

What's Next For BNP?

Fortnightly Magazine

# Business Outlook

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## Can New Finance Minister Break The Jinx?

■ Rice Prices Remain Puffy

■ Focus On Other Export Items Likewise RMG

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# Business Outlook

From the Editor

## Can The Finance Minister Deliver?

For a third world country, Finance Ministry is a vital ministry. Virtually, the performance of the finance minister is more important than other ministers. He has to bear everybody's economic burden—from a slum-dweller to an owner of a heavy industry. He has to have a clear picture in his mind about the country's economy. Before making every step regarding economic issues, he has to think twice or even more. Because at the end of the day, its impact will be enormous. From this point of view, there were good debates and discussions among ordinary citizens as well as people in the economic and business sector as to who is going to be the finance minister after Awami League retained office following January 7 election. Finally, it has become a big surprise when the 81-year old diplomat-turned-politician and former foreign minister Abul Hassan Mahmood Ali was made finance minister by Prime Minister Sheikh Hasina. Nobody was thinking about his appointment as the finance minister although he was chairman of the parliamentary standing committee on finance ministry. We will definitely not judge the decision. But his performance as finance minister will be judged every time when the country has been passing through the highest ever and the most crucial challenges in the last 17 years after the end of the tenure of the BNP, currently the main opposition on the street. The first challenge the new finance minister will have to face is handling of high inflation, ailing banking sector and decreasing foreign exchange reserve. Lack of discipline has affected the performance of the banking sector. Hostile taking over of banks by a certain quarter just before former finance minister Mustafa Kamal assumed the helm of the finance ministry became the dominating feature of the sector along with growing bad debts. The adverse impacts of the hostile take-over have forced Bangladesh Bank printing money to provide loans to five crisis-hit Shariah-based banks—First Security Islami Bank, Islami Bank Bangladesh, Social Islami Bank, Union Bank and Global Islami Bank. The negative balance in the current account of First Security Islami Bank was Tk 7,400 crore, Islami Bank Bangladesh Tk 3,500 crore, Social Islami Bank Tk 1,900 crore, Union Bank Tk 1,100 crore, and Global Islami Bank Tk 70 crore.

With the beginning of the tenure Mr. Ali has been saying that he was new to the ministry. He is very cautious to make comments over checking the price hike of essentials and overcoming other problems plaguing the economy. 'All crises cannot be fixed overnight,' he said, while talking to reporters on the first day of assuming his new responsibility as the finance minister. We don't want to lose hope to see his success. ■



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## Govt Pledges Action Against Crisis Of Essentials During Ramadan

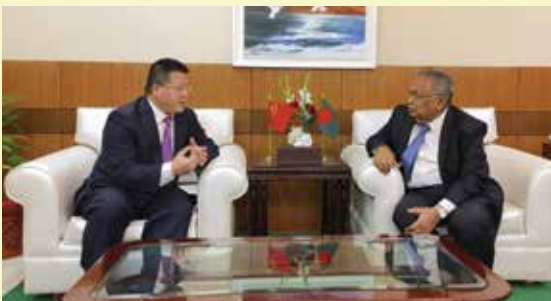
There will be no shortage of commodities with high demand during Ramadan, the month of fasting, as the government has taken proactive measures to ensure an ample supply. Besides, strict actions will be taken to prevent any artificial crises in essentials during this period. This assurance came from a meeting involving several ministers January 21. Following discussions with Food Minister Sadhan Chandra Majumder, Agriculture Minister Abdus Saheed, Fisheries and Livestock Minister Md Abdur Rahman, State Minister for Commerce Ahsanul Islam Titu, Bangladesh Bank Governor Abdur Rouf Talukder, and relevant department officials, Finance Minister Abul Hassan Mahmood Ali addressed the media. Minister Abul Hassan Mahmood Ali said, "We have assessed the current situation, and I want to reassure the public that there will be no shortage of necessary commodities



during Ramadan. There is no need to be worried." Highlighting possible attempts to create instability by certain vested quarters, he added, "As the month of Ramadan approaches, the government is actively working to maintain stable price levels. We believe there is no need for anxiety. If necessary, we will take even stricter action. Stringent punishment will be ensured, and no one will be spared in this regard." ■

