

Fortnightly Magazine

# Business Outlook

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12th Year of Publication

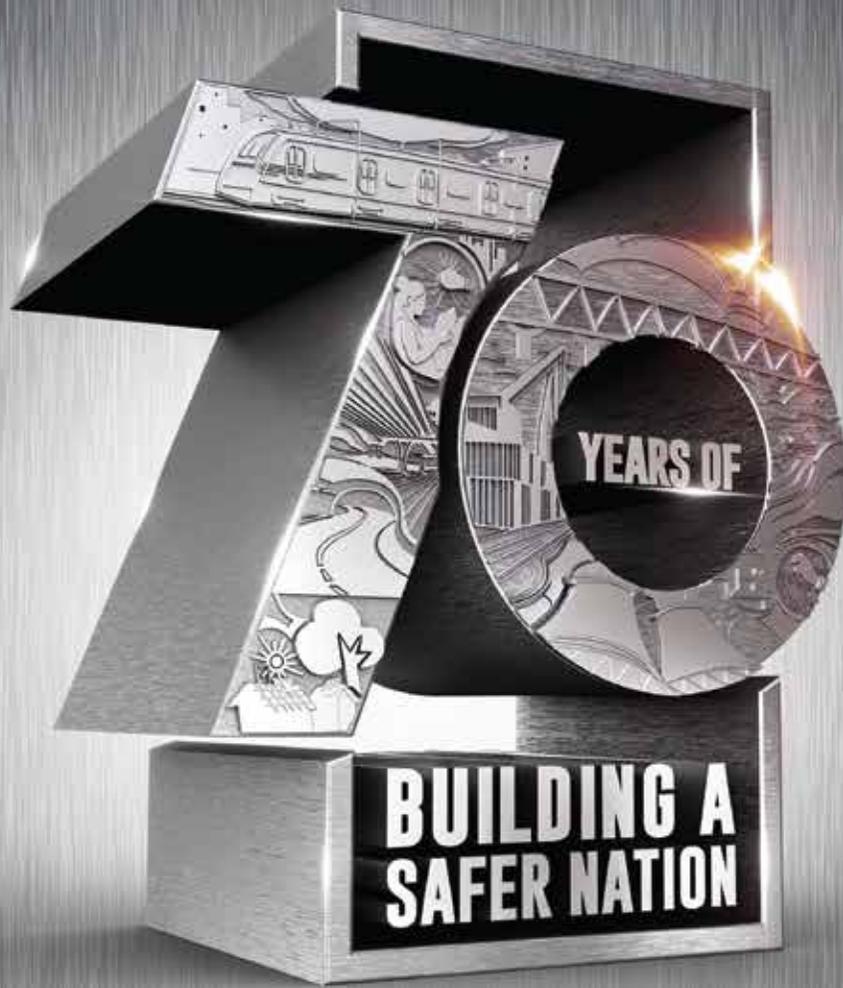
16 March 2023

Price: Tk 30

## Dollar Crisis Hits Reconditioned Car Business



- Moody's Negative Outlook Looks Inevitable
- Extend Preferential Market Access For Graduating LDCs: PM To Dev Partners



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### Give Private Car Market Due Attention

The trend in private car usage is an indicator of a society's middle-class growth. Typically, as the middle class expands, car sales rise. Conversely, when car sales fall, it may indicate a society's declining economic condition. However, due to the dollar crisis, car sales have declined in recent months, hampering the import and sale of reconditioned vehicles, particularly for small importers. Used car dealers report incurring additional costs in obtaining letters of credit from bankers to import used cars, primarily from Japan. Since May 2021, the Bangladesh Bank has increased the LC margin on many products, including automobiles, to address the dollar shortage, causing the country's foreign exchange reserves to fall by \$14 billion in just over a year. This situation has limited small business owners' ability to import and competitively market used cars. Prior to the current dollar crisis, small importers would import a few used cars in each consignment. However, their participation in the reconditioned car business has been hampered due to unavailability of dollars from banks. As a result, only large businesses can import used cars, leading car importers to fear that the price monopoly will worsen in the coming days. According to the Bangladesh Reconditioned Vehicles Importers and Dealers Association, a record number of 23,075 reconditioned cars were imported in fiscal year 2017-18. However, this figure fell to 12,502 in fiscal year 2019 and 13,258 in fiscal year 2020 due to the Covid pandemic. Imports rose to 14,438 in FY21 and 14,077 in FY22, respectively.

The private car market is a crucial sector of the economy, with many banks offering special loan programmes to both buyers and car dealers. Additionally, many people work in the industry, including car importers, salespeople, and workshop mechanics. Therefore, the sector should not be overlooked in any way. ■



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#### Published by the Editor

From

Zahan Plaza (3rd floor), 42/1-Ka,  
Segun Baghicha, Dhaka-1000.

#### Printed from

Shariatpur Printing Press,  
234 Fakirapul, Dhaka-1000.

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Issue-05, 16 - 31 March 2023

Released on 15 March 2023



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**05**

Govt Caught Unawares As Global Leaders Raise Concerns

**POLITICS**

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## Experts For Modern, Technology-Based Education To Embrace 5th Industrial Revolution

The experts have said education has to be modernised and technology-based to get a skilled workforce to face the 5th industrial revolution. They were speaking at the webinar "5th industrial revolution and importance of entrepreneurship in Bangladesh's perspective" organised by the Dhaka School of Economics, a constituent institution of Dhaka University on March 2. Professor Muhammad Mahboob Ali, the coordinator of the entrepreneurial economics programme at the Dhaka School of Economics, chaired the webinar. The 5th industrial revolution is helpful for the present government's vision of building a Smart Bangladesh, where a smart humanistic approach may be included as the fifth pillar, he said. Sardana Khan, a lecturer at Australia's CQUniversity, said the job market should be thought of internationally. "The students should not limit their choices to the local job market only."



Professor KS Gupta, a higher education expert from India's Bangalore, was present at the event as the chief guest. Shamima Haque, assistant professor at Techno Main Saltlake in India, delivered the keynote presentation at the event. ■

## RFL Brings Mini Cooper Car Toy For Children

RFL's toy brand Playtime has brought the Mini Cooper Car toy for children. RN Paul, managing director of RFL Group, unveiled the Mini Cooper Car in Dhaka recently. Kazi Rashedul Islam, executive director of Playtime Toy, said: "Currently, the trend of using different types of electric toy cars has increased among children. That is why we have launched this product." "This car can be used through remote control and be operated through an app. It can be used for more than four hours with a single charge. The maximum retail price of RFL Mini Cooper Car toy is Tk16,000," he added. ■



## Bangladesh For Speedy Implementation Of BIMSTEC Free Trade Area



Bangladesh has expressed its "strong commitment" to the BIMSTEC process and urged the members to work closely for finalising all the relevant agreements at the earliest so that BIMSTEC Free Trade Area could be implemented without further delay. The 23rd BIMSTEC Senior Officials' Meeting (SOM) was held online in Thailand's Bangkok on March 8. The foreign secretaries of the BIMSTEC members attended the meeting. Bangladesh Foreign Secretary Masud Bin Momen led the country's delegation to the meeting. Masud informed the meeting about the progress made in the trade, investment and development sector for which Bangladesh is the lead country. The meeting took stock of the progress made so far since the 22nd SOM held in March 2022, including the implementation of various decisions taken during the 5th Summit. ■

## BB Lifts General Credit Limit For Companies Generating Electricity

Bangladesh Bank (BB) has lifted the general credit limit for power generating companies. As a result, banks will be able to give loans to individuals, organisations and groups involved in electricity generation companies as much as they like. The central bank issued a circular on March 2 relaxing this limit till December 31 this year. The Banking Regulations and Policy Department of the Central Bank issued the circular and sent it to the Managing Directors and Chief Executive Officers of all banks. In order to maintain the uninterrupted supply of money required for power generation, to import fuel oil and other raw materials in the power sector, any person, organisation or group generating power, can borrow any amount from banks, the circular stated. On November 8 last year, the central bank provided facilities to coal-based power generation companies by lifting the lending restrictions. ■



## Chinese Company To Invest \$8.7 Million In Ishwardi EPZ



IHM Garments and Textile Company Limited, a Chinese firm, is going to establish a garment manufacturing industry in Ishwardi EPZ with an investment of \$ 8.7 million. An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (BEPZA) and IHM Garments and Textile Company Limited at BEPZA Complex, in the capital recently. Ali Reza Mazid, a Member (Investment Promotion) of BEPZA, and Yu Binbin, Chairman of IHM Company signed the agreement on behalf of their respective sides. The Executive Chairman of BEPZA Major General Abul Kalam Mohammad Ziaur Rahman, ndc, psc witnessed the signing ceremony. This fully foreign-owned company will produce 2.6 million pieces of Woven Tops and 10.6 million pcs of Knit tops and Pants for Ladies, Kids, and Men annually. IHM Garments and Textile Company Limited will create employment opportunities for 2457 Bangladeshi nationals. ■

## 'Hazaribagh Leather Cluster An Example Of Products Diversification For SMEs'

The speakers at a seminar have said cluster-based specialised product development will accelerate the pace of product diversification and enhance the capacity of small entrepreneurs. A cluster of luxury and quality leather products has been developed in Hazaribagh of the capital after the relocation of the heavy leather industry to Savar, they added. "The annual turnover in this cluster is about Tk60 crore." They were speaking at a seminar on the potential and future of leather products in the Hazaribagh cluster in the capital's Agargaon on March 10. Abdul Hamid, director general of the Department of Environment, and SME Foundation Chair Md Masudur Rahman spoke at the event. The SME Foundation is supporting product upgrades, diversification, and skill development in the cluster. According to the SME Foundation's cluster mapping study, various products, including leather shoes, belts, wallets, jackets, and official



bags are produced in the leather cluster, developed in the old tannery village in Hazaribagh of the capital. There are around 350-400 shops, showrooms, and small factories of leather goods in the area, from Hazaribagh Tannery Lane to Leather Technology College, Hazaribagh Bazar, and Dhanmondi 15 Bus Stand Lane. ■



# Govt Caught Unawares As Global Leaders Raise Concerns

*Business Outlook Report*

**W**hen the country's politics is going through a volatile situation by action and counter action programmes by the opposition BNP and ruling Awami League, an open letter by 40 influential global figures expressing concern over the government's harassment of Dr Yunus has drawn the attention of political analysts. Interestingly, on the day the letter was published was a special day for the ruling Awami League which was observing the historic March 7 to mark the Father of the Nation Bangabandhu Sheikh Mujibur Rahman's historic speech. It's not clear if it was a deliberate coincidence or not. But it definitely was

not expected by the Bangladesh government to see such a letter or a statement.

## **40 Global Leaders Express Concern**

A total of 40 global leaders, including former UN secretary general Ban Ki-moon and former US secretary of state Hillary Clinton, have expressed concern over the harassment of Nobel laureate Dr Yunus by the government in Bangladesh. 'It is painful to see Professor Yunus, a man of impeccable integrity, and his life's work unfairly attacked and repeatedly harassed and investigated by your government', they said in an open letter to Prime Minister Sheikh Hasina on March 7. The letter

appeared as a full-page ad in the Washington Post. They took the chance to give a gentle reminder that one of the most important roles of government is to create an environment where traditional and social entrepreneurs can flourish.

Hence, they urged the government to take positive steps to support and recognise the great contributions of Dr Yunus, saying, 'We have deep concerns for Professor Yunus' well-being and his ability to contribute to humanitarian advancement in Bangladesh and around the world.' The global figures hoped that Bangladesh would return to its

lished and lives modestly in Dhaka. The news agency AFP reported that Dr Yunus has fallen out with prime minister Sheikh Hasina who has said he is "sucking blood" from the poor. Also, the anti-graft watchdog last year ordered a wide-ranging probe into firms Dr Yunus chairs.

Besides, the premier has attacked him personally, blaming him for the World Bank pulling out of a bridge project that was mired in corruption allegations. There was no immediate comment from the government regarding the statement, according to the AFP report. Yunus, 82, who was awarded the



*BNP Secretary General Mirza Fakhrul Islam Alamgir speaking at a brief rally before launching Ultra East unit party's march programme in front of Uttara Public College*

role as a model for other developing nations of how a vibrant civil society can be nurtured to ensure sustainable progress.

'A good first step would be to recognise Professor Yunus' achievements and allow him to focus his energy on doing more good for your country and for the world, rather than on defending himself. We, and tens of millions of people around the world, hope that you will embrace this vision,' they told Sheikh Hasina. The letter also noted Dr Yunus' contributions to Bangladesh, especially to the very poor and the most vulnerable, as well as to the world.

Referring to his involvement in the entities he had established, the global leaders said Dr Yunus has not benefited financially from his involvement in Grameen Telecom or GrameenPhone. Rather, he has devoted himself to the poverty-fighting missions of the many organisations he has estab-

Nobel Peace Prize in 2006, has seen his reputation at home tarnished by a labour dispute with Hasina, who critics accuse of becoming increasingly authoritarian. He was forced from his position as Grameen Bank's managing director in 2011 in a move his supporters blamed on the conflict.

