rehabilitation. ■



Prime Bank has signed a master murabaha agreement with International Islamic Trade Finance Corporation (ITFC), a member organisation of Islamic Development Bank (IsDB). Managing Director and CEO of Prime Bank Hassan O. Rashid and COO of ITFC Nazeem Noordali led the agreement signing ceremony. The arrangement will support growing trade business of Prime Bank for SME and Corporate segment. Under the agreement, ITFC will provide trade facility against Letter of Credit issued by Prime Bank. This is a 3-year facility extended to Prime Bank, following a previous 1-year trade facility from ITFC under Murabaha agreement. ■



Mutual Trust Bank Limited (MTB) and BURO Bangladesh have recently signed an agreement for cash management services at MTB Centre in the capital. In presence of Syed Mahbubur Rahman, managing director & CEO of MTB; Md. Khalid Mahmood Khan, deputy managing director & CBO, MTB, and M Mosharraf Hossain, finance director, BURO Bangladesh, signed the agreement. ■



BRAC Bank organised a branch managers convention to determine its management strategy and formulate the branch banking business plan for 2023 and beyond. Managing Director & CEO of the bank Selim R. F. Hussain inaugurated the conference at BRAC CDM in Savar, Dhaka. ■



Abdul Matlub Ahmad, chairman of Nitol-Niloy Group, and Ali Reza Iftekhar, managing director and CEO of Eastern Bank, among other high officials, at the launch of EBL Visa Nitol-Niloy Co-brand Prepaid Card at a city hotel. ■



The two-day annual business conference of the executives and branch managers of NCC Bank Ltd was held at Grand Sultan Tea Resort & Golf in Sreemangal. Chairman of the bank Md Abul Bashar inaugurated the conference as the chief guest, with Managing Director and CEO Mohammad Mamdudur Rashid in the chair. ■



Southeast Bank Limited has contributed Tk 3.0 million to Dhaka Residential Model College for integrated agriculture farming as part of its special corporate social responsibility (CSR) programme. Nuruddin Md Sadeque Hussain, managing director (current charge), Southeast Bank, handed over a cheque for Tk 3.0 million to Brigadier General Kazi Shameem Farhad, ndc, psc, principal of Dhaka Residential Model College, at a ceremony. ■



The 249th meeting of the board audit committee of Shahjalal Islami Bank Limited was held at the corporate head office of the bank. The meeting was presided over by Ekramul Hoque, chairman of board audit committee of the bank. Chairman of the board of directors Mohammed Yunus and Managing Director & CEO Mosleh Uddin Ahmed were also present in the meeting. ■



Midland Bank Limited's Managing Director and CEO Ahsan-uz Zaman and other top officials pose for a photo at the bank's Annual Managers' Conference 2023 of Retail Distribution Division at its head office in Dhaka's Gulshan. ■



Dhaka North and South Zone of Islami Bank Bangladesh Limited organised an 'Agent Banking Business Development Conference' and a workshop on 'Prevention of Money Laundering & Terrorist Financing' at the Institution of Diploma Engineers, Bangladesh in the capital. Muhammad Qaisar Ali, Additional Managing Director of the bank, addressed the conference as the chief guest while Abul Faiz Muhammad Kamaluddin, Deputy Managing Director, was present as the special guest. ■

Govt To Procure 1.60cr Litres Soybean Oil, 60,000 MTs Fertilizer



Business Outlook Report

The Cabinet Committee on Government Purchase (CCGP) has approved separate proposals for procuring some 1.60 crore litres of soybean oil and 60,000 metric tons of fertilizer to meet the growing demand in the country.

The approval came from the 7th meeting of the CCGP in this year held virtually with Finance Minister AHM Mustafa Kamal in the chair on February 22. Briefing reporters virtually after the meeting, Cabinet Division additional secretary Sayeed Mahbub Khan informed that the day's meeting approved a total of seven proposals.

He informed that following two separate proposals from the Ministry of Commerce, the state-run Trading Corporation of Bangladesh (TCB) would procure some 1.10 crore litres of soybean oil from Meghna Edible Oil Refinery Ltd under local open tender method at a cost of around

Taka 190.24 crore where per litre soybean oil would cost Taka 172.95 against the previous price of Taka 177.