## China To Speed Up Releaser Of Dev Assistance To Bangladesh

Finance Minister Abul Hassan Mahmood Ali on Sunday said that the release of Chinese funds for Bangladesh's development projects will be easier than before. The finance minister was talking to reporters after a meeting with the Chinese ambassador in Dhaka Yao Wen, at the NEC conference room in Sher-e-Bangla Nagar, Dhaka. In response to a question, Ali said, "China commits to the projects taken up for development. I expect China's financing concessions to be easier than ever." The Chinese ambassador said, their work has started anew with the new government in Bangladesh. "That's why I had a courtesy meeting with Finance Minister Ali on January 21." He quoted the new finance minister as saying that Bangladesh will play a strong role in promoting bilateral relations with China. The ambassador also said that China's economic and trade relations with Bangladesh will further grow under the new government. ■



## BTRC To Deactivate Unregistered Mobile Phones Soon



The Bangladesh Telecommunication Regulatory Commission has warned that it will deactivate all unregistered mobile phones soon. The telecom authority on January 21 issued a notification in this regard after State Minister for Posts, Telecom and ICT Zunaïd Ahmed Palak at a meeting with BTRC officials on January 16 instructed the latter to deactivate all unregistered mobile phones in the country. The notice, signed by BTRC spectrum department director Md Sohel Rana, said that the BTRC initiated a process of a full implementation of National Equipment Identity Register (NEIR) to ensure registration of all mobile phones by tagging each phone with national identity and registered SIM card. The notice mentioned that the purpose of NEIR was to ensure access or delivery of various government services and to stop the use of illegally manufactured or imported phones. It will ensure revenue collection for the government, the notice said. ■



## Minimum Wages For Cotton Textile Workers Soon

The government is expected to announce the minimum wage structure for the country's cotton textile sector within the next two weeks, the Bangladesh Textile Mills Association (BTMA) said recently. The association comes with the announcement in the wake of recent incidents of labour unrest in some cotton textile factories, demanding a minimum wage structure. In a press release, the association stated it has already contacted the government's Labour and Employment Secretary Ehsan-E-Elahi and top officials of the Minimum Wage Board. They highlighted the importance of the minimum wage structure for the cotton textile sector, emphasizing that living conditions are equally important for every worker. "The Labour and Employment Secretary and the Minimum Wage Board have assured us that an announcement in this regard will come within two weeks," read the BTMA release. The association further asserted that the minimum wage structure will be implemented immediately after the announcement, starting from the month prescribed by the government, along with all arrears. ■



## China Keen To Import More From Bangladesh



China is taking necessary actions to import more products from Bangladesh, especially mangoes, jute and jute goods, leather, meat and seafood aimed at reducing bilateral trade gap. "China is expecting to complete their internal process to start importing Bangladeshi mangoes by the second half of this year," Foreign Minister Hasan Mahmud told reporters after a meeting with Chinese Ambassador Wen Yao at the foreign ministry in Dhaka January 28. Mahmud said China is a major trade partner of Bangladesh, but there is a huge trade gap. "We said there should be duty-free access for our products to increase our export to China." China's export to Bangladesh was \$26.81 billion in 2022 when Bangladesh's export to China was less than \$1 billion. The foreign minister appreciated the progress in free trade agreement (FTA) negotiations between Bangladesh and China and hoped that it will be finalised by 2026 before the graduation of Bangladesh from the least developed country category. He acknowledged China's contribution to vaccine support for Bangladesh during the Covid-19 pandemic. ■