His interests include a multi-billion dollar stake in the country's largest mobile phone operator.

Among the signatories are Bono, musician and activist; Sir Richard Branson, founder of Virgin Group; Lord Mark Malloch Brown, President of Open Society Foundations; Sam Daley-Harris, founder of RESULTS and Civic Courage; Lt Gen (Rtd) Romeo Dallaire, founder of Dallaire Institute for Children, Peace and Security; Marian Wright Edelman, founder and president emerita of Children's Defense Fund; Vicente Fox, former president of Mexico; Peter Gabriel, musician; Ron Garan, former NASA astronaut; Kul Gautam,

former deputy executive director of UNICEF and assistant secretary general of the UN; Pamela Gillies, former vice chancellor and professor emerita of Glasgow Caledonian University; Peter C Goldmark Jr, former CEO of Rockefeller Foundation and International Herald Tribune; and others.

### **Not Matters Much**

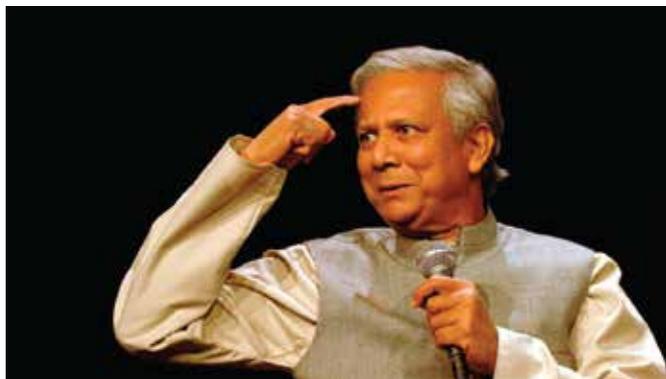
News agency UNB reports that Foreign Minister AK Abdul Momen on March 9 questioned the intentions of the people who were talking against Bangladesh and its leader Prime Minister Sheikh Hasina, noting that to them "grapes are sour."

"It does not matter much. It's unrealistic and not objective," he told reporters at the Ministry of Foreign Affairs when a reporter sought his comment on the appeal by 40 world leaders regarding Prof Muhammad Yunus.

Momen said Bangladesh is a role model of development and the world acknowledged this. He said PM Hasina is a very determined and courageous lady and those people are on a mission to minus her so that instability can be created here.

Highlighting his engagements in New Delhi during the G20 Foreign Ministers' meeting, Momen said, "We are very pleased. India has done a very good and unique job."

He said Bangladesh conveyed the G20 countries that "We are a peace-loving country. We don't



*Nobel Laureate Dr Muhammad Yunus*

want war. We want peace. Stop this war. Poor people and poor countries are suffering."

Momen said he also raised bilateral issues during a bilateral meeting with his Indian counterpart S Jaishankar.

"We told them to keep the commitment on border issues," he said. Momen said India will send diesel to Bangladesh and Prime Minister Sheikh Hasina

and her Indian counterpart Narendra Modi will inaugurate it on March 18.

### **An advertisement, not a statement**

However, beyond Foreign Minister Momen, the very first response on Yunus' issue came out from Information and broadcasting minister Hasan Mahmud on March 10 where he said that the



*BNP leader Amir Khosru Mahmud Chowdhury talking to media after a closed-door meeting with the EU diplomats*

statement of 40 world leaders about Bangladesh's Nobel laureate Professor Mohammad Yunus was an advertisement and not a statement.

'There is a difference between an advertisement and a statement,' Hasan Mahmud explained. 'It cannot be called a statement, it is an advertisement. An advertisement in the name of 40 people has been printed in The Washington Post at a cost of crores of taka.'

The minister was talking to reporters about Bangladesh's 'progress' in the annual democracy index compiled by Washington-based think tank Freedom House, at his residence in the capital's Minto Road.

'Dr Yunus is a senior citizen of Bangladesh. With due respect, I want to say that I have never seen such an advertising statement in Bangladesh. I don't know if it happens in the world. The question is how reasonable it is to buy such a statement and publish it by spending crores of money. He is a Nobel laureate in any way. It actually undermined his personality. My question - where does his money come from?'

The minister stated that amid BNP's continuous hue and cry that there is no democracy in the country and no freedom of speech, Bangladesh moved up a notch in a democracy index by Freedom House. 'It means the practice of democracy continues in Bangladesh. Under the leadership of Prime Minister Sheikh Hasina, progress has been achieved in all sectors, including freedom of speech,' he added. BNP leaders go on television channels every morning and evening and make irrational

criticisms of the government. On the other hand, they claim that they have no freedom of expression.

British think-tank Freedom House then revealed that BNP's claims are absolutely false, he said.

Many political analysts believe that though the government takes the statement of 40 global leaders seriously or not, it has a major impact globally and locally. Many of them now variously try to understand that Dr Yunus will have a political role in near future when the country is approaching towards the general election expected to be held in the last quarter of the current year or the first first quarter of next year.

The main opposition Bangladesh Nationalist Party (BNP) has been campaigning for a non-partisan caretaker government during the election. Otherwise, it will not participate in the election and also take a hard stance to resist it at any cost. On the other hand, the ruling Awami League has kept its opposite stance that it would not accept any caretaker government.

### ***Al Won't Be Allowed To Stage Farce***

BNP Secretary General Mirza Fakhru Islam Alamgir has warned that Bangladesh's people will not let the Awami League government hold another farcical national election like the 10th and 11th parliamentary ones. "Awami League is thinking that they will usurp power again by staging a farcical election in the same way as they did during the last two elections and thus they'll again exploit the people and loot their money and assets," he said.

Speaking at a brief rally before launching Uttara East unit BNP's march programme in front of Uttara Public College on March 4, Fakhru warned that the country's people will no longer allow the ruling party to cling to power by rigging votes and manipulating the election. "People have taken to the streets with a movement. We will take the movement forward peacefully. This time we and the country's people won't stage any farce in the name of the national election," he said.

The BNP leader called on the leaders and workers to intensify the movement and drum up public support in favour of their 10-point demand, including the resignation of the current regime and holding the next election under a non-party neutral government. "Our movement is not for only to go to power. The main goal of our movement is to get back the rights of the people, including the right to franchise and right to speak," he said. Stating that their party has been in the movement for 15 years, Fakhru said they will remain on the streets peace-

fully until the Awami League government is unseated. "If we are obstructed, we'll definitely overcome it and put up a resistance together with people. As part of the next course of the simultaneous movement, the BNP Secretary General also announced to form human chain in all metropolitan cities, including Dhaka and in all district towns on March 11 to press home their 10-point demand.

The programme is also meant to put pressure on the government to reduce the prices of daily essential commodities and power and other utility services. The leaders and activists of BNP and its associate bodies in all thanas under Dhaka south and north city corporations arranged separate rallies and brought out processions as part of their road march programme in all divisional cities. Mirza



*Agriculture Minister Mohammad Abdur Razzaque*

Fakhru launched the programme by taking part in a road march of Uttara East Thana unit BNP. Party standing committee members and senior ones led a similar programme in all thanas in the capital and all other cities.

As part of the ongoing simultaneous movement, the BNP and its associate bodies and like-minded parties also staged the march in all thanas under the divisional cities to press home their 10-point demand, including holding the next general election under a non-party caretaker government. Apart from BNP, Ganotantra Mancha arranged the march programme in front of the Jatiya Press Club while Gonoforum and People's Party in Arambagh, Jatiyatabadi Samamona Jote in Bijoynagar and Peshajibi Ganatantrik Jote in Purana Paltan in the capital.

They announced to form human chains in all divisional cities, including Dhaka, on March 11 to press home their different demands, including the resignation of the Awami League government and holding the next polls under a non-party administration. From December last year, BNP and

like-minded parties and alliances started a simultaneous movement to bring down the government, or at least realise the all-important caretaker or non-party provision ahead of the next election.

Besides, the leaders and activists of BNP's Dhaka north and south city units observed the march programme in five areas in the capital since January 28. The party also arranged a similar programme in all unions, districts and divisional cities across the country to press home their 10-point demand.

### **BNP Finally Joins Elections**

Agriculture Minister Dr Md Abdur Razzaque said BNP will join the next national polls eventually for the sake of their existence as a political party.

'BNP's existence will disappear if they don't participate in the upcoming national election. The next election will also be according to the constitution of the country. We will make an effort to bring them to the election,' the minister said.

'BNP would eventually take part in the polls at some stage for the sake of their existence,' the agriculture minister made the remarks during a programme on March 4 in Tangail.

Razzaque said: 'People are very happy to see the unprecedented development of the country under

unexpectedly increased. Even root level farmers reportedly do not receive the fair price of agri products. 'I will raise this matter in the highest policy-making forum of the government. We need to formulate a policy through which the price of poultry can be kept affordable so that people with limited income can afford it and at the same time traders, farmers and entrepreneurs could benefit,' the minister further said.

When opposition BNP and ruling Awami League showing their strengths through mass gathering against each other, the political debate over extension of the suspension of opposition BNP chairperson Khaleda Zia's imprisonment is continuing amid the appeal of her family.

### **Khaleda's Jail Term: Law Ministry Gets Petition**

The law ministry on March 9 received a petition from the home ministry seeking another extension of the suspension of BNP Chairperson Khaleda Zia's jail term.

'We have received a file from the home ministry regarding the extension of Khaleda Zia's conditional release. We'll send it back to the home ministry with our recommendations,' Law Minister Anisul Huq told UNB.

Replying to a question on whether the BNP chief would be allowed to go abroad for treatment this time, the minister said he still did not see the file. 'But I can say that the previous conditions will remain in our recommendations.'

Khaleda's younger brother Shamim Eskandar submitted a fresh application to the home ministry seeking an extension of her release period.

In the application, he asked to relax the conditions of her release and allow taking her abroad for treatment.

The government extended Khaleda's conditional release in two corruption cases several times.

The former prime minister was sent to Old Dhaka Central Jail after she was sentenced to five years imprisonment by a special court in the Zia Orphanage Trust corruption case on February 8, 2018.

She was convicted in the Zia Charitable Trust corruption case later.

The 77-year-old BNP chief has stayed at her Gulshan residence since her release. A special team of her personal physicians has been overseeing her treatment. ■



*Information and Broadcasting Minister Muhammad Hasan Mahmud*

the leadership of Prime Minister Sheikh Hasina. The goal of independence was to build a developed country free from hunger and poverty, and the country is moving towards that goal. Therefore, the people of the country will bring Sheikh Hasina to power again.'

On increasing prices of poultry chicken, he told reporters that poultry traders, farmers, and enterprises were enduring losses for a long period since the beginning of the Covid pandemic. For the last two months of this year, the price of chicken has

# Qatar To Stand Beside Bangladesh To Meet Growing Energy Demand



## *Business Outlook Report*

**Q**atar would stand beside Bangladesh to meet its increasing demand of energy as Prime Minister Sheikh Hasina had a meeting with the Emir of the country Sheikh Tamim bin Hamad Al Thani on the sidelines of the 5th United Nations Conference on Least Developed Countries here in the Qatar National Convention Centre (QNCC) on March 5, reports BSS.

“... I want to help you (Sheikh Hasina). Qatar will always come to help Bangladesh,” Foreign Minister Dr AK Abdul Momen quoted

Sheikh Tamim bin Hamad Al Thani as telling the Bangladesh premier, while briefing reporters after the meeting. Momen said, during the meeting, the Prime Minister sought more energy, especially one more million metric tons annually (MTA) of Liquefied Natural Gas (LNG) from Qatar to face the growing energy crisis induced by the Ukraine war.

“We want your (Qatar) help. Bangladesh faces energy problems due to the Ukraine war. I want more ... I will renew the contract. I want more LNG,” the premier was quoted as saying. In response, the

Emir of Qatar asked how much Bangladesh wants. Then he was told that Bangladesh wants another MTA that means 16-17 containers. The Emir said his energy minister would meet the Bangladesh Prime Minister to discuss it before she leaves Qatar.

“I’m ordering our energy minister today to meet you (Sheikh Hasina) before you leave here. . . I want to help you. Qatar will always come to help Bangladesh,” said the Emir. Now Bangladesh is importing some 40 containers of energy that means 1.8-2.5 MTA. Sheikh Hasina invited the Emir of Qatar to visit

Bangladesh and then Sheikh Tamim said he would visit Bangladesh this year. "I'm giving words that I will visit Bangladesh this year," he was quoted.

The premier said Bangladesh is setting up 100 economic zones and different countries are making investments there. Qatar can also invest in those economic zones, she added. About the Bangladeshi workers in Qatar, Sheikh Hasina told the Qatar Emir to take care of them as some workers are losing their jobs here now.