Besides, the TCB would also procure some 50 lakh litres of soybean oil from UN Trading, Dhaka under local direct tender method with around Taka 86.40 crore where per litre oil would cost Taka 172.8 against the previous price of Taka 178.45. Mahbub said that following two separate proposals from the Ministry of Industries, Bangladesh Chemical Industries Corporation (BCIC) would procure some 30,000 metric tons of bagged granular urea fertilizer from KAFCO, Bangladesh with around Taka 110.20 crore where per ton fertilizer would cost \$345.125 against the previous price of \$500.125.

Besides, the BCIC would also procure some 30,000 metric tons of bulk granular urea fertilizer from SABIC Agri-nutrients Company,

Saudi Arabia at a cost of around Taka 115.53 crore. Under this consignment, per ton fertilizer would cost \$361.83 against the previous per ton price of \$470.

He also informed that the day's CCGP meeting approved a proposal from the Power Division under which the M/S J&C Impex Ltd, Dhaka has been awarded the contract for collecting and installing related machineries of gas turbine for Shikabaha 150MW peaking power plant and for providing necessary consultancy services with around Taka 91.85 crore. The Cabinet Division additional secretary said that the package number PW-03 under the project for Cox's Bazar-Teknaf Road Development (2nd revised) has been awarded to Max Infrastructure Ltd with around Taka 169.48 crore.

Besides, the meeting also approved a variation proposal of the Road Transport and Highways Division. ■



Fabrics Market Swells On Rising Consumption

Business Outlook Report

Rising per capita income, stricter anti-smuggling measures and the production of value-added apparel items have catapulted Bangladesh's annual yarn and fabrics sales to \$9 billion.

The consumption has grown 50 per cent since the financial year of 2016-17 when the size of the local yarn and fabrics market was \$6 billion, data from the Bangladesh Textile Mills Association (BTMA) showed.

"It has been noticed over the last few years that the market for local yarn and fabrics has grown by almost \$1 billion every

two years," said Mohammad Ali Khokon, president of the BTMA. On average, a female consumes 40 metres and her male counterpart consumes 25 metres of fabrics with each metre costing \$1.40, according to the BTMA.

Currently, 250 spinning mills and 600 weaving mills produce 7 billion metres of fabrics a year to meet the domestic demand. The investment aimed at setting up the mills to produce yarn and fabrics has been more than \$6 billion.

Besides, there are many other small and medium-sized spinning and weaving mills in various

parts of Bangladesh. They make a few million metres of fabrics each year and have invested a few hundred million dollars, industry insiders say.

"The buying capacity of the people of the country has increased, so a lot of consumers can afford more apparel items and are paying additional prices for value-added items," said Khokon. Consumption has grown 50 per cent since the financial year of 2016-17 when the size of the local yarn and fabrics market was \$6 billion

Bangladesh's per capita income stood at \$2,793 in 2021-22, an increase of 7.8 per cent from a year

earlier, according to the Bangladesh Bureau of Statistics. It has more than quadrupled since 2009.

"This has driven up the overall consumption of fabrics in the local market," Khokon added. Khorshed Alam, chairman of Little Group, a fabrics producer, says local manufacturers meet 95 per cent of demand as they have increased investments over the years. Mainly salwar kameezes, lungis, saris and shirts are supplied by local millers, he said.

The production of fabrics has seen ups and downs in recent years. At the peak of the coronavirus pandemic in 2020, the

growth of local fabrics production slowed owing to a fall in demand and there was a lot of stockpiling of unsold fabrics and yarns at the factory level.

Following the receding of Covid-19 outbreaks, the demand for textile items made a comeback and millers almost ran out of stock. But owing to the rising cost of the US dollar and higher inflation driven by the crisis induced by the Russia-Ukraine war, the demand for fabrics has fallen again to some extent.

The value of the American greenback has appreciated by about 25 per cent against the taka in the past one year owing to the dollar shortages. Similarly, consumer prices have stayed at an elevated level, hurting the pockets of the

consumers and thus sales. The demand is expected to pick up again as the sales season is knocking on the door. Yarn and fabrics worth \$2 billion are sold during the season, which includes Pahela Baishakh, Eid festivals and Durga puja.

Moreover, before the onset of the winter season, the consumption of local yarn and fabric rockets as warm clothes are made for local consumers. Yarn and fabrics worth \$5 million are also imported mainly from China, Italy, Pakistan and India to make apparel items such as suits and salwar kameezes, according to Khokon.