## Russia Wants To Export Wheat To Bangladesh

Russia has expressed interests to sell wheat to Bangladesh and enhance bilateral trade relations, said the food ministry January 18. Russian Ambassador to Dhaka Alexander Mantytsky shared the information during a courtesy call on Food Minister Sadhan Chandra Majumder at the latter's office, according to a press release. At the meeting, both discussed issues including the export of wheat from Russia, a source of the grain for public and private sectors of Bangladesh. The Directorate General (DG) of Food signed contracts with Russia to import 3 lakh tonnes of wheat at \$313 per tonne in the first half of the fiscal year 2023-24, said a senior official of the food office. So far, Russia has shipped 1.5 lakh tonnes of the grain and the rest is expected to arrive in February, the official added. Out of the 6.79 lakh tonnes of wheat imported by the DG of Food in 2022-23, it bought 5



lakh tonnes from Russia. Between July 1 and January 17 in FY24, the public sector's wheat import stood at 2.61 lakh tonnes, according to food ministry data. ■



*Police stop, and later pick up, BNP standing committee member Abdul Moyeen Khan as he goes to join the party's black-flag procession at Uttara-12 in the capital protesting at the first session of the 12th parliament*

## What's Next for BNP?

**SMS Hasan**

**T**he election game is over but the debate over it continues. The election had a low turnout. According to the chief election commissioner, it was around 40 percent although just one hour before the election ended he told the media about 27 percent casting of votes. However, according to the constitution it does not matter in Bangladesh how many people cast their votes in an election. Even one or two percent vote casting can be good enough to elect a person as parliament member. Despite such a constitutional provision, it seems ruling Awami League does not feel complacent with the election and its result where it secured 222 seats, independent candidates who along belong to Awami League as 62, partner of Awami League-led alliance Jatiya Party has

11 seats and Workers Part and Jasad each has one seat. Awami League has to say on every occasion that the election was free, fair and a democratic one. On the other hand, the opposition Bangladesh Nationalist Party (BNP) and all other leading opposition political parties boycotted the election. Apparently, BNP has no hope for the next five years in politics. But only building up a strong movement can save the party and its leaders and activities from being collapsed. Possibly, the party has now realised that its dependence on the USA and western powers has been the main failure for its leadership to take the right decision at the right time. As a result, despite having gathered about one million supporters on October 28 at its grand rally in Dhaka, it failed to mobilise its strength on the very next day. It could not keep its momentum

in its anti-government movement. It observed a black-flag procession on January 30 as a mark of protest on the day the new parliament begins its journey. The ruling Awami League also announced a counter procession. But finally postponed it. Immediately after the election the USA and most of Western countries did not recognise it as a free, fair and participatory election which Awami League did not see positively. Even, despite recognition from different Asian countries including India, China, Pakistan, Japan and South Korea, it did not feel relieved from the allegation of lacking the international standards of free, fair, peaceful and participatory election. So, until such recognition comes from the USA and other western countries, Awami League will not be very happy and complacent. A kind of discomfort



will always remain with Awami League, giving BNP a good opportunity to raise questions about the election.

### **'Keep Your Spirits High'**

BNP Standing Committee Member Abdul Moyeen Khan has urged the party's leaders and activists to keep their spirits intact. Addressing a discussion organised by Gono Forum and Bangladesh People's Party on January 28, the BNP leader said the country's people must be given back the right to vote. "There is nothing to

"BNP and Awami League are parties of different character. BNP does not do what Awami League does. BNP is a democratic political party." He alleged that over 1.5 million cases have been filed against opposition leaders and activists.

### **BNP's Black-Flag Processions Foiled**

The police did not allow the BNP to take out processions at seven points of the capital on January 30, the day the 12th parliament went into its maiden session, citing a lack of permission for

but police obstructed them from taking out processions saying that the party did not get permission for the programme from the Dhaka Metropolitan Police (DMP) authorities. Meanwhile, police picked up BNP standing committee member Dr Abdul Moyeen Khan as he went near a graveyard of Uttara-12 in the capital around 2 pm to join BNP's black-flag procession.