In response, Sheikh Tamim said he always wants the welfare of Bangladesh and Bengali people. In a separate meeting with UNDP Administrator Achim Steiner at the Bilateral Meeting Room of the QNCC, the Prime Minister asked

the UNDP to take lead so that the countries which are graduating from LDCs would not lose all international benefits entitled for LDCs at a time.

She said those who are graduating from the LDCs are being punished by withdrawing all types of facilities and benefits. UNDP should do some processing so that the countries do not lose all benefits at a time. "We should be rewarded for our good performance, but you are giving punishment. UNDP should take a lead," said the premier.

The UNDP Administrator praised Bangladesh for its development, particularly the development of its rural economy and ensuring the urban facilities in the rural areas as well as its digitalisation. He said the way Sheikh Hasina is building

digital and smart Bangladesh is becoming a new model. In a meeting with Secretary General of International Telecommunication Union (ITU) Doreen Bogdan-Martin at the QNCC, Sheikh Hasina sought technical assistance to ensure cyber security. Besides, Secretary-General of the United Nations Conference on Trade and Development Rebeca Grynspan met the Bangladesh Prime Minister separately in the QNCC.

In the meeting, the Prime Minister sought support of the UNCTAD to expand and diversify the trade of Bangladesh, and raise the production capacity of the country.

She also attended the LDC5 High-level Luncheon on Investment and partnership at the Exhibition Hall of QNCC. ■

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# Sri Lanka Showcases Trade, Tourism, Investment Opportunities In Dhaka

## *Business Outlook Report*

**T**he High Commission of Sri Lanka in Dhaka together with the Sri Lankan expatriate community and associations organised an evening programme on March 7 at the Dhaka Sheraton to showcase trade, investment, and tourism opportunities in Sri Lanka.

The event, attended by diplomats, government officials, corporate sector workers, and travel agents, was organised in line with the celebration of the 75th Anniversary of the independence of Sri Lanka.

State Minister of Civil Aviation and Tourism of Bangladesh Mohamed Mahbub Ali graced the occasion as the chief guest, said a

press release. Addressing the event, High Commissioner Sudharshan Seneviratne highlighted the importance of enhancing bilateral economic cooperation between Bangladesh and Sri Lanka and invited the Bangladesh corporate sector to explore the opportunities available in Sri Lanka.

In celebrating the 75th anniversary of the independence, State Minister of Civil Aviation and Tourism Mohamed Mahbub Ali recalled the long-standing friendly relations between the two countries and expressed his willingness to enhance bilateral ties between the countries.

The attendees of the event were enthralled with traditional cultural

dance numbers, performed by the Channa-Upuli Performing Arts Foundation. A number of video presentations on culture and diversity, tourism, trade and investment were showcased at the event.

The participants were also introduced to a variety of Sri Lankan cuisine, including traditional delicacies and sweets.

The event was held with the support of SriLankan Airlines, Sri Lankan corporate organisations, the Sri Lanka Association in Bangladesh (SLAB), the Sri Lanka Bangladesh Chamber of Commerce and Industry (SLBCCI), and the Sri Lankan community residing in Dhaka. ■



# People Force To Return Home With Bags Half Full

## *Business Outlook Report*

**T**he prices of all kinds of chicken, meat, egg, and fish increased while vegetables and other essential commodity prices remained stable at a higher price in the kitchen market in the capital in the first week of March. People of limited income groups and job holders are frustrated and back home with half of their consumption basket to maintain a balance with their income and market rate of chicken, meat, fish, and essential commodities.

On Friday the broiler chicken was sold at Tk250 to 260 per kg, marking a hike of Tk 10 a kilogram. The price of broiler chicken has shown a continuation of price hikes during the last

month. In contrast, in a month, the price of broiler chicken rose by Tk 100, which is a record according to the Trading Corporation of Bangladesh (TCB). Pakistani and Sonali fowl prices have further increased by Tk 10 a kg as retailed at Tk 360-370 based on size. Indigenous (domestic rearing) chicken remained static at Tk 560-600 a kg, according to kitchen market sources.

Rojab Ali, a chicken vendor of Tejgaon chicken market in Dhaka city, said prices have also been increasing at farm level during the last month. Broiler chicken price has increased to Tk 20,200 from Tk 12,000-13,000 per quintal (100 kg) at farms in Dhamrai, Nawabganj, Savar, Tangail, Sirajganj,

Narshingdi, and other hubs countrywide during the period, he added. "We have no idea about the possible price of chicken during the upcoming holy month of Ramadan starting in the last week of March," Rojab pointed out. Beef was selling at Tk 750 to 800, while mutton was selling at Tk950 to 1100 in Dhaka on Friday.

Rashedul Haque, a private job holder, went to Karwan Bazar kitchen market for weekly procurement of chicken, meat, and fish items. But he returned with half of the basket as the money allocated for this purpose finished quickly. He told UNB in an irritated voice that he has to reduce 50 percent of chicken and meat consumption due to the lack of a cap on the price of

these items. Rashedul blamed the failure of proper market monitoring on overpricing the chicken, meat, fish, and egg as the prices of these items went up every week. Despite the huge supply of chicken, cattle, and fish, there is no control over the price of these protein resources. The butchers and traders are raising the price of this item as they wish, and nobody has to monitor them, Rashedul pointed out.

The correspondent observed that like Rashedul, many other people are cutting purchase volume and engaged in burgeoning in the chicken traders and fish and meat markets to reduce the prices of these items. Consumers Association of Bangladesh (CAB) vice-president SM Nazer Hossain said farm eggs, broiler chicken, and cultured fish

are key protein sources for millions of limited-income groups of people in the country. He said these families are cutting intake of these protein-rich foods following their rising prices to adjust to their limited income. CAB Secretary put emphasis on harsher vigilance to prevent any artificial hike during this tough time.

Talking with UNB a cattle farm owner of Keraniganj (who is owner of a farm of around 2500 cattle) said a number of internal and external factors have led to beef being the most expensive in Bangladesh in all of South Asia. Factors like India banning the export of beef, the high population density in Bangladesh and the high cost of cattle feed have all led to astronomically high prices. The butchers are retailing beef for

Tk750-750 per kg in Dhaka, while mutton costs anywhere from Tk950-1100 per kg. To put things into perspective, highly prized Australian Angus beef retails for \$ 4.90 or Tk550 per kg. Mohammad Shah Emran, general secretary of the Bangladesh Dairy Farmers' Association (BDFA) said that the average price of per kg beef in the international market is around \$5-5.50, but in Bangladesh, it is around \$7-\$7.50.

Higher prices of cattle feed, gas-electricity bills, higher transportation costs, and some other factors are influencing to increase the in beef meat in Bangladesh, he said. However, the prices of vegetables, edible oil, sugar, rice, wheat and flour, onion, garlic, and ginger have rained stable this week. ■



## Brac Bank Organizes FX Market And Technical Strategies For FX Dealers

Brac Bank organized a two-day interactive event on foreign exchange (FX) market and technical strategies, including a simulated FX bourse game in Cox's Bazar on February 24-25.

The event was attended by FX dealers of the treasury divisions from 32 banks in the industry,

reads a press release.

During the event, Md Shaheen Iqbal, deputy managing director and head of treasury and FIs of Brac Bank conducted a session on local and global market outlook, where he highlighted the challenges and opportunities in the local market and emphasized the importance of risk

management in the wake of the global paradigm shift in interest rates and inflation.

On the second day, Akshay Chinchalkar, co-head of the Mumbai Chapter of the Chartered Market Technician (CMT) Association, conducted a session on FX technical strategies, where he illustrated

various trading strategies suited to currency movements and their effective application.

The event concluded with a simulated FX bourse game, where participants used Brac Bank's 'Electra,' the only FX trading platform by any domestic bank in the banking industry that provides streaming 2-way pricing for major currency pairs to partner banks. The best-performing banks were awarded at the end of the program.

At the concluding session, Md Shaheen Iqbal called for concerted efforts and partnerships amongst the banks to strive toward market development and match the efficiency of the global market. ■



# BGMEA, BKMEA Seek Cut In RMG Source Tax At 0.5pc

*Business Outlook Report*

**B**angladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) have urged the government to reduce the tax at source on export of RMG items at 0.5 per cent from the existing 1.0 per cent and thus keeping it for the next five years.

The leaders of the two major associations also demanded of the government to waive the 10 per cent income tax on cash support against exports as well as making the corporate tax at 10 per cent for the green RMG factories. The leaders of BGMEA, BKMEA and Bangladesh Textiles Mills Association (BTMA) raised such demands at a pre-budget meeting with the National Board of Revenue (NBR) held at the NBR Bhaban in the capital's Agargaon area on March 7. Presided over NBR

Chairman Abu Hena Md Rahmatul Muneem, leaders of BGMEA, BKMEA and BTMA attended the meeting, reports BSS. Explaining the rationality of their demands, BGMEA President Faruque Hassan said that the foreign buyers have reduced the work orders due to the impacts of the COVID-19 pandemic and the Russia-Ukraine war.

He said although the exports have increased in terms of value, the volume of exportable items has reduced. Under the circumstances, Faruque proposed for re-fixing the tax at source at the previous 0.50 percent to face the evolving challenges and thus keeping such facility for the next five years. Side by side, the BGMEA president demanded of the NBR to increase the number of authorized economic operators (AEO) to ensure speedy shipment and unloading of goods. The other notable demands from BGMEA include giving VAT

exemptions to some 12 RMG related firms to increase the export competitiveness, resolving the HS code related complexities, reduction of duty on import of washing dry machines and fire extinguishing equipments.

Echoing with the demand of BGMEA to reduce tax at source against exports, BKMEA executive president Mohammad Hatem urged the NBR to reconsider the issues related to tax at source.

Hatem also requested the NBR to exempt the RMG factories on mandatory submission of zero VAT returns, fixing the duty and VAT at zero per cent on import of chemicals for setting up solar panels and ETPs.

The leaders of BTMA proposed for waiving all types of duty and VAT at import stage on all types of fibres including recycled fibre and man-made fibre. ■

# DCCI: 2.5% Corporate Tax Cut For Non-Listed Firms In FY24



## Business Outlook Report

**T**he Dhaka Chamber of Commerce and Industry (DCCI) on March 5 demanded a 2.5% reduction in corporate tax rate for non-listed companies in the upcoming budget for FY24. Currently the corporate tax rate for the non-listed firms is 27.5%.

The chamber made the demand during a pre-budget meeting at the head office of the National Board of Revenue (NBR) in the capital. The DCCI proposed an increase in the tax-free income limit for individuals from Tk3 lakh to Tk5 lakh now, considering the impacts of the higher cost-of-living,

driven by the impacts of the Russia-Ukraine war. While making the budget proposals for 2023-24, Sameer Sattar, president of the DCCI, said: "The tax net should be widened to include the people with taxable incomes residing outside Dhaka and Chittagong."

In Bangladesh, there were 6.37 million taxpayer identification number (TIN) holders in FY22 but only 2.59 million submitted returns in the fiscal year. Sattar also proposed an integrated tax administration system and an integrated VAT administration system to ensure a full automation of the taxation and

value-added tax (VAT) ecosystem. He recommended raising the VAT-free annual turnover limit to Tk4 crore from Tk3 crore for cottage and small businesses.

The chamber argued that the cost of production and transportation has gone up owing to higher inflation, which is eating up profits. The DCCI chief also recommended withdrawal of the excise duty on bank deposits. Since banks charge 10% to 15% source tax on deposits, the excise duty will discourage savings, he said. To simplify customs-related processes, Sattar suggested imple-

menting the Bangladesh Single Window as soon as possible.

The single window will be effectively implemented by the end of 2025, said Abu Hena Md Rahmatul Muneem, chairman of the NBR. He said the NBR regularly arranges training for clearing and forwarding officials in order to reduce errors in using the harmonized system (HS).

If businesses want, they can avail advance ruling in this regard, he said, urging the business community to be aware about using correct HS codes. ■

# Sri Lanka Leader Says IMF Deal Imminent After China's Pledge



## Business Outlook Report

**S**ri Lanka's president said that China has given crucial debt restructuring assurances that mean the bankrupt Indian Ocean nation could get its \$2.9 billion bailout package approved soon.

President Ranil Wickremesinghe told Parliament on March 7 that a letter from China's EXIM bank with the necessary assurances was received on Monday night and immediately he and the Central Bank governor sent a letter of intent to the International Monetary Fund for the final approval. "Now we have done our part, and I expect the IMF will do its share by the end of this month, by the third or fourth week," Wickremesinghe said.

China owns about 10% of Sri Lanka's foreign debt, which exceeds \$51 billion. Its delayed assurances were seen as the last hurdle in securing the bailout deal after India and other creditors gave early pledges. Wickremesinghe said he expects

financial assistance from the World Bank and the Asian Development Bank to start coming soon after the IMF deal is reached. He said, however, that difficult economic reforms needed to be carried out as agreed with the IMF and Sri Lanka can't afford to sidestep from them as it has done with 16 past agreements.