The fabrics for suits are largely brought in under baggage rules as traders will hardly make any profit if they have to import them commercial-

ly using formal channels, he said. Recently, the government has tightened rules involving utilisation declaration (UD), a customs document needed to have raw materials released from customs stations and also for exports, securing preferential trade facilities, and cash incentives.

Measures have been taken so that fabrics imported under the bonded warehouse facility for the export markets are not sold locally, Khokon said. Abdullah Al Mamun, managing director of Abed Textiles Ltd, a Narsingdi-based textile producer, says the domestic market has expanded in the past several years.

However, factory output has been affected by the recent gas and power shortages, which were

caused by a decline in the supply of energy owing to insufficient local production and a pause in the purchase of liquefied natural gas from the international spot market.

Mamun says the sales in the sales season would rely on the supply of gas.

"Although the price of gas has been increased recently, the supply is yet to reach to the expected level for the factories to run in full swing," he added.

The government has decided to resume the import of LNG to give a boost to the supply situation with a view to meeting an expected spike in demand as temperatures are set to rise. And Mamun hopes the gas situation may improve once the LNG import restarts. ■

Banks Will Provide Tk103.5 For Each Dollar To Repatriate Export Income

Business Outlook Report

Banks will provide a special benefit of Tk0.50 for each US dollar to repatriate the export income of December and January by February 28.

A meeting of managing directors (MDs) of state-owned and private banks has decided that the special benefit of an additional Tk0.50 against each dollar of export earnings will be given for

the month of January as well. The decision has been taken to increase US dollar flow in the domestic money market, sources said.

Earlier this facility was given in respect of export earnings monetization for the months of November and December. BRAC Bank MD Salim RF Hossain told UNB that Tk 0.50 extra will be given against every dollar if the income

of the exports that were made in December and January is repatriated by February 28. In this case, exporters will get Tk103.50 per dollar, he said.

Earlier, on February 1, the dollar rate was pegged for the last time in cashing export bills. It was then decided that the banks would pay Tk103 per dollar to repatriate the export earnings. Before this the rate was Tk102

per dollar. However, Bangladesh Foreign Exchange Dealers Association (BAFEDA) has nothing to do with the decision to pay this extra Tk0.50, said the executive secretary of the organization, Abul Hashem.

It is not obligatory, but banks can provide a Tk103.5 rate for repatriation if they (banks) wish, he said. ■



UK, Bangladesh Agree To Boost Trade Ties

Business Outlook Report

The United Kingdom and Bangladesh agreed to enhance the bilateral trade partnership to increase mutual prosperity ahead of and after Bangladesh's graduation from the least developed country (LDC) status.

The UK recognised Bangladesh's economic growth and resilience against the widespread impacts of the global pandemic and the ongoing global economic crisis. Bangladesh welcomed the UK's generous Developing Countries Trading Scheme (DCTS) and acknowledged its role in integrating Bangladesh into the global economy, creating stronger trade and investment opportunities.

The remarks were made at the Second Bangladesh – UK Trade and Investment Dialogue held in Dhaka on February 19. A joint communique titled "Bangladesh-UK Trade

and Investment Dialogue 2023" was issued following the meeting. Commerce Secretary Tapan Kanti Ghosh represented the Government of Bangladesh at the meeting.

The UK invited Bangladesh to engage with the UK private sector to pursue a commercial dispute resolution system to unlock the full potential of Foreign Direct Investment into Bangladesh. The UK stressed that Bangladesh needs to put in place economic policies and systems to achieve its ambition of rapid, sustainable and green economic development; and pledged its ongoing cooperation. The British High Commissioner, Robert Chatterton Dickson, and His Majesty's Trade Commissioner for South Asia, Alan Gemmell OBE, led the UK delegation.

Both countries agreed to convene the dialogue annually and its Joint Working Group (JWG) regularly.

The JWG would cover a broad range of trade and investment issues, including mutual barriers to market access and trade, with an agenda agreed between the UK and Bangladesh in advance.

Both countries underscored the importance of the Dialogue and JWG as a step towards achieving an enhanced and stronger relationship. The UK reflected commitments under DCTS to international conventions on labour standards and human rights, anti-corruption, climate change and the environment.

The two countries discussed cooperation in areas such as LDC graduation, investment cooperation, pharmaceuticals, ease of doing business, financial sector development, higher education provision, taxation issues and intellectual property protection. The UK encouraged Bangladesh to explore investment

opportunities for the UK services sector including financial and professional services. Bangladesh reiterated the importance of the ready-made garment sector to both the countries.