A group of police obstructed Dr Moyeen as he was addressing the gathering and took him to a police van. Later, the BNP leader was released and allowed to go to his Gulshan residence riding his vehicle. Md Shahjahan, deputy commissioner of Uttara Division of Dhaka Metropolitan Police, said "Moyeen Khan was neither arrested nor detained. We asked him to wait." "We also asked him to refrain from joining the black-flag procession," he said. Dhaka Metropolitan Police (DMP)'s Uttara Zone's additional deputy commissioner (ADC) Mirza Salahuddin said the party tried to hold a programme without any permission.

He said the BNP sought permission from the DMP to hold the programme but the party was not permitted in a bid to maintain law and order in the city. "That is why we didn't allow them to hold the programme." He said they also picked up 8 to 10 people from the spot for questioning. Besides, police also foiled BNP's processions in other areas of the capital and detained some BNP leaders and activists. BNP standing committee member Gayeshwar Chandra Roy went to Pirjungi Mazar in the capital's Motijheel area around 2:20pm but failed to take out the procession. Talking to reporters, he said holding rallies and processions is a democratic and constitutional right of the political parties. "We sent a letter to the DMP police commissioner informing them about our plans to peacefully bring out processions at 7 places in the capital. But the police obstructed us everywhere. We strongly condemn



*President Mohammed Shahabuddin addressing the opening session of the newly elected 12th Parliament*

be disappointed about, even if the BNP could not do anything as expected in the January 7 polls," he told his party's leaders and activists. He said: "Awami League made fun of our black flag procession calling it a procession for mourning. The Awami League has killed democracy in this country. There is no greater grief than this." He said the BNP wants to bring back the democratic atmosphere in the country, not terrorism. "BNP believes in the politics of peace... BNP has never repressed the opposition while in power. During the period of the Awami League, the opposition was persecuted the most. A democratic people cannot be suppressed by the barrel of a gun. The movement will continue peacefully until the fall of the government," he added. He said:

the street programme. The BNP and like-minded opposition parties were supposed to take out processions holding black flags across the country, including in the capital today (Tuesday) demanding a fresh election under a non-party government. In the capital, BNP's Dhaka south city unit was scheduled to bring out the black-flag processions in front of Pirjungi Mazar, Jatrabari's Kadamtoli Bus Station, New Market and Dayaganj intersection while the Dhaka north city unit in front of Suvastu Nazar Valley Shopping Mall at Shahjadpur, Uttara Section-12 Graveyard and near a mosque at Mirpur-6, also to demand the cancellation of the 'illegal dummy' parliament. BNP leaders and activists started gathering the seven spots with black flags to hold their programmes,



and protest this action of the police.” He said the government is arresting BNP leaders and workers and not allowing them to hold a peaceful programme without any justified reason. The BNP leader said their party leaders and activists were staying around the procession venues in a scattered way to hold the programme amid the presence of police. “But that’s not our intention to be involved in conflict and clash with the police.” At one stage, Gayeshwar left the area in his vehicle as the party’s programme was foiled. Office-in-charge (OC) of Motijheel Police Station Abul Kalam Azad said BNP did not get permission to hold the programme.”

### **BNP's Black Flag Programme 'Anti-People': Quader**

Describing BNP's “black flag” programme as “anti-people”, Awami League General Secretary Obaidul Quader on January 30 said AL will ensure security of lives and property. “BNP's black flag program is an anti-people programme, and it is a deep conspiracy against the country's democratic journey. If the programme is not withdrawn, AL will be vigilant to ensure security of people's lives and property,” he said while briefing reporters at AL's Dhanmondi office. No programme against public interest will be tolerated, he said adding, “We will resist all conspiracies for the sake of the country's development, progress and democracy under the leadership of Sheikh Hasina.” Referring to the UN statement about release of BNP leaders and activists, the Road Transport and Bridges Minister said that the statement is based on inaccurate reports and wrong information. “As per the Home Minister, the number of inmates is not more than 10,000. If you commit a crime, you have to be punished. Bail is granted if it is a bailable offence,” he said. Referring to the price hike of daily essentials, Quader said, “Price hike of daily essentials is a big challenge now and the new parliament will play a

decisive role and give priority to the problem.”