"We must stress one fact: We don't repay foreign debt at the moment, we only repay loans to the multilateral financial institutions. If we break the agreement with the IMF, we will be compelled to repay loans to foreign countries and private banks," Wickremesinghe said. "We have approximately \$ 6-7 billion to repay every year until 2029. We don't have foreign currency to do that, and therefore it is imperative that the IMF keeps engaging with our creditors on the agreements reached on debt sustainability."

Wickremesinghe did not reveal what has been agreed with the IMF but said he will present details before

Parliament for approval. He also warned he will crush any street protests trying to derail reform efforts. Professionals and workers in many other sectors have been protesting for months over sharp increases in electricity charges and income taxes to strengthen state revenue, a prerequisite for the IMF package. Opposition parties have been demanding elections for village and town councils that were postponed by authorities citing a lack of funds.

Sri Lanka's worst economic crisis caused severe shortage of food, medicine, fuel, cooking gas and electricity last year, leading to angry street protests that forced then-President Gotabaya Rajapaksa to flee from the country and resign.

The economy has shown signs of improvement since Wickremesinghe took over as president last July with shortages reduced, power cuts ended and the Sri Lankan rupee starting to strengthen. ■



# Dollar Crisis Hits Reconditioned Car Business

*Apu Ahmed*

**T**he current dollar shortage has hit many sectors, including the business of reconditioned cars. It has also caused an economic downturn affecting sales of trucks.

## *Used Cars Import Affected*

According to the reconditioned car dealers, the lingering dollar crisis has disrupted import and sales of reconditioned cars especially by small importers. They said they had been bearing extra costs to agreeing bankers for setting the letters of credit up for the import of used cars mainly brought from Japan. The Bangladesh Bank has increased LC margin on many products including cars since last May to tackle the dollar shortage that has already depleted the country's foreign exchange reserves by \$14 billion in just over a year. The forex reserves are now hovering below \$33 billion from \$48 billion in August 2021.

## *Price Competitiveness Gone*

The unwanted situation has limited the scope of the small businessmen to import used cars and sell

them in the market. They used to import a few used cars in every consignment before the current dollar crisis. Their participation in the reconditioned cars business created price competitiveness in the market, benefits of which went to the consumers. But now only big businesses are able to import used cars although the number is very low. Arif Khan Bipu, owner of Motor Bay Limited in the capital, said the price competitiveness of the car market had already been hit due to import of used cars by limited importers as the small importers cannot access dollars from banks. He fears the price



monopoly will increase in the coming days.

### **Demand Still Good**

A record number of 23,075 reconditioned cars were imported in FY 2017-18, but it dropped to 12,502 in FY19, 13,258 in FY20 because of the pandemic. The import recovered to 14,438 in FY21 and 14,077 in FY22, according to the Bangladesh Reconditioned Vehicles Importers and Dealers Association. The monthly import nosedived to 617 in December and 210 in January from 3,066 in October, said the association. The demand for reconditioned cars which comprises 80 per cent of the country's cars market has dropped.

moments were ahead since many banks allegedly demand 200 LC margin. BB governor Abdur Rauf Talukder's expectation to overcome the dollar shortage by January did not materialise, he said, adding that many dealers might be forced to close their showrooms in the coming months. Imported used cars sold as reconditioned ones are the mainstay of the country's car market with more than 80 per cent of the share. Around 900 enterprises operate across the country, mainly in Dhaka and Chattogram.

### **Revenue To Drop**

Former BARVIDA president Abdul Haque said



But the demand is still good. The number of private cars registered throughout the country was 1105 in January compared to 1391 on monthly average in 2022, according to the Bangladesh Road Transport Authority.

### **Car Prices Up**

Meanwhile, prices of used cars have also increased in the local market by at least Tk 5 lakh in different segments due to more than 20 per cent devaluation of the local currency against the US dollars. The used car dealers now fear that short supply may push up the price further because of high demand for cars in the low-priced segment. BARVIDA president Md Habib Ullah Dawn said scary

the current dollar crisis had already slowed down the business of reconditioned vehicles which will affect the government revenue generation. On average, the National Board of Revenue received around Tk 2,700 crore from the import of used cars, he said. According to the car dealers, tax on imported cars is high in Bangladesh compared to other countries. The overall tax is 117 per cent for 1600 cc cars. It means that the price of an imported car at Tk 100 will stand at least Tk 217. The tax rate is as high as 800 per cent for higher cylindered cars.

### **Small Importers Need Bb Support**

Bearing the extra costs by the middle class for

owning a car is pain. Middle class people are forced to buy cars in absence of mass transportation in the capital with their limited income and hard earned savings. Policy Research Institute executive director Ahsan H Mansur said price hike of imported items was a common phenomenon because of depreciation of local currency. He also said that monopoly in the price of cars and many imported products was also common when the usual flow of imports is affected. The PRI executive director hoped that BB should help small importers to

has increased because of the price hike of diesel oil to Tk 109 per litre from Tk 80 in August. Also the price of a Tk 20 lakh truck has surged to Tk 40 lakh.

### **Less Demand For Trucks**

Businesses pointed out that the overall decline in business activities had dropped the demand for trucks for transportation of goods from one place to others. Hossain Ahmed Mojumder, acting general secretary of the Bangladesh Truck and



protect the interest of consumers, especially the overwhelming middle class.

### **Truck Sales Down**

Not only the sales of reconditioned vehicles, but the sales of trucks have also been affected by the current dollar shortage. Some 4,528 units of trucks were registered in 2022, down from 5,789 units in the previous year, recording a decline of around 22 per cent, according to data from the BRTA. The decline in the sales of heavy-duty trucks points to the overall slowdown in the economy that started since the peak of the coronavirus pandemic in 2020, Abdul Matlub Ahmad, chairman of Nitol Niloy Group, told a local English daily. The distributor of Indian automobile giant Tata, Nitol Niloy Group has experienced more than 40 per cent drop in sales since the operation cost of trucks

Covered Van Owners Association, said the truck operation was suffering seriously as the volume of the goods transported declined. The number of trucks is higher than the demand. Many trucks are sitting idle at the stands everywhere. He said operators are not getting expected trips from the business sector except the readymade garments industry.

### **Downturn To Linger**

It has already been argued by economists that the current economic downturn in the country has deepened due to prolonged weaknesses in the macroeconomy. The war in Ukraine has exposed the weaknesses bitterly. It has also been argued that sluggish businesses in almost every sector will continue until weaknesses are overcome. ■

# Chevron-Funded ISCwD Project Closing Event Held



## Business Outlook Report

The closing event of the Integrated Support for Children with Disabilities (ISCwD) Project, funded by Chevron and implemented by Save the Children, was held recently at a city hotel.

According to Chevron, the project supported more than 400 (four hundred) children with disabilities aged between 0-18. The aim of the project was to promote access to education, health services, development, participation, and well-being through inclusive approaches (which supports the achievement

of the UN SDGs). This initiative started in March 2022 to support children with disabilities and their parents to get accessible basic services like health, education, and development from mainstream service providers.

The project screened 219 children by technical professionals and provided customized assistive devices to 155 children. It also improved accessibility of 25 educational institutions, (disabled-friendly toilets, soil filling of the playground and entrances of schools, connecting roads, ramps, etc.) including library set up at 14 schools and 1000 magic

bags (age-based educational materials) distributed to 20 government primary schools and children.

The impactful intervention was introducing inclusive games among children with and without disabilities which enhance the confidence of children with disabilities.

Some 200 teachers and SMC members were oriented on inclusive education to ensure safe and accessible learning spaces for all children.

Some 190 children received home-based basic learning support. Sixty-two are enrolled in

formal schools. 174 Children aged 16-18 or their family members received skill-based training and 47 received business development support.

Eric M. Walker, president and managing director of Chevron Bangladesh attended the event as the chief while the company's general manager, corporate affairs, Eurasia Pacific Zamira Kanapyanova, its corporate affairs director of Chevron Bangladesh Muhammad Imrul Kabir, and Arathi Vinod, Education Director, Save the Children attended as special guests. ■



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# Moody's Negative Outlook Looks Inevitable

*Apu Ahmed*

**M**oody's Investors Service, a well-known US-based credit rating agency, has downgraded the country's banking sector outlook for the first time in 12 years, impacts of which will be manifold on the economy already going through a rough patch because of the coronavirus pandemic and the Russia-Ukraine war.

## *From Stable To Negative*

The rating agency has rated the country's banking sector outlook 'negative' from 'stable' in its latest report released on March 1. This is the poorest rating since the US agency made the first rating on the country in 2010. Well-known as

Moody's, the entity rates credit worthiness of borrowers under certain criteria. The country did not issue any sovereign bond to raise money from the international market despite initiatives in 2015. Although Moody's ratings matter mostly for the bond market, its rating on the country's banking sector outlook cannot be considered as an isolated issue. Individual investors and investment companies across the world rely heavily on the rating of an individual country or the country's entities before making any investment. Moody's along with Standard and Poor's and Fitch Group has been considered reliable credit rating agencies globally by the investors, banks and other financial entities. Even banks in Bangla-

desh are also clients of Moody.

## *Ominous Sign*

Experts said the downgraded rating would give corresponding banks and international financial entities an idea about the current strength of the country's banking sector. Since the outlook has become negative, there will be problems with international payments, particularly with confirmation of letters of credit by banks. This will increase costs for foreign trade financing. The country's banks have already faced problems in maintaining LCs settlement amid the shortage of dollars. Now Moody's outlook will add more pressure on banks. All these will eventually push up the cost of businesses and will be passed on

clients and people in the end. The international financial institutions are already concerned about the country's banking sector due to the shortage of dollars, Policy Research Institute executive director Ahsan H Mansur told an English newspaper.

### **Moody's Observation**

Moody's in its latest report said, "We have changed our outlook for Bangladesh's banking system to negative from stable, reflecting growing asset risks and tightening liquidity as the country faces slowing export growth, as well as a widening current account deficit and shrinking foreign-currency reserves." Profitability will deteriorate because of rising funding costs and a cap on lending rates, it said,

country's banks is certain to deepen. They will, therefore, not be interested to lend to the country's businesses and banks. If they lend, they are likely to charge high compensation, which would turn the funds costlier. The overall situation arising out of Moody's unfavourable rating will ultimately affect the whole business environment of the country and thus raise business costs and worsen the inflationary pressure, said former World Bank Dhaka office chief economist Zahid Hussain.

### **Hint Was There**

Moody gave a big hint regarding the deterioration of the banking system when it placed seven Bangladeshi banks' long-term ratings on review for downgrade, according to

Bank Limited's long-term foreign currency deposit ratings to B3 from B2 and the bank's baseline credit assessment to caa1 from b3. "The downgrade of SIBL's BCA and long-term ratings reflected the bank's weak solvency and liquid buffers, which have deteriorated further amid a tight funding environment," said Moody.

### **Was the Outlook Inevitable?**

Experts said such an outlook was inevitable due to various alleged scams, irregularities and the piling up of massive non-performing loans in the banking system. They said the slide would further erode the confidence of investors and foreign institutions, making it more difficult for the country to attract foreign



*Rooppur Nuclear Power Plant*

adding that the negative outlook also reflected the government's deteriorating capacity to provide support for banks. Because of the negative rating, risk perception by foreign financial institutions of the

a statement of Moody in December 2022. The banks are BRAC Bank, City Bank, Dutch-Bangla Bank, Eastern Bank, NCC Bank, Premier Bank and Mercantile Bank. Moody's had also downgraded Social Islami

investment and obtain loans at reasonable rates. Moody's latest outlook also makes it clear that global financial institutions are closely monitoring the ongoing crisis in Bangladesh's banking

sector. Foreign firms saw no visible remedies for an improvement from the crisis as both the regulatory body and the government took few initiatives to prevent malpractices and mismanagement.

### Corruption Rampant in Banking Sector

Experts also said rampant corruption and other forms of anomalies in banks, resulting in money laundering, had rendered the banks unable to meet LC obligations. In recent

from Islami Bank Bangladesh Limited which the business group controls. The amount was way beyond the group's entitlement.