The UK outlined the private sector led aerospace offer to Bangladesh. Both countries recognised the importance of high-quality education and agreed to further deepen and widen the scope of collaboration in the area of higher education for mutual benefit. "The

UK and Bangladesh relationship is underpinned by the potential of our trade and investment relationship that will help both of our economies to grow," said Alan Gemmell, His Majesty's Trade Commissioner for South Asia.

"Foreign Direct Investment builds the foundation to provide jobs, transfer skills, generate revenue, create competition and drive standards higher. A conducive business climate and removal of market access barriers will benefit both countries and

underline the great opportunities for UK businesses." Concluding the dialogue, the commerce secretary said the historic relationship between the UK and Bangladesh is "based on mutual interest and common values."

"Bangladesh is very keen to take this relationship to a new height through enhanced trade and economic cooperation. I believe today's dialogue contributes to increasing trade and investment in both countries," he said. ■

Foreign Aid Disbursement, Commitment Decline



Business Outlook Report

Commitments and disbursements of foreign assistance for development projects in Bangladesh fell in the July-January period of the current fiscal year, which may deepen the pressure on foreign exchange reserves.

The commitments declined by around 62 per cent year-on-year in the first seven months of the current fiscal year from \$4,698 million, according to data from Economic Relations Division (ERD) of the finance ministry. Meanwhile disbursements slipped 9 per cent

year-on-year to \$4,259 million. Seeking anonymity, an ERD official said the decline was an outcome of the global economic crisis alongside a go-slow strategy of the government and development partners. Compared with last fiscal year, the arrival of a lower budgetary support for Bangladesh resulted in the lower disbursement, he added.

However, this situation may improve in the coming days at the end of the fiscal year, he said. The declining trend of both commitments and disbursement are not "good" for the foreign reserves, said Prof Mustafizur

Rahman, a distinguished fellow at the Centre for Policy Dialogue. An ERD official said the decline was an outcome of the global economic crisis alongside a go-slow strategy of the government and development partners "The lower commitment creates a midterm effect while the lower disbursement may create immediate pressure on the foreign reserve," he said.

The financial accounts also showed the deficit, which is not good for the reserve, he said. "Although we now have strength in the pipeline, we cannot use this fund properly. A few days ago, the government vowed to utilise its own funds, which is not correct," Rahman added. "This is the time to utilise the foreign funds. If we can speed up the utilisation, it will bring a positive impact on the country's foreign reserve," he said.

About the fall in commitments, the economist said the prioritisation of select mega projects may also be a reason.

Japan disbursed the highest, \$1,041 million, followed by World Bank (\$695 million), Asian Development Bank (\$638 million) and China (\$563 million).

However, the government repaid \$1,284 million of foreign debts in the first seven months, whereas it was \$1,221 million during the corresponding period in the previous fiscal year, the ERD data showed. ■

Body Formed To Evaluate Tax Exemption Policy, Outcome



Business Outlook Report

The National Board of Revenue has formed a committee to review policies on the existing tax exemptions which are offered for industrial growth in the country and outcomes of the facilities. The revenue board on February 5 formed the committee led by NBR tax policy member Sams Uddin Ahmed.

The committee will assess sector-based performances on national capacity development and submit sector-based reports to the revenue authorities before submitting the final budget proposal by the NBR for the forthcoming financial year 2023-2024. The committee will also

submit recommendations regarding further policy reforms for rationalising the existing tax expenditure policies, NBR officials said. Sams Uddin said that the NBR was working on simplifying the tax rate structures and widening the tax base as part of boosting tax-to-gross domestic product ratio of the country.

He said, 'It's time to review the performance of those sectors which are enjoying several tax exemption facilities.' 'Most of the sectors have been enjoying tax policy supports from the financial year 2008-2009 and the supports will expire on June 30, 2024,' he said. 'If we find that a sector enjoying tax exemption

has contributed to the national growth and the facility needs to be continued for sustainability of the sector's contribution, we may propose keeping the facility for the sector for more time,' he said. However, promoting local value addition, sustainable eco-friendly industrialisation and branding Bangladesh will get priority for enjoying the extended fiscal supports, he said.