### **TIB Corruption Index Politically Motivated: Quader**

The TIB report on the Corruption Perception Index (CPI) is politically motivated, said Awami League General Secretary and Road Transport Obaidul Quader. “The government does not care about such slander made to protect the interest of any alliance or the country,” he said at a press briefing at the Awami League president's office in Dhanmondi on January 30. Describing the BNP's black flag program as anti-people, the Awami League general secretary said it is a deep conspiracy against the country's democratic journey. If this program is not withdrawn, the Awami League will guard the security of people's lives and property. If there is violence, the law enforcers will do their duty. “The ministries have already started working. Anti-public activities will not be

director of Transparency International Bangladesh (TIB), announced that Bangladesh received a score of 24 out of 100 in the Corruption Perception Index 2023. He revealed the findings while presenting the index and its key insights at TIB's Dhanmondi office in January.

### **President To New MPs: Take Stern Action Against Graft**

President Mohammed Shahabuddin has urged all concerned to take stern actions against corruption alongside reforming the financial sector. “Uncertainty is increasing in the global economy due to geopolitical instability. In this regard, if the global economic crisis occurs, it will also affect us,” he said. He was addressing the opening session of the newly elected 12th Parliament on January 30. Earlier, he convened the first parliament session of 2024 exercising the power bestowed upon him as per the Article 72 (1) of the Constitution. The president's speech was approved



*Obaidul Quader, Awami League General Secretary and Road Transport and Bridges Minister*

tolerated. Under the leadership of Sheikh Hasina, we will resist all conspiracies for the sake of the country's development, progress and democracy,” he added. Bangladesh's placement in the Corruption Perception Index (CPI) 2023 has dropped by two positions, now standing at 149th among the 180 countries evaluated. Dr Iftekharuzzaman, the executive

by the cabinet. The current parliament was formed through the January 7 national election. He underlined the necessity to make the required preparations for the upcoming global crisis. He said the production system of the agricultural sector must be sustained, with emphasis on the production of high-value crops. The president also called for the use

of advanced agricultural technology to boost production. He also said agricultural storage and agro processing industries should be developed.

"It is necessary to sign and implement bilateral and regional trade and investment agreements so that Bangladeshi products can have access to duty-free benefits in the export market," he said. He also pointed out strengthening deep sea gas and oil exploration activities in order to ensure energy security. "New labour markets should be explored so that skilled labour can be exported in addition to creating skilled human resources," President Shahabuddin said. Concerning the election, he said



*Begum Rowshan Ershad*  
*Chief Patron of the Jatiya Party*

a group tried to obstruct the peaceful course of democracy by creating violence and conflict. Their anti-democratic and violent activities temporarily left people in a state of anxiety, but the spirit of democracy did not deter voters from voting.

"All the measures adopted by the government and the Election Commission have been beneficial due to the spontaneity and active participation of the mass people," he said. He also said the parties abstaining from election participation carried out their political programs without any hindrance. He hoped that the political parties of the country would shun violence and anarchy and carry out

constructive programs in nonviolent ways for the establishment of constitutional rights and the welfare of the people and democracy. "It is expected that the government will also play an appropriate role in this regard," he said.

Out of 299 seats up for vote, Awami League won 223, Jatiya Party 11, Bangladesh Workers Party, Jatiya Samajtantrik Dal (JSD), and Bangladesh Kalyan Party one each, and independent candidates 62 seats. As many as 58 independent candidates belong to the ruling party. At the beginning of the sitting, the speaker and deputy speaker of the House were elected and were sworn in by



*GM Quader*  
*Chairperson, Jatiya Party*

the president. Shirin Sharmin Chaudhury and Shamsul Haque Tuku are continuing in their post as speaker and deputy Leader of the House as the Awami League parliamentary party in a meeting already nominated them for this post.