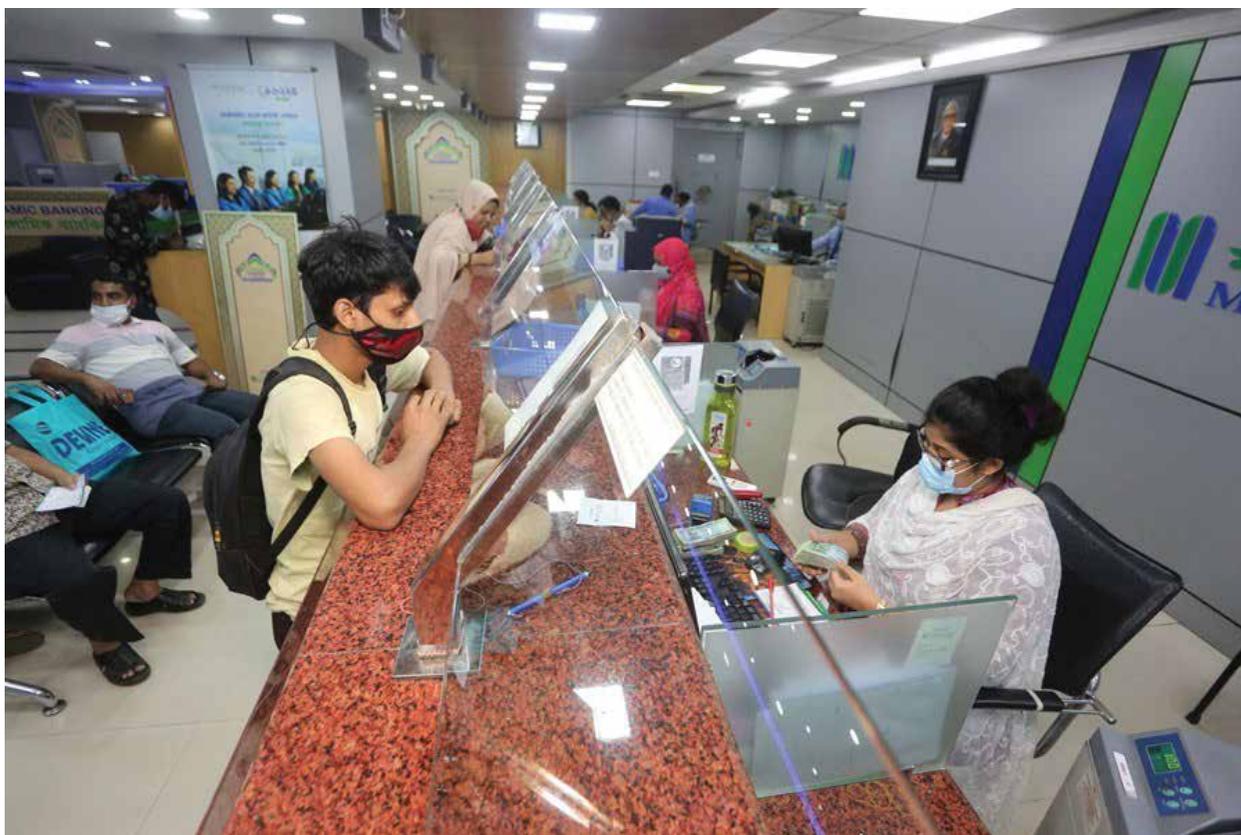
### Defaulted Loans Growing

Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue said the situation in the country's banking sector was alarming and urgent actions were required to address the underlying issues. The sector must prioritise transparency, accountability and

### Difficult Tasks Ahead

Improvement of rating is not an easy task to do. The government will face challenges to bring back the banking sector outlook to the positive territory.

Already there is an instance that the country required five years to come off the grey list of the Financial Action Task Force, a Paris based anti-money laundering group, in 2015. The government had to implement more than two dozen



episodes of anomalies, a number of shariah banks exposed a longstanding weak performance in the banking sector. Three shariah banks — Islami Bank, Social Islami Bank and First Security Islami Bank — allegedly sanctioned huge volumes of loans to some shell companies without proper collateral and documents, revealed a number of media reports. According to media reports, Chattogram-based S Alam Group has lifted more than Tk 30,000 crore

sound management practices to restore investor confidence and attract the much-needed foreign investment. The government and the central bank must immediately take stern measures to address the loan default culture in the banking sector. They should also take disciplinary actions against wilful loan defaulters to bring order in the sector. The Bangladesh Bank should take steps to implement the Basel III requirements.

conditions from FATF to improve its position from the grey list that caused higher costs for the financial sector to make international trade. Moody's negative outlook is now going to cause similar problems for the country's financial sector by increasing their cost of doing business. Necessary changes in the fundamentals of the financial system suggested by the experts can only help in recovering from the unwanted situation. ■



# Women Still Face Barriers In Business

## *Business Outlook Report*

**J**atiya Sangsad speaker Shirin Sharmin Chaudhury has said that women in Bangladesh were still facing difficulties in setting up businesses as well as getting banking support.

Addressing as chief guest the monthly ‘Luncheon Meeting’ organised by the American Chamber of Commerce in Bangladesh in the capital Dhaka on March 6, she categorically said that women had to face challenges even in getting trade licences and setting up showrooms to run their businesses.

The American Chamber of Commerce in Bangladesh arranged the meeting on ‘Women in Business: Empowering Bangladesh

Forward’ ahead of the International Women’s Day to be observed on March 8 across the world with the theme ‘DigitALL: Innovation and technology for gender equality’.

Shirin said that the participation of women in businesses was needed for the country’s economic mobility and to achieve the target of the government to build ‘Smart Bangladesh’ by 2041. ‘To achieve the target, we need four pillars — smart citizens, smart society, smart government and smart economy,’ she said.

She said that the women should be provided with policy support for creating an enabling environment for them. Addressing the

event as guest of honour, US embassy deputy chief of mission in Dhaka, Helen LaFave underlined the need for inclusive development amid the advancement in technology so that women could get equal opportunity in the digital age.

She said that the technology would reduce opportunities for people in future. AmCham president Syed Ershad Ahmed chaired the event while Rubaba Dowla, country managing director-Bangladesh, Nepal, Bhutan of Oracle Bangladesh Limited, moderated the discussion.

Meherun N Islam, president and group managing director of CEMS Ltd, said that

interventions from the government and other agencies concerned were important to remove the barriers women faced in running their businesses.

‘Moreover, mindset has to be changed for ensuring equal opportunities for women in economic activities,’ she added.

Syed Mohammad Kamal, vice-president of AmCham and country manager of Mastercard-Bangladesh, coordinated the event and offered the vote of thanks.

Members of the chamber, foreign dignitaries and business leaders also attended the event. ■



Social Islami Bank has launched a month-long remittance client service campaign with a view to raising awareness about sending remittance through legal channel, marking the Financial Literacy Day to be observed on March 6. Zafar Alam, Managing Director and CEO of the bank, inaugurated the campaign at its head office as the chief guest while Mohammad Forkanullah, Deputy Managing Director, presided over the programme. ■



Al-Arafah Islami Bank Limited-Dhaka North Zone and South Zone organised a view exchange meeting on Hajj with the members of Hajj Agencies Association of Bangladesh (HAAB) in Dhaka. Managing Director and CEO of the bank Farman R. Chowdhury was present as the chief guest while Deputy Managing Director Md Shafiqur Rahman presided over the ceremony. ■



Minister Group and Daraz Bangladesh signed a bilateral agreement recently. Executive Director of Minister Group Md Shamsuddoha Shemul, and from Daraz Bangladesh its Chief Commercial Officer Sabbir Hossain and Chief Corporate Officers Affairs Officer AHM Hasinul Kuddus were present. Under the agreement, customers can purchase all Minister products from its flagship store on Daraz. ■



Eastern Refinery Limited Managing Director Eng Md Lokman along with other female employees of the company cutting a cake at its board room in Chattogram to observe the International Woman's Day-2023. ■



Mutual Trust Bank Limited (MTB) and Quality Feeds Limited have signed an agreement for cash management services at a ceremony held at MTB Centre in the capital recently. Syed Mahbubur Rahman, managing director and CEO of MTB, and M Basir Rahman, director (finance and risk management) of Quality Feeds, signed the agreement on behalf of their respective sides. ■



Mercantile Bank Limited and the International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank (IsDB) Group, have signed a Master Murabaha Agreement at The Westin, Dhaka recently. The agreement was signed by Md. Quamrul Islam Chowdhury, managing director and CEO of MBL, and Nazeem Noordali, chief operating officer of ITFC. According to the agreement, ITFC will facilitate the cross-border trade transactions of the SME clients of MBL. ■



Exim Bank arranged a business development conference with all branch managers, executives and officials of Sylhet region at Grand Sylhet Hotel and Resort recently. Managing Director and CEO of Exim Bank Mohammad Feroz Hossain was present as the chief guest while Sylhet Regional Head of the bank Md. Aktharuzzaman presided over the programme. Additional Managing Director of the bank Md. Humayun Kabir was present as the special guest. ■



Bank Asia Limited has signed an agreement with Nagad for facilitating cross border remittance services to Bangladeshi nationals residing abroad by using mobile financial services, Nagad. In presence of Adil Chowdhury, president and managing director of Bank Asia, S M Iqbal Hossain, deputy managing director of the bank, and Sheikh Aminur Rahman, chief corporate affairs officer of Nagad, signed the agreement at the Bank Asia Tower in the capital recently. Under the agreement, Nagad will facilitate inward remittance transactions by disbursing the money in electronic form to the end customers' wallet account from the partner exchange house/MTOs/banks of Bank Asia. ■



Deputy Managing Director and head of retail and SME banking of Eastern Bank Limited (EBL) M Khorshed Anwar and Managing Director of Startup Bangladesh Limited Sami Ahmed sign a payroll banking agreement at EBL head office in the capital recently. Under the agreement, the employees of Startup Bangladesh will enjoy preferential banking facilities from EBL. ■



A delegation of Dutch Bangla Chamber of Commerce & Industry (DBCCI) and Latin America-Bangladesh Chamber of Commerce & Industry (LABCCI) led by the chamber president Md Anwar Shawkat Afser paid a courtesy visit to newly elected President Md Shahabuddin recently and greeted him with a bouquet. ■



Sonali Bank Limited celebrated International Women's Day-2023 at its head office. CEO and Managing Director Md Afzal Karim joined the programme as the chief guest. The celebration began by welcoming all the women employees into the office with flowers. All executives and officials were present on the occasion. ■



On the occasion of the Financial Literacy Day-2023, Managing Director & CEO of NCC Bank Mohammad Mamdudur Rashid along with other officials formally unveiled the 'Financial Literacy Book' and inaugurated the 'Financial Literacy Corner' at its head office. The bank also set up financial literacy corners in all its branches across the country. ■



# Tech-Savvy Workforce Key To Building Smart Bangladesh

## Business Outlook Report

**F**ostering a tech-savvy workforce is a critical element in paving the way for a "smart Bangladesh", according to the Prime Minister's Private Industry and Investment Adviser Salman F Rahman, as he said the endeavour is imperative to effectively confront the hurdles that arise from graduating from LDC status.

After a policy dialogue in Dhaka on March 6, the adviser expressed his concern about the possibility of falling into the middle-income trap, a fate suffered by other nations such as Sri Lanka and

Pakistan. He emphasised the need for caution and strategic planning to avoid this pitfall. The adviser joined the dialogue titled "Roadmap for Smart Bangladesh" as the chief guest at the Biniyog Bhaban in the city's Agargaon area, a statement said. The Information Communication Technology (ICT) Division organised the event, as State Minister for ICT Zunaid Ahmed Palak presided over it.

In addition to creating smart citizens to achieve the goal of "Smart Bangladesh", Salman F Rahman said a comprehensive improvement is

required for the country's education and health sector. Identifying the challenges on the way to becoming a smart nation, he said some of the countries graduating from the LDC have been stuck in the middle-income trap as they didn't take time befitting measures. "It is an appalling trap. We are moving forward with the goal of implementing the master plan to build a Smart Bangladesh like the previous achievement of Digital Bangladesh," he said.

The biggest challenge in implementing the vision of "Smart Bangladesh" is to create a skilled work-

force, the adviser noted, adding that the country has made considerable progress in this field. "We want to work on skill development in collaboration with the government, academia and industry," he said.

State Minister for ICT Zunaid Ahmed Palak said the country has established the basic soft infrastructure of mobile networks, e-services and smartcards among others, which have paved the way to a service eco-system.

Expansion of the soft infrastructure will help the country reach its goal by 2041, he hoped. ■

# France Keen On Meeting Bangladesh's Needs For Green Investments



## *Business Outlook Report*

**D**haka- France, having expertise and experience in tackling climate change issues, is keen on meeting Bangladesh's financing needs by providing AFD concessional loans for green investments and through supporting the government in addressing climate related issues, says Agence Française de Développement (AFD) Executive Director Philippe Orliange.

With the upgrade from least development country (LDC) status and the "rapid" economic development of Bangladesh, the government is looking for massive capital investments while facing unprecedented environmental and climate change issues, he told UNB in an exclusive interview. During his two-day visit

recently, the highest-level AFD mission to date, Orliange acknowledged the growing collaboration between AFD and Bangladesh over the past decade. The AFD, a financial institution of the French government, is currently operating in 110 countries with an annual commitment of around 12 billion euros – half of it in Africa and the rest in Asia, South America and the Middle East.

The French Embassy in Dhaka and AFD's Dhaka office organised the Bangladesh visit of the executive director considering the population size of the country that is significant for a development partner. Orliange, who had a meeting with the finance and ERD secretaries of the Government of Bangladesh (GoB) and the

Bangladesh Bank governor on the same day, said the portfolio of Bangladesh is around 1.4 billion euros. He also attended a roundtable, titled "The role of France in tackling climate change, both globally as well as in Bangladesh". The roundtable was facilitated by International Center for Climate Change and Development (ICCCAD). "First of all, let me say that I am quite happy to finally come to Bangladesh, it is a very interesting country from a development point of view. It is really important for AFD to understand a country and its dynamics in order to adapt our services," said the AFD executive director.