The NBR will withdraw the facilities gradually and not all on a sudden so that companies get additional maturity periods and get a relief from the sudden tax burden, he said. Since FY2009, the revenue authority has issued more than 1,000 statutory regulatory orders, special

official orders and circulars regarding tax policy support aimed at industrial and national development of the country, according to the NBR.

Agriculture, pharmaceutical, power and energy, industrial and service production, infrastructure, IT, CSME, export-oriented sectors and others are enjoying the existing tax exemption policy support.

More than 2.28 per cent of the actual tax-to-GDP ratio is cut every year for offering such tax exemption facilities, said an NBR official.

The tax-GDP ratio of Bangladesh is now about 7.8 per cent, which is lower than the other countries of the world and as a result, the overall fiscal deficit is expected to widen to 5.6 per cent of GDP in FY23, which might impact the achieving of the development goals of the country, according to the IMF.

Considering Bangladesh's large financing needs to attain the development goals, a financing gap of about \$9.1 billion is expected to emerge over FY23 and FY26, said the IMF.

To minimise the external debt-to-GDP ratio, the IMF suggested that the NBR should reform policies. ■

WEEKLY SELECTED ECONOMIC INDICATORS

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

	22 February 2022	30 June, 2022 ^a	31 January 2023	22 February 2023
1. Foreign Exchange Reserve (In million US\$)	45841.77	41826.73	32222.55	32447.77
2. Interbank Taka-USD Exchange Rate (Average)	86.0000	93.4500	105.2293	105.4196
3. Call Money Rate	3.98	4.42	6.93	6.04
				Percentage change
Broad/Overall Share Price Index	22 February 2022	30 June, 2022	22 February 2023	From June, 2022
a) Dhaka Stock Exchange (DSE) [®]	6917.91	6376.94	6218.30	-2.49
b) Chittagong Stock Exchange (CSE)	20231.24	18727.52	18360.50	-1.96
5. a) Wage Earners' Remittances (In million US\$)	1704.53	11944.06	1958.86	July-Jan, FY23 [†]
b) Annual Percentage Change	-13.12	-19.87	14.92	12452.12
				FY2021-22
a) Import (C&F) (In million US\$)	8436.70	42122.50	6042.90	July-Dec, FY23 [†]
b) Annual Percentage Change	56.57	54.47	-28.37	41194.50
				89162.30
6. a) Import (f.o.b) (In million US\$)	7805.00	38971.00	5593.00	July-Dec, FY23 [†]
b) Annual Percentage Change	56.57	54.49	-28.34	38132.00
				82495.00
7. a) Export (EPB) (In million US\$)*	4850.37	29548.92	5136.24	July-Jan, FY23 [†]
b) Annual Percentage Change	41.13	30.34	5.89	32447.50
				52082.66
8. Current Account Balance (In million US\$)	July-Dec, FY22	July-Dec, FY22	July-Dec, FY23 [†]	FY 2021-22 [†]
	-8297.0	-8297.0	-5270.0	-18697.0
9. a) Tax Revenue (NBR) (Tk. in crore)	December, 2021	July-Dec, FY22	December, 2022 [†]	July-Dec, FY23 [†]
b) Annual Percentage Change	27513.62	129061.40	27105.53	142923.21
	18.05	16.80	-1.48	10.74
Investment in National Savings Certificates (Tk. in crore)	December, 2021	July-Dec, FY22	December, 2022	July-Dec, FY23
a) Net sale	435.96	9589.78	-1490.94	-3106.86
b) Total Outstanding	353683.69	353683.69	360903.27	360903.27
				Percentage change
	December, 2021	June, 2022	December, 2022 [†]	Dec'22 over Jun'22
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
				-7.01
				3.83
				9.43