First lady Rebeka Sultana and secretaries concerned to the president were present at the president box of the parliament.

### ***Raushan Fires GM Quader As JaPa Chairman***

Amid growing resentment among the party rank and file over its debacle in this month's parliamentary election, Jatiya Party Chief Patron

Raushan Ershad on January 28 declared herself as the chairman of the party, relieving the current party chief and secretary general from their posts. She also appointed Jatiya Party presidium member Kazi Mamunur Rashid as the secretary general of the party. Raushan made the decision at a views-exchange meeting in her Gulshan residence with a section of the party leaders who were relieved or voluntarily resigned from the party recently. "According to Article 20-1 of the party's constitution, I have relieved GM Quader and Mujibul Haque Chunnu from the posts of party chairman and secretary general respectively at the request of the party leaders and workers to overcome the ongoing crisis (within the party)," she said. Raushan, the widow of party founder HM Ershad and sister-in-law of GM Quader, said she also took charge of the party chairman at the request of party leaders and followers.

She said Kazi Mamunur Rashid will work as the Jatiya Party secretary general and carry out its organisational activities until the next council meeting of the party. Raushan said she took the move as she cannot allow the party to suffer as GM Quader and Mujibul Haque have caused serious damage to the party. She also said those party leaders who were expelled and relieved of their posts would be reinstated and the party national council would be convened at the right time. However, Chunnu at a press conference said they are least bothered about the baseless move taken by Raushan as she has no authority to make such decisions. "As per our party constitution, she has no power to take the decisions of becoming its chairman or dismissing anyone from any post," he said. Chunnu said Raushan announced the expulsion of GM Quader earlier thrice and later withdrew her announcements.

"So, we're not taking it into consideration. It has no basis. She (Raushan) has no such power in the constitution," he said. ■



# Reducing Inflation Significantly Will Be Difficult



## Business Outlook Report

**I**t will be difficult to significantly reduce inflation this year as further currency devaluation and rationalisation of subsidies are necessary, said Atiur Rahman, a former governor of Bangladesh Bank.

Inflationary pressure had eased in December but remained above 9 percent for the 10th month straight as commodity prices showed no signs of letting up, straining the purchasing power of most consumers. Regarding the subsequent challenges now facing the economy, Rahman said they are manageable. "Policymakers have rightly prioritised reducing inflation, with deeper coordination

between the monetary and fiscal policies and prudent forex management being crucial to this end," he added. Rahman made these comments while presenting a paper, styled "Towards a Trillion Dollar Economy of Bangladesh Opportunities and Challenges", at a luncheon meeting on January 24.

Various businesspeople, officials of the country's development partners, and other stakeholders participated in the event, which aimed to discuss solutions for improving Bangladesh's business climate. The meeting was organised by the Foreign Investors' Chamber of Commerce and Industry (FICCI) at the Westin

Dhaka. While Bangladesh is on track to achieve developing country status by 2026, the country is at risk of losing up to 14 percent of its exports for the loss of duty benefits after graduation.

So, Bangladesh must now look for a new set of international support measures, including extended grace periods and lower interest on loans from its development partners, Rahman said. According to the former central bank governor, bolstering exports and investments with special focus on foreign direct investment (FDI) is pivotal to this end while revenue mobilisation must also be bolstered. However, the

risk of foreign currency depletion remains due to the country's negative trade balance. Besides, the financial account may face further deficit if reserve outflows continue to exceed inflows. FDI inflows need to be bolstered to realise Bangladesh's macroeconomic potentials, particularly to stabilise its trade balance, he added.

Regarding immediate policy challenges, Rahman said stabilizing exchange rates, containing inflation, increasing export diversification, bolstering remittance and strengthening financial sector governance are a few ways to address them. "With even just a modest 5 percent growth rate, Bangladesh's economy will touch the trillion-dollar-mark by 2040. It can do so even faster [by 2030] if double-digit growth can be ensured," he added. Rahman also said Bangladesh's success should be attributed to its multidimensional approach to sustainable development. FICCI President Zaved Akhtar said the country is currently facing significant economic headwinds.