Responding to a question, he said his visit has had three main purposes: acknowledging and celebrating

achievements of the AFD-GoB collaboration over the past decade, reassuring the full support of AFD in the future, and exploring new areas of cooperation with the Government of Bangladesh around climate change and green finance.

AFD's financing in Bangladesh almost tripled over the last three years (a total of 1.4 billion euro has been committed since 2012).

"We signed with the government loans and grants for 543M€ in the last 2 years (2021 and 2022). It was agreed with the government that AFD would commit to around

is a heavy process that could be accelerated sometimes.

"AFD, the Government of Bangladesh and our implementing partners should work together to improve that specific point," he said.

Responding to a question on his participation at the Raisina Dialogue held in New Delhi, Orliange said Raisina is the place where brainstorming results in important decisions, promoting disruptive and important questions on our modern stakes.

The development agenda, especially

strategic than the security agenda, Orliange said.

Responding to a question, Philippe said of course, AFD has started due diligences on a Blue Economy project to improve research capacity of the Bangladesh Oceanographic Research Institute (BORI) by acquiring an advanced oceanographic research vessel.

The objective is to help BORI with physical and chemical oceanographic campaigns, underwater mapping, geological sampling, marine biology or fisheries resource assessment, he said.

In terms of green energy, AFD, together with the European Union, is currently supporting the Dhaka Power Distribution Company (DPDC) to strengthen its distribution grid by expanding and renovating it, and commissioning smart-grid technology on a pilot basis.

"AFD also recently showed interest in financing solar photovoltaic power plants and hopes to make it concrete soon," Orliange said.

AFD is also taking part in the European Union's initiative called "Green Energy Transition in Bangladesh", to engage in a policy dialogue with the Ministry of Power, Energy and Mineral Resources and especially with Bangladesh's Sustainable and Renewable Energy Development Authority (SREDA).

AFD's role in Bangladesh to help achieve SDGs

AFD's role could be summarized very succinctly: helping countries achieve Sustainable Development Goals, as they were defined in the Paris Climate Agreement in 2015, said the executive director.

In Bangladesh, he said, AFD is



300M€ annually in the coming years," Orliange said.

Despite the implementation duration of these kind of development projects, he said, they are starting to witness concrete impacts on the people (access to basic services like electricity, water and sanitation, urban mobility, financial inclusion, social protection).

"We also like to believe the projects funded by AFD have a significant impact on the global adaptation to climate change," he said.

The ED said project implementation

finance supporting SDGs, is structural in every region, especially in the Indo-Pacific, he said.

Public development banks and development financial institutions play a key role in namely delivering sustainable and high-quality projects, taking into account the needs of partner countries and ensuring lasting benefits for local communities, in the specific context of Indo-Pacific.

There is indeed a pressing need to recognise that among the challenges that the Indo-Pacific is facing, sustainability is no less urgent and



working with the GoB on the following SDGs:

#### SDG 1 (no poverty)

Through AFD's cash transfer project, as well as all projects improving living conditions (access to water, energy, transportation).

#### SDG 3 (good health and well-being)

Through AFD's Health and Social Protection projects signed in response to the Covid-19 pandemic.

#### SDG 5 (gender equality)

AFD tries to include a gender component in all of the projects: favouring women's capacity-building, women empowerment, women entrepreneurship.

#### SDG 6 (clean water and sanitation)

Through AFD's 2 projects with the Dhaka Water Supply and Sewerage Authority (DWASA) and the upcoming one with the Chittagong WASA.

#### SDG 7 (affordable and clean energy)

AFD is working with DPDC on strengthening the power distribu-

tion grid of Dhaka. Discussions are progressing with NESCO to strengthen the grid in the north of the country and with BPDB for renewable energy power plants.

#### SDG 8 (decent work and economic growth)

Through AFD's project with the Bangladesh Bank, focus is on improving the working conditions and the safety of workers in the RMG sector.

#### SDG 10 (reduced inequality)

Grant-based sub-projects.

#### SDG 11 (sustainable cities and communities)

A number of projects with financing institutions are in the appraisal phase. These are aimed to finance projects with municipalities, to support the housing sector and urban development overall.

#### SDG 13 (climate action)

As mentioned before, all of AFD's financing need to be "climate-compatible" and the objective of the AFD ED's visit is to put climate even more at the core of its project origi-

nation process.

#### SDG 14 (life below water)

AFD is currently appraising a project with the Bangladesh Oceanographic Research Institute that promises to be very interesting.

Responding to a question, Orliange said the AFD Group includes a subsidiary named Proparco, which deals exclusively with the private sector.

Proparco is active in Bangladesh with a growing portfolio in the textile and energy sector (135 million USD committed over 7 projects since 2013). Proparco's activities are monitored from the regional office based in Delhi, with regular visits and missions undertaken to see the evolution on the ground.

AFD finances the private sector and the industries through public financial institutions.

At the moment, AFD finances three credit lines with Bangladesh Bank, IDCOL and BIFFL which aim to finance private firms investments which qualify.

These investments must prove to save energy (energy efficiency) or to produce green energy from renewables, or to improve the safety and hygiene of the workers.

Other credit lines are under preparation. The promotion of the private sector is crucial to the economic development of the country and AFD is dedicated to play a role in this, said the executive director. ■

# Tax Revenue Collection At Below-Average Rate

## NBR Tax Collection in July-Jan: FY23 (in billion taka)



VAT  
Income & Travel Tax  
Export & Import Duty

### Business Outlook Report

The collection of government tax revenues continued to grow at below-average rate in the first seven months of the current fiscal year (FY), 2022-23, compared to that of the corresponding period of the last fiscal.

The slow growth is reflected in the government's belt-tightening measures and erosion of income of both corporate entities and individuals. The National Board of

Revenue's (NBR) resource mobilisation grew by nearly 10 per cent in July-January period of FY 23, while average tax revenue-collection growth was 12 per cent in the last five years. Tax revenue-collection growth was 11 per cent until December 2022.

Of the tax-collection wings, income tax registered the lowest 6.49-per cent growth, followed by import and export taxes 7.74 per cent, and VAT 15 per cent, according to the

NBR's provisional data. Tax-revenue collection grew by 18.56 per cent in the same period last year. The NBR collected Tk 1.72 trillion in tax revenue until January against its target of Tk 1.89 trillion set for the period, lagging behind the target by Tk 172.66 billion.

In the July-January period last year, the NBR achieved 22.23 per cent growth in income tax collection. However, the growth declined to single digit in the same period

this FY. The NBR mobilised Tk 666.02 billion in VAT, Tk 532.61 billion in income tax and travel tax, and Tk 524.45 billion in import and export taxes during the last seven months.

Import and export duty collection fell short of the target by Tk 119.75 billion, the highest among the three wings, followed by income tax Tk 27.58 billion and VAT 25.31 billion. Income tax collection growth was 7.29 per cent in the July-Decem-

ber period of the current FY. According to a publication of income tax department, direct tax-GDP ratio in Bangladesh declined by 0.15 percentage points in the last one decade. The country's direct tax-GDP ratio was 2.72 per cent that slid to 2.57 in FY 2021-22.

Economists said the base of the country's GDP increased during the last one decade, but tax collection could not follow the pace. On poor and single-digit growth of direct tax, Dr Ahsan H Mansur, Executive Director of Policy Research Institute (PRI), said corruption and inefficiency are the main reasons for the tax-GDP ratio remaining at an unsatisfactory level.

There is no chance of any change in the situation, unless the government pays attention to reform-

ing the tax department. Face-to-face meeting and physical visit in the tax department offices have to be stopped. Services should be delivered using numbers, so that taxmen do not know the persons concerned, he added.

The NBR paper said the share of direct tax was below 10 per cent of the total tax revenue collection in FY 1972-73 that increased to above 30 per cent in recent years. Tax officials said narrow tax-base, wide range of tax exemptions, poor investment in direct taxation, foot-dragging on reform initiatives, and failures to make project outcome sustainable are the other reasons for low-tax GDP ratio.

Direct tax-GDP ratio remained almost between 2.0 per cent to 3.0 per cent in the last one decade, but it reached a peak of 3.22 per cent in FY 2013-14.

However, income tax collection grew by 171 per cent between FY 2012-13 and 2021-22. But tax yield by each taxpayer declined to Tk 0.1 million in FY 2020-21 from Tk 0.2 million in FY 2015-16.

In 2009-10, share of direct tax was 28.09 per cent that increased to 34 per cent in 2021-22. A senior official said a major task of the NBR would be to narrow down the tax exemptions after conducting intensive analysis on the industries concerned. The International Monetary Fund (IMF) suggested increasing the country's tax-GDP ratio by additional 0.5 per cent of the GDP each of FY 24 and FY 25 and 0.7 per cent in FY 26.

The official said the budget for the upcoming FY might have a couple of measures on slashing tax exemption in a bid to raise

tax-GDP ratio. According to the NBR data, some 2.8 million taxpayers of 8.4 million tax identification number (TIN)-holders submitted tax returns in FY 2022-23.

Tax officials expect a quantum leap in the number of direct taxpayers in the current FY due to effective fiscal measures. A field-level tax official said investment to boost direct tax collection is urgently required to reduce dependency on indirect taxes.

The country is losing a substantial amount of tax revenue due to infrastructure and resource constraints for monitoring income sources, he added.

Currently, the government spends 22 paisa to collect Tk 100 tax revenue, which is the lowest among the South Asian countries. ■

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# Rising Foreign Debt To Create Trouble

## *Business Outlook Report*

**T**he increasing foreign debt will create problems for Bangladesh unless structural problems in the country's financial sector are addressed, said economists at an inter-department dialogue at the University of Dhaka on March 6. "The ongoing

IMF credit programme will not become effective if discipline in the financial sector cannot be improved," said Rashed Al Mahmud Titumir, chairperson of the department of development studies at the university. The dialogue, held at the Muzaffar Ahmed Chowdhury Auditorium, was

organised by three departments of the university, namely economics, international relations and development studies. Citing how the Covid-19 pandemic exposed structural problems in the economy, Titumir said Bangladesh has long been facing different crises such as the lack of corporate

governance in banks and money laundering.

"The volume of the country's deficit and debt is not the major problem," he said, adding that the main thing is whether the funds are being invested in productive sectors.

Titumir reckons that things will get critical if

the government uses the funds for consumption, such as providing salaries to its staff. The amount of foreign loans taken by both the public and private sectors has doubled in the last five years.

By the end of December 2022, the country's total

added. Siddiquee said that it remains uncertain how the government calculates the GDP growth of Bangladesh.

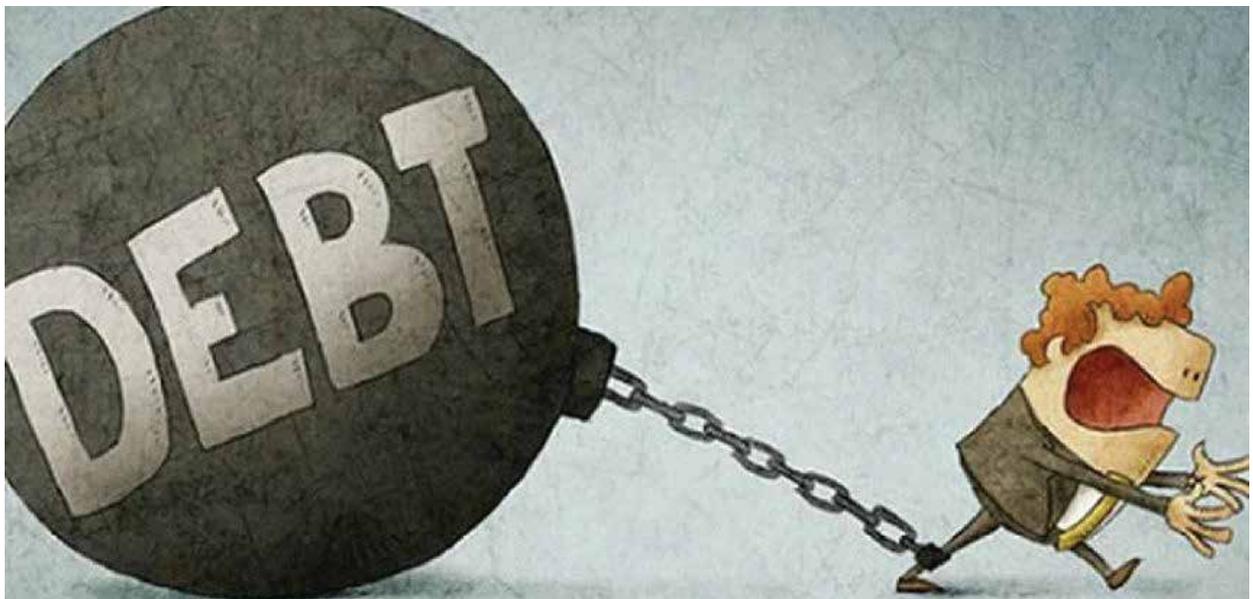
"The required information and data on GDP growth are not provided by the concerned government agencies to understand the trend of the

tural shifts in debt composition towards riskier commercial loans characterised by shorter maturities, higher interest rates, and little or no restructuring options.