12.	Total Domestic Credit (Tk. in crore) a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector	July-December, FY2021-22		July-December, FY2022-23*		July-December, FY2022-23		Percentage change	
		Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
		1332188.00	1671749.10	1761762.40	14.98	5.38	6.41	16.10	
		234544.10	283314.60	293619.40	25.19	3.64	6.12	28.18	
		34396.40	37198.90	42009.40	22.13	12.93	14.59	23.92	
		1263247.50	1351235.60	1426133.60	12.89	5.54	6.26	13.66	
	L/C Opening and Settlement (million US\$)								
	a) Consumer Goods	4699.05	4547.41	4125.87	-14.41	-9.27		27.50	
	b) Capital Machinery	3673.97	2556.43	2374.19	-65.32	-7.13		40.78	
	c) Intermediate Goods	3870.56	3385.58	2809.21	-33.18	-17.02		35.23	
	d) Petroleum	3592.41	3670.79	5362.59	35.72	46.09		116.18	
	e) Industrial Raw Materials	16547.49	13569.38	15275.93	-27.27	12.58		47.03	
	f) Others	11632.48	10682.10	11427.08	-19.98	6.97		39.46	
	Total	44015.96	38411.69	41374.87	-22.52	7.71		46.15	
	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)	June, 2019	December, 2020	March, 2022	June, 2022	September, 2022	December, 2022	January, 2023	
	a) Twelve Month Average Basis	5.48	5.69	5.75	6.15	6.96	7.70	7.92	
	b) Point to Point Basis	5.52	5.29	6.22	7.56	9.10	8.71	8.57	
	Corresponding Period	June, 2018	December, 2019	March, 2021	June, 2021	September, 2021	December, 2021	January, 2022	
	a) Twelve Month Average Basis	5.78	5.59	5.63	5.56	5.50	5.54	5.62	
	b) Point to Point Basis	5.54	5.75	5.47	5.64	5.59	6.05	5.86	
	Classified Loan	December, 2019	June, 2020	December, 2020	June, 2021	June, 2022	September, 2022	December, 2022	
	a) Percentage Share of Classified Loan to Total Outstanding	9.32	9.16	8.18	7.93	8.53	8.96	8.16	
	b) Percentage Share of Net Classified Loan Agricultural and Non-farm Rural Credit (Tk. in crore)	1.02	0.15	-0.47	-0.43	-0.07	0.49	-0.08	
		November, 21	December, 21	November, 22 [†]	December, 22 [†]	July-Dec, FY23 [†]	FY 2021-22	FY 2019-20	
	a) Disbursement **	2868.43	3723.49	3308.34	3892.42	16670.10	28834.21	22749.03	
	b) Recovery	2741.69	3254.78	3090.79	3558.65	16429.76	27463.41	21245.24	
	c) Outstanding	46523.25	47659.51	50206.69	50997.35	50997.35	49802.28	45592.86	
	SME Loan (Tk. in crore)	Jan-Mar, 20-21	Apr-Jun, 20-21	Oct-Dec, 21-22 [†]	Jan-Mar, 21-22 [†]	Apr-Jun, 21-22 [†]	Jul-Sept, 22-23 [†]	FY 2020-21	
	a) Disbursement	44445.67	41788.73	57118.60	51716.69	56484.26	51676.81	207395.04	
	c) Outstanding	240169.54	243074.82	252082.09	259704.21	271448.58	273906.60	243074.82	
	Industrial Term Loan (Tk. in crore)	Jan-Mar, 20-21	Apr-Jun, 20-21	Oct-Dec, 21-22 [†]	Jan-Mar, 21-22 [†]	Apr-Jun, 21-22 [†]	Jul-Sept, 22-23 [†]	FY 2020-21	
	a) Disbursement	17379.01	19430.74	18772.59	17340.49	21413.63	18562.45	72360.94	
	b) Recovery	16893.10	14734.86	18477.42	16572.97	16832.73	20610.17	58488.71	
	c) Outstanding	299048.73	315294.16	308918.45	310572.40	320410.22	328742.50	315294.16	
	GDP Growth Rate (in percent, Base: 2005-06=100)	FY2013-14	FY2014-15	FY2016-17 ^N	FY2017-18 ^N	FY2018-19 ^N	FY2019-20 ^N	FY2021-22 ^{NP}	
		6.06	6.55	6.59	7.32	7.88	3.45	7.25	

Businesses Have To Wait For Long To Get Approval



American Chamber of Commerce in Bangladesh

AmCham February Luncheon Meeting

On

"Investment for Smart Bangladesh"

February 19, 2023



BIDA executive chairman says at AmCham meeting

Business Outlook Report

Businesses in Bangladesh have to wait more than six months to get necessary approvals for starting their ventures in the country while investors in Vietnam get the approvals within only 35 days, Bangladesh Investment Development Authority executive chairman Lokman Hossain Miah said on February 19.

Mentioning the situation as one of the key obstacles to attracting investments in Bangladesh, he said that the situation would improve in three or four months. Lokman was speaking at a luncheon meeting organised by the American Chamber of Commerce in Bangladesh at the Sheraton Hotel in the capital Dhaka. He said that many foreign investors were coming to Bangla-

desh, but the volume of foreign direct investments was still lower in the country than many other competitor countries like Vietnam and Indonesia. 'Vietnam can provide all services to investors within 35 days and the time in Indonesia is 49 days and in India 60 days. Our limitation is that investors require more than six months in Bangladesh to get approvals for starting their business,' Lokman said.

The BIDA executive chairman said that they were working to make the one-stop service 100 per cent operational within three or four months to provide prompt services to the investors. 'Recently, in a meeting I apprised prime minister Sheikh Hasina of the limitation over providing quick services to the investors. The prime minister asked

me to ensure quick services to the investors like Vietnam,' Lokman said. AmCham president Syed Ershad Ahmed said that cumbersome policies of the National Board of Revenue were causing bottlenecks in business. 'It is important that the government simplifies the process of setting up a business by reducing bureaucratic tangles, providing a stable and predictable regulatory environment and ensuring hassle-free automated revenue collection process,' he said.

The AmCham president said that maintaining political stability, increasing easy access to finance and supplying skills in a competitive cost were also important to encourage investments. 'By creating a favourable investment climate and focusing on the right areas, we can attract

it from both the sources it needs to achieve its full potential and reach next stage building a Smart Bangladesh,' Ershad said.

He said that the government should invest in infrastructure specially improving logistics facilities and human capital, as these were the key factors that influence investors' decision to mobilise their hard-earned resources in a country like Bangladesh.

In the meeting titled 'Investment for Smart Bangladesh', the AmCham president said that more cooperation between the United States and Bangladesh might attract more investments with expectation of export diversification and attention should also be given to knowledge-based high-tech products amid growing challenges.

Lokman invited local and foreign

businesses to make investments in the IT sector and the medical equipment sector, saying that there were huge scopes for the sectors to grow in Bangladesh.

'Bangladesh is in a very good position and many of the foreign investors are moving towards the country. Our rules and regulations are very good compared with that of other countries and investment is 100 per cent secured here,' Lokman said.

Ershad said that the proper implementation of favourable policies and friendly rules for FDI mattered most. 'Good policies in paper and verbal assurances of support by the policy-makers will not allure foreign investors,' Ershad said.

Former NBR chairman Muhamad Abdul Mazid said that without ensuring investment-enabling

environment, foreign investments would not take place in the country. Foreign investors keep an eye on the volume of local investments to make any decisions regarding making investments in any countries, he said.

Mazid also urged the government to improve the situation of the country's banking sector and the stock market.

ASM Mainuddin Monem, managing director of Abdul Monem Limited, said that scarcity of land became one of the key challenges for investment in Bangladesh.

Bangladesh-Malaysia Chamber of Commerce and Industry president Syed Almas Kabir, Policy Exchange of Bangladesh chairman M Masrur Reaz and AmCham vice-president Syed Mohammad Kamal, among others, spoke at the event. ■

Pran Joins Gulfood Fair To Increase Export To Africa, Middle East, Europe



Business Outlook Report

Pran has joined the Gulfood 2023, one of the largest annual global food and beverage sourcing events in the world, to increase the export of its food products across the globe, especially to Africa, the Middle East and Europe.

The 28th edition of the fair kicked off at the Dubai World Trade Center in the United Arab Emirates Monday and will run until February 24.

Pran is showcasing around 500 products at the five-day fair. This

year, more than 5000 exhibitors from over 120 countries have joined the fair.

Mizanur Rahman, executive director of Pran export, said: "The Gulfood is very important for food processors. Traders and buyers come to the fair to gather knowledge about new products and services. Manufacturers meet with the distributors as well as get informed about the consumers' demands. Big companies come here to understand the consumers' behaviours."

"Pran has been participating in the fair since 2013.

On average 400 importers from various countries visit our stall every year. This year, Pran is exhibiting products in different categories, including juice and beverage, biscuit and bakery, snack, confectionery, spice and culinary, frozen food, drink, juice, wafer, chocolate, and noodles."

Kamruzzaman Kamal, director (marketing) of Pran-RFL Group, said: "We are focusing on the markets of Africa, the Middle East, America, Australia and South Asia. We have set an export target of \$400 million in 2023." ■



Cumilla Farmers Earning Foreign Currency By Exporting Vegetable Seedlings

Business Outlook Report

Farmers of the Burichang upazila of the district have produced huge vegetable seedlings between the Bengali months of Bhadra and Agrahayan and earned foreign currency by exporting abroad.