Such shifts are due to multiple reasons that can be traced to the deliberate acts of Western donors

options, said Chowdhury, a former director at the Macroeconomic Policy and Development Division of the UN-ESCAP.

Chinese debt constitutes less than 20 per cent of developing countries' public debt and less than 15 per cent in low-in-



private sector foreign debt amounted to \$24.1 billion in contrast to \$12.52 billion in 2018. The government took initiatives to mobilise foreign funds by issuing sovereign bonds during the period of Finance Minister AMA Muhith. "We might have faced a severe crisis had the bonds been issued," Titumir said.

Muhammad Shahadat Hossain Siddiquee, a professor of economics at Dhaka University, said the volume of foreign debts in the country is now on the rise. The country is now availing foreign sources for commercial loans that cannot be restructured, which is not good, he

growth," he added. Siddiquee pointed out that governments usually set their revenue mobilisation targets by observing the GDP growth. "But revenue mobilised by the government is decreased when the GDP sees higher growth," he said, adding that this means the government is not strong enough.

Anis Chowdhury, an adjunct professor at Western Sydney University, presented a keynote paper titled "Developing Countries' Debt Crisis – Chinese or Western trap" at the discussion. He said the developing countries' looming debt crises are being worsened by struc-

and the multilateral institutions dominated by them, such as the World Bank and the International Monetary Fund. One reason is the decline in concessional development finance and broken aid promises, including SDGs and climate finance, Chowdhury said.

Besides, most developing countries have turned to riskier borrowing from international capital markets, and commercial debts now constitute more than half of their public debt. Such loans are usually of shorter durations and attract higher interest rates while having almost no restructuring or refinancing

come countries.

Chinese loans are quite diverse with only a small part of Chinese loans involving commercial conditions, he added.

Among others, Zia Rahman, dean of the faculty of social sciences, Masuda Yasmeen, chairperson of the department of economics, Mohammad Tanzimuddin Khan, a professor of international relations, Faruk Shah, an associate professor of development studies, and ABM Omor Faruque, an assistant professor of development studies, addressed the event. ■

# Cut Duties, Taxes On Essentials To Provide Respite To Consumers

*Business Outlook Report*

**T**he Centre for Policy Dialogue (CPD) has urged the government to reduce the duties and taxes, both at import and domestic levels, on essential commodities in order to provide some respite to consumers with low and limited income amid higher inflation.

Although duties and taxes on sugar were reduced recently, a CPD analysis shows that at least 28 imported essential food items still face a high incidence of tax. "We propose that such taxes should be reconsidered, especially in view of the cost-of-living crisis prevailing in the economy at present," said the think-tank on March 7.

In the 2022-23 budget, the personal income tax structure has remained generally unchanged from the one introduced in the 2021-22 budget. The CPD argued that reducing the highest tax rate (from 30 per cent to 25 per cent) was against the cause of promoting tax justice.

"The highest tax rate should be reinstated at 30 per cent for top earners in the 2023-24 budget." The tax-free income threshold for personal income should be raised to Tk 3.50 lakh considering the added

pressure of rising commodity prices, particularly those of food items, said the CPD. Alternatively, the second slab for personal income tax which is 5 per cent for an additional Tk 1 lakh should be increased to



Tk 3 lakh to provide a cushion to limited-income earners. In the current budget, the rate of investment tax rebate has been fixed at 15 per cent on the eligible amount. This means that higher taxpayers, or top earners, get higher tax rebate benefits whereas those with annual income below Tk 15 lakh will not get any additional tax benefits.

"The withdrawal of this provision needs to be considered in the FY2024 budget," said the think-tank. The CPD urged the NBR to be restrained from all ad-hoc provisions of tax incentives and be careful in the next fiscal year as more demand

for incentives will be lined up in view of the current economic situation. "A proper cost-benefit analysis must be conducted before coming up with new provisions and there should also be a medium-term

plan and timeline on phasing out the various tax exemptions." "The NBR should also consider providing an analysis of revenue forgone owing to the various tax exemptions in the next budget. This will perhaps draw some much-needed political attention to the issue."

In Bangladesh, the cigarette industry's pricing encourages the purchase of relatively cheaper cigarettes. The complicated tiered tobacco tax framework supports differential pricing. "So, the tobacco tax structure needs to be streamlined," said the CPD, adding that cigarette affordability should be reduced as a result of

tax-induced price increases. The FY2023 budget added a new provision in the Income Tax Ordinance 1984 with a view to mainstreaming money earned and assets acquired abroad into the economy. Accord-

ing to the provision, no authority, including the income tax authority, can raise any question as to the source of any asset located abroad if a taxpayer pays tax on such asset. This opportunity will be in force for the full FY2023 period. "Such an initiative is ethically unacceptable and will discourage honest taxpayers, and has traditionally been unable to generate the intended revenue. The CPD strongly urges for discontinuation of this provision," said the think-tank.

It said other provisions that allow to legalising of undisclosed incomes and assets should be discontinued from the next fiscal year. ■



# No Limit On Loans For Power Producers' Fuel Purchase

## *Business Outlook Report*

**B**angladesh Bank yesterday allowed banks to keep private sector power producers out of the purview of the single borrower exposure limit when giving them loans for the import of raw materials, including fuel oil. As per the single borrower exposure limit, banks are not allowed to give out loans that are more than 25 per cent of their capital to a single person, entity, or business group.

But the rule will not be applicable for independent power producers (IPPs) in running their plants as Bangladesh Bank will allow the companies to take loans from lenders beyond the limit, according to a central bank notice. Banks will have to follow the new rule until Decem-

ber this year. A central bank official, on condition of anonymity, said Bangladesh Independent Power Producers' Association (BIPPA) wrote a letter to the central bank governor on February 20 requesting him to arrange sufficient dollars for the power plants to import heavy fuel oil.

As per the letter, the IPPs together will require approximately \$250 million per month from March to June this year to import heavy fuel oil (HFO). Given the ongoing international price of the HFO, including the cost of shipping and insurance, the IPPs will require \$1.05 billion in the four months. Without this kind of support from Bangladesh Bank, the country will inevitably face widespread load

shedding during this critical time of irrigation, Ramadan and summer, the BIPPA said in its letter. The BB official said the central bank has addressed the BIPPA's demand by issuing the notice. The IPPs will first take loans in the form of the local currency, after which they will convert those to dollars to import fuel oil from abroad, he said.

For this reason, the central bank relaxed the single borrower exposure limit to facilitate the IPPs. Among the IPPs, Orion Power will require \$197.10 million, Summit Power \$159.86 million, Doreen Power \$102.80 million, Confidence Power \$97.50 million, Acorn Power \$73.59 million and Baraka Power \$68.32 million. The letter also mentioned the names of some other

IPPs that would require a hefty amount of dollars in the four months to June this year.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the country's financial sector was now facing a dollar shortage. The demand for US dollars

placed by the IPPs has indicated that the stress will continue to prevail in the coming days, he said.

Global rating agency Moody's downgraded its outlook of Bangladesh's banking system from stable to negative on March 1, which may exacerbate the ongoing problem, he

said.

Banks in Bangladesh may face difficulties in mobilising foreign loans in the form of supplier's and buyer's credit from abroad due to the downgrading of the rating for the banking sector, Mansur said. ■

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## Taka Slips Further As BB Sells USD At Tk 102



### Business Outlook Report

**T**he taka has weakened further against the US dollar as the Bangladesh Bank is selling the American greenback to banks at Tk 102. The move is aimed at adjusting the exchange rates gradually in line with the market demand and supply.

The latest depreciation comes a month after the central bank sold the greenback to banks at Tk 101. Since January, the BB depreciated the local currency by 2 per cent. The BB is selling the US dollar to banks to help them meet their foreign currency requirements, particularly

for import payments, amid the foreign exchange crisis that has been lingering for a year. The central bank sold \$56 million to banks at the new rate, said a senior BB official, seeking anonymity. "We are adjusting the exchange rate gradually."

In the interbank market, the greenback was traded up to Tk 105.42 on average on February 22, up 22.5 per cent from Tk 86 a year ago. The taka has lost the value because of the US dollar shortages. Banks also hiked the rate on Wednesday to purchase US dollars from exporters by Tk 1 to Tk 104, a move that is

expected to give a boost to the competitiveness of exports in the international market.

Like many other countries, the taka has been under pressure against the dollar over the last one year owing to higher import payments than overall receipts from export and remittance.

As a result, the country's foreign exchange reserves have fallen. The reserves stood at \$45.84 billion on February 22 last year but it declined to \$32.44 billion on the same day this year. ■