Sameshpur village is in the middle of the area where one side is the Gomati River and other side is the Rani Mainamati. Farmers of the area become busy from Bengali months of Bhadra to Agrahayan to produce vegetable seedlings. While visiting the village it was found that some people were preparing the land and some were splashing water and some people were picking up seedlings.

The wholesalers were buying vegetable seedlings from the farmers and loading into the vehicles. The vegetable seedlings are exported to

the neighboring country of India and farmers earned over Taka four crore in the period. Thousands of seedlings were swaying in small plots. Bamboo polythene shade was arranged over the saplings to protect them from the sun.

Farmers were cleaning the weeds. Some were trying to refresh the plants by sprinkling water. Various types of plants such as pepper, tomato, brinjal, palm brinjal, leeks are grown in the plots. After a few days, these plants will fill the different fields with flowers.

According to Upazila Agriculture Office sources, farmers have planted saplings on about 30 acres of land of the upazila including Sameshpur village. A total of 94 farmers are involved in vegetable seedlings production in four blocks of the area. Md. Alamgir Hossain, a

seedling grower in Sameshpur area, told BSS that he has grown saplings on 100 decimal of land this year. His garden has various varieties of plants including tomatoes.

He has spent about Taka 20 lakh for the production of saplings. If the weather is fine, his profit will be at least Taka five lakh excluding expenses. Another seedling grower, Md. Kibria, said that he sells 100 pepper seedlings from Taka 50 to Taka 150 depending on the size and variety.

The average price of these seedling of different vegetables is almost like this. The seedlings of area going to different parts of the country including Sylhet, Sunamganj, Chhatak, Noakhali, Laxmipur, Chandpur, Chattogram Mirsharai, and Sitakunda. But for the past few years, wholesalers from India have

also come and taken the seedling of the area.

Aminur Rashid, a wholesaler who came to buy saplings from Chhatak in Sunamganj district, said that he has been buying saplings from the Burichang upazila for the last ten years. The seedlings here are

affordable as well as the tendency of seedlings to die is less and yield is also good.

Additional Agriculture Officer of Burichang upazila agriculturist Banin Roy said Deputy Assistant Agriculture Officers gave necessary advice to prevent disease and insects

during the production of seedlings on behalf of agriculture office.

Besides, farmers have been given trainings under the programmes of Robi incentive, Boro hybrid incentive, vermicompost fertilizer and vegetable nutrition garden, he added. ■

Chevron Funded Uttoron Inaugurates Advanced Welding Lab In Khulna Shipyard



Business Outlook Report

Chevron-funded Uttoron advanced welding lab was inaugurated in Khulna Shipyard.

According to Chevron Bangladesh, the Uttoron, a skill for better life project, recently organized the inauguration ceremony, as part of its agreement signed with Khulna Shipyard in 2021 to launch advanced welding training and an advanced welding lab for the first time in Bangladesh. The new advanced welding

lab will support young people in enhancing their welding abilities. Due to a lack of advanced-level training facilities, there is a shortage of skilled welders in Bangladesh. In the ongoing mega projects, welders are hired from abroad at much higher salaries.

As a result, Bangladeshi youth are losing job opportunities in such projects. To solve this problem, in collaboration with Khulna Shipyard, Uttoron initiated the construction of an

advanced welding lab, said a press release.

Zamira Kanapyanova, General Manager, Corporate Affairs, Eurasia and Europe, of Chevron, Eric M. Walker, President and Managing Director, Chevron Bangladesh and Commodore M Shamsul Aziz, Managing Director, Khulna Shipyard Limited, Bangladesh Navy, Chevron Bangladesh's Corporate Affairs director Muhammad Imrul Kabir, Country Director of Swisscontact Bangladesh Mujibul Hasan,

and Team Leader of Uttoron Nadia Afrin Shams were present in the event.

Uttoron project, funded by Chevron and implemented by Swisscontact, was initiated in 2016. By 2022, a total of 3380 young people received technical training in Sylhet and Dhaka.

Besides, Uttoron established and upgraded the Bholananda Uttoron Technical Training Centre in partnership with Sylhet City Corporation. ■

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