## WEEKLY SELECTED ECONOMIC INDICATORS

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

	07 March 2022	30 June, 2022 <sup>R</sup>	28 February 2023	07 March 2023
1. <b>Foreign Exchange Reserve</b> (In million US\$)	43971.08	41826.73	32333.71	31147.25
2. <b>Interbank Taka-USD Exchange Rate</b> (Average)	86.0000	93.4500	105.5080	106.3565
3. <b>Call Money Rate</b>	2.95	4.42	6.16	6.03
				Percentage change
<b>Broad/Overall Share Price Index</b>	07 March 2022	30 June, 2022	07 March 2023	From June, 2022
a) Dhaka Stock Exchange (DSE) <sup>(@)</sup>	6456.51	6376.94	6262.31	-1.80
b) Chittagong Stock Exchange (CSE)	18989.12	18727.52	18445.59	-1.51
5. <b>a) Wage Earners' Remittances</b> (In million US\$)	1494.47	13438.53	1561.26	July-Feb, FY23 <sup>P</sup>
b) Annual Percentage Change	-16.07	-19.47	4.47	14013.39
	8326.80	50449.30	6371.50	4.28
6. <b>a) Import (C&amp;F)</b> (In million US\$)	15.09	46.21	23.48	July-Jan, FY23 <sup>P</sup>
b) Annual Percentage Change	January, 2022	July-Jan, FY22	January, 2023 <sup>P</sup>	47566.00
	7704.00	46675.00	5899.00	-5.72
7. <b>a) Import(f.o.b)</b> (In million US\$)	15.11	46.23	-23.43	July-Jan, FY23 <sup>P</sup>
b) Annual Percentage Change	February, 2022	July-Feb, FY22	February, 2023 <sup>P</sup>	44031.00
	4294.53	33843.45	4630.18	-5.66
8. <b>a) Export (EPB)</b> (In million US\$)*	34.54	30.86	7.82	July-Feb, FY23 <sup>P</sup>
b) Annual Percentage Change	July-Jan, FY22	July-Jan, FY23 <sup>P</sup>	July-Jan, FY23 <sup>P</sup>	37077.68
	-10260.0	-5037.0	26877.68	9.56
9. <b>a) Tax Revenue</b> (NBR) (Tk. in crore)	24349.60	15341.00	10.38	FY 2021-22 <sup>R</sup>
b) Annual Percentage Change	January, 2022	July-Jan, FY22	January, 2023 <sup>P</sup>	-18697.0
	12.56	16.10	26877.68	July-Jan, FY23 <sup>P</sup>
10. <b>Investment in National Savings Certificates</b> (Tk. in crore)	January, 2022	July-Jan, FY22	January, 2023 <sup>P</sup>	172309.15
a) Net sale	2585.88	12175.66	37.43	12.32
b) Total Outstanding	356269.57	356269.57	360940.70	July-Jan, FY23
	January, 2022	June, 2022	January, 2023 <sup>P</sup>	Percentage change
	323298.90	347162.10	352790.30	Jan'23 over Jan'22
11. <b>a) Reserve Money</b> (RM) (Tk. in crore)	1614120.30	1708122.50	1751440.80	Jan'23 over Jun'21
b) <b>Broad Money</b> (M2) (Tk. in crore)				Jan'23 over Jun'21
				1.62
				-7.12
				2.54
				3.41
				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 <sup>P</sup>		Percentage change				
		Opening	Settlement	Opening	Settlement	July-December, FY2022-23	Settlement			
		1534711.50	1671749.10	1773179.40	15.54	6.07	6.58			
		232076.00	283314.60	303589.20	30.81	7.16	5.00			
		36378.10	37198.90	43564.00	19.75	17.11	21.19			
		1266257.40	1351235.60	1426026.20	12.62	5.53	6.51			
13.	L/C Opening and Settlement (million US\$)	July-December, FY2021-22		July-December, FY2022-23 <sup>P</sup>		Percentage change				
		Opening	Settlement	Opening	Settlement	July-December, FY2022-23	Settlement			
	a) Consumer Goods	4699.05	4547.41	4021.86	4125.87	-14.41	-9.27			
	b) Capital Machinery	3673.97	2556.43	1274.02	2374.19	-65.32	-7.13			
	c) Intermediate Goods	3870.56	3385.58	2586.20	2809.21	-33.18	-17.02			
	d) Petroleum	3592.41	3670.79	4875.77	5362.59	35.72	46.09			
	e) Industrial Raw Materials	16547.49	13569.38	12035.35	15275.93	-27.27	12.58			
	f) Others	11632.48	10682.10	9308.46	11427.08	-19.98	6.97			
	<b>Total</b>	<b>44015.96</b>	<b>38411.69</b>	<b>34101.66</b>	<b>41374.87</b>	<b>-22.52</b>	<b>7.71</b>			
14.	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)	June, 2019	December, 2020	June, 2021	December, 2021	March, 2022	September, 2022	December, 2022	January, 2023	
	a) Twelve Month Average Basis	5.48	5.69	5.56	5.55	5.75	6.96	7.70	7.92	
	b) Point to Point Basis	5.52	5.29	5.64	6.05	6.22	9.10	8.71	8.57	
15.	Corresponding Period	June, 2018	December, 2019	June, 2020	December, 2020	March, 2021	September, 2021	December, 2021	January, 2022	
	a) Twelve Month Average Basis	5.78	5.59	5.65	5.69	5.63	5.50	5.54	5.62	
	b) Point to Point Basis	5.54	5.75	6.02	5.29	5.47	5.59	6.05	5.86	
16.	Classified Loan	December, 2019	June, 2020	December, 2020	June, 2021	December, 2021	June, 2022	September, 2022	December, 2022	
	a) Percentage Share of Classified Loan to Total Outstanding	9.32	9.16	7.66	8.18	7.93	8.53	8.96	8.16	
	b) Percentage Share of Net Classified Loan	1.02	0.15	-1.18	-0.47	-0.43	-0.07	0.49	-0.08	
17.	Agricultural and Non-farm Rural Credit (Tk. in crore)	December, 21	January, 22	July-Jan, FY22	December, 22 <sup>P</sup>	January, 23 <sup>P</sup>	July-Jan, FY23 <sup>P</sup>	FY 2021-22	FY 2020-21	
	a) Disbursement **	3723.49	2558.56	17055.60	3892.42	2014.22	18684.32	28834.21	25511.35	
	b) Recovery	3254.78	1870.83	15464.63	3558.65	2016.74	18446.50	27463.41	27123.90	
	c) Outstanding	47659.51	48355.34	48355.34	50997.35	51225.71	51225.71	49802.28	45939.80	
18.	SME Loan (Tk. in crore)	Jan-Mar, 20-21	Apr-Jun, 20-21	Jul-Sep, 21-22	Oct-Dec, 21-22 <sup>P</sup>	Jan-Mar, 21-22 <sup>P</sup>	Apr-Jun, 21-22 <sup>P</sup>	Jul-Sep, 22-23 <sup>P</sup>	FY 2020-21	
	a) Disbursement	44445.67	41788.73	42075.49	57118.60	51716.69	56484.26	51676.81	207395.04	
	c) Outstanding	240169.54	243074.82	245325.67	252082.09	259704.21	271448.58	273906.60	271448.58	
19.	Industrial Term Loan (Tk. in crore)	Jan-Mar, 20-21	Apr-Jun, 20-21	Jul-Sep, 21-22	Oct-Dec, 21-22 <sup>P</sup>	Jan-Mar, 21-22 <sup>P</sup>	Apr-Jun, 21-22 <sup>P</sup>	Jul-Sep, 22-23 <sup>P</sup>	FY 2020-21	
	a) Disbursement	17379.01	19430.74	14834.23	18772.59	17340.49	21413.63	18562.45	72360.94	
	b) Recovery	16893.10	14734.86	12979.47	18477.42	16572.97	16832.73	20610.17	64862.59	
	c) Outstanding	299048.73	315294.16	303329.12	308918.45	310572.40	320410.22	328742.50	320410.22	
19.	GDP Growth Rate (in percent. Base: 2005-06=100)	FY2013-14	FY2014-15	FY2015-16	FY2016-17 <sup>N</sup>	FY2017-18 <sup>N</sup>	FY2018-19 <sup>N</sup>	FY2019-20 <sup>N</sup>	FY2020-21 <sup>NR</sup>	FY2021-22 <sup>NP</sup>
		6.06	6.55	7.11	6.59	7.32	7.88	3.45	6.94	7.25

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

In million US \$(Provisional)

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

Data downloaded: on 31.08.22

# #LDC5



## Extend Preferential Market Access For Graduating LDCs: PM To Dev Partners

*Business Outlook Report*

**B**angladesh prime minister Sheikh Hasina has placed a five-point recommendation, including at least six-year extension of preferential market access for Bangladesh and other graduating least developed countries, before development partners.

‘I wish to make five suggestions for our development partners: first, extend preferential market access for graduating LDCs like Bangladesh for at least six years, and support their trade facilitation and capacity building, including through aid-for-trade,’ she said.

The premier was addressing an event, titled ‘Global Partnership for Smooth and Sustainable Graduation: Marching Towards Smart Bangladesh’, held on the sidelines of the

Fifth United Nations Conference on the Least Developed Countries (LDC-5) at Qatar National Convention Centre in Doha on March 7.

The other suggestions she placed include enhancing FDI flow in graduating LDCs through incentives to the private sector, and updating mutually beneficial investment protection agreements, promoting sustainable industrial growth in graduating LDCs, including by way of supporting their private sector for efficient resource management, to improve industrial relations, and through fair pricing.

The remaining recommendations are developing innovative financing mechanisms so that the cost of borrowing remains sustainable for

graduating LDCs during their transition phase and financing viable physical and digital infrastructure projects in graduating LDCs and supporting their continued investment in human capital formation and institutional reforms.

‘In the course of our graduation, we know where we want to go and how to get there. Our government will not allow Bangladesh to slide back. In order to graduate with confidence, we need support from our friends in the international community,’ said the PM.

She said that Bangladesh’s track record in the last fifty-one years had shown that the country had done justice to international cooperation. ‘As the world’s largest LDC economy, we hope to encourage other LDCs to opt for graduation through

our own experience of a smooth transition,' she added.

Sheikh Hasina said that Bangladesh had qualified for graduation in all three UN criteria. In 2015, the country attained middle-income country status. Bangladesh ranked in

Hasina said that Bangladesh needed to further build its productive capacity and diversify its manufacturing and exports. It must pursue a low-carbon growth pathway.

'We hope to comply with due diligence measures. We must

said that she had urged people to cultivate every inch of land to acquire food security.

She also focused on her government's success and achievements in different areas particularly primary healthcare services for rural people, social protection support for the disadvantaged people, digitization of public services, implementing mega projects, setting economic zones, export processing zones and hi-tech parks to attract investment.

The PM said, 'I dream of our boys and girls taking the lead in artificial intelligence, internet of things, and robotics. Our government is pushing for an innovation ecosystem, with attention to intellectual property. We wish to make good use of our traditional knowledge, genetic resources and blue economy.'

She said that Bangladesh would soon have a logistics policy with a view to cutting down cost of doing business. 'We are investing in an energy mix, including clean energy,' she added.

Sheikh Hasina said that Bangladesh was also making international contributions to the extent possible. 'We are sharing our e-governance tools with other LDCs under the South-South Cooperation. A regional climate adaptation center has been set up in Dhaka to share our good practices with other countries,' she said.

She said that the Bangladeshi NGOs were taking home-grown development models to other parts of the world. 'We have offered to share our agricultural good practices with African countries,' she said.

The PM said that Bangladesh responded to humanitarian emergencies, while continuing to host 1.2 million forcibly displaced Rohingya from Myanmar. ■



*The second part of the Fifth UN Conference on the Least Developed Countries (LDC5) took place in Doha, Qatar which included high-level roundtables on specific topics, a general debate, and other events.*

the medium bracket of UNDP's Human Development Index ahead of that.

She said that Bangladesh was considered a model for MDG achievement. Her government kept its commitment by building a 'Digital Bangladesh' by 2021, she added.

The PM said that her government and people attached high importance to Bangladesh's smooth and sustainable LDC graduation in 2026. 'We look forward to building a knowledge-based, developed and smart Bangladesh by 2041. Our private sector and social partners will have to play a prominent role in this journey,' she said.

She hoped to sustain the momentum, including by achieving SDGs. 'For us to move forward, we need continuation of some international support measures for LDCs beyond our graduation,' she said. Sheikh

digitize and innovate to stay competitive. We are committed to upholding our people's right to development,' she said.

Noting that Bangladesh has shown that it can deliver, she said. The economy of Bangladesh grew by 8.15 per cent just before the pandemic. The country has made a fast decline in poverty and hunger.

She said that people's life expectancy in Bangladesh rose to 73 years and literacy rate now stands at 75.2 per cent. Gender parity has been achieved in its schools. The country's women and girls are making their mark in all parts of society. 'Our disaster preparedness and climate adaptation are often taken as examples,' she added.

She said that her government had decided to take urban facilities to rural areas through the 'My Village, My Town' programme. The PM

# Women Almost Absent In Upper Echelons Of Banks In Bangladesh



## *Business Outlook Report*

**B**he representation of women in upper echelons or decision-making positions in the country's commercial banks is very insignificant due to cultural barriers, family responsibilities, discrimination in the hiring process and harassment in workplaces.

According to the information available on the banks' web sites, there are a few women holding senior vice-president positions or higher in the banks' management. The Bangladesh Bank's gender equality report for January-June of 2022 showed that the women's representation in top management

positions in the commercial banks in Bangladesh was as low as 9.55 per cent. Only 8.91 per cent of the women bank officials was aged over 50 years while 21.5 per cent of them aged below 30 years, the BB report said. The BB report said 15.83 per cent of the women was at the mid-level positions and 16.86 per cent of them was the at entry-level position.

A study conducted by the Bangladesh Institute of Bank Management said that only 13 per cent of the total employees in the commercial banks was women, and among them, only 3 per cent was in top management positions. Mehruba Reza, vice-president and head of the women's

banking segment of BRAC Bank Limited, said that there were several factors that contributed to the underrepresentation of women in top management or decision-making positions in the commercial banks in Bangladesh. Many women have to bear family responsibilities, including taking care of their children, which makes it difficult for them to continue working in the banking sector, she said.

The lack of support for working mothers, such as safe transport and long maternity leave, also creates additional obstacles for women to pursuing a career in banking, she said. Mehruba observed that providing safe transport, day-care facilities



*Humaira Azam Managing Director & Chief Executive Officer of Trust Bank*

for children, eradicating harassment issues, and allowing sufficient maternity leave could encourage more women to pursue careers in the banking sector, particularly in top management or decision-making positions. While the number of women employees in the banking sector has increased over the years, women are still underrepresented in top management positions, according to the BB report.

The BB study also found that the women's representation in the board of directors of the commercial banks accounted for only 6 per cent. Experts said that cultural barriers, family responsibilities, discrimination in the hiring process, limited access to flexible working arrangements, inadequate workplace safety and protection measures, and harassment in the workplace were the key reasons for the women's underrepresentation in top management positions in banks.

Women in Bangladesh also face unequal pay and benefits compared with their male counterparts, they said. Many people still believe that the women's primary role is to take care of home and family, which can limit their opportunities to pursue careers in the banking sector. Women face discrimination during

the hiring process, and their performance and potential may not be recognised or rewarded to the same extent as their male colleagues, the experts said. While some commercial banks have introduced gender-sensitive policies and practices, such as family-friendly work arrangements and mentorship programmes, more initiatives need to be taken to ensure that women have equal opportunities to pursue careers in the banking sector, they said.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, said that the banking sector in Bangladesh saw a good presence of women at the entry level. However, the number of women declines after a certain level, especially when the female staff get married and have children, he said. The banking jobs now involve versatile duties that require employees to be mobile and are not just confined to their desks, he said.

Mahbubur said, 'Cultural barriers and family mindsets have not changed much, and many people still believe that women should prioritise taking care of their families over their careers.' The lack of safe transport and long-leave policies are other barriers for women who are

looking to build a career in the banking sector, he said. Sexual harassment could also be a factor, he added. The central bank has set a target of increasing the representation of women in the banking sector to 30 per cent by 2024, and the government has enacted laws and policies to ensure workplace safety and protection for women employees in the banking sector.

However, the scenario of gender diversity in banks in Bangladesh has not improved. The BB's latest half-yearly report showed that the number of women officials in the banking sector reached 31,548, slightly higher than 16 per cent of the total manpower, at the end of June 2022. The number was 29,513 in June 2021.

The report showed that the foreign banks operating in Bangladesh had the highest number of women officials, with 25.94 per cent or 984 officials of their workforce being women.

Private commercial banks, state-owned commercial banks and specialised banks had 19.21 per cent (20,692), 16.48 per cent (8,139) and 14.27 per cent (1,733) women officials respectively of their workforce. ■

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