"But we will not go far by worrying about them, rather we should be concerned about the chances we miss when we don't try," he added. ■

# DITF Kicks Off With Around 40% Stalls Incomplete



## Business Outlook Report

**D**espite the inauguration of the month-long Dhaka International Trade Fair (DITF)-2024 by the Prime Minister Sheikh Hasina on January 21, construction of more than 40% stalls and pavilions remained incomplete as of the fair's first day, which saw poor visitor turnout.

Besides, internal decorations at various stalls and pavilions were unfinished due to a delay in the allotment of the stalls by the authority concerned. The exhibitors of the much awaited trade fair, being held at the Bangabandhu Bangladesh-China Friendship Exhibition Centre at Purbachal, said all construction and decoration will be

completed within 25 January. They also hoped that response from the customers will gradually increase as there are mega discount offers on various products. Talking to the Daily Sun, the proprietor of Izma Brand KM Shariatullah, said he needs additional three days to complete the construction of the stall.

"I set up a stall under the pavilion of Jute Diversification Promotion Centre, where some 22 entrepreneurs will display their jute products. All of them have pending stall construction work as of day one due to delay in stalls allotment," he said. "Every day, I will have to count a loss of around Tk5,000 due to the delayed construction. Despite

paying Tk1000 more, I got a smaller space compared to last year. I will not be able to display all my products. Besides, visitors will not be able to move freely in the small pavilion. We needed more open space," added the entrepreneur.

The JDPC Director (marketing) Seema Bose Adhara made similar complaints regarding stall space, saying they needed more space to display jute goods products. "Of the total of 919 registered entrepreneurs under the JDPC, we were able to allot stalls for 22 entrepreneurs. Of them, many are requesting for space but we cannot do anything about it. The organizer should give us at least two pavilions from next year to facilitate display of jute products,"



she told the Daily Sun. Shafkur Shahin, head of marketing of RFL Retail Chain, said his company set up a total of 14 stalls and a pavilion in the exhibition.

“The construction of the three-story pavilion will be completed within Thursday,” he said, adding that construction of other stalls have been completed. Brand Manager of Olympic Industries Limited Md Rakibuzzaman told the Daily Sun that their stall construction had been completed before the first day of the fair but internal decoration work was ongoing on Sunday.

“We could not transport our products at the venue on Saturday night as there was a restriction ahead of the prime minister’s scheduled inauguration. It will take until Monday for us to bring in all our

products,” he further said. Rakibuzzaman added that his company offers Tk70-Tk330 discounts on their products at the fair. Walton Group’s Pavilion In-charge Sanjit Guha said their construction had been completed before the beginning of the fair.

“The Prime Minister visited our pavilion after the inauguration of the fair. She was satisfied to see our pavilion. We are displaying all of our products. But we are not selling from here, we are only taking orders. We displayed products to inform visitors about our products,” he said.

Home-made textiles, foodstuffs, kitchenware, household goods, furniture, jute and jute products, leather goods including shoes, sports goods, sanitary ware, toys, statio-

nery, crockery, plastic, melamine polymer, toiletries, jewellery, machineries, carpets, cosmetics, electrical and electronics items and other products are displayed and sold in the trade fair.

Earlier, on Sunday noon, Prime Minister Sheikh Hsina inaugurated the 28th edition of the DITF jointly organised by the Ministry of Commerce and the Export Promotion Bureau (EPB).

There are 351 stalls, including 16-18 pavilions for foreign companies. The fair will open at 10am and close at 9pm on weekdays. On weekends, however, visitors can stay until 10pm. The entry fee of the fair has been fixed at Tk50 for general visitors and Tk25 for children below 12 years. ■

## BGMEA Asks NBR To Ensure Hassle-Free Services



Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan has urged the National Board of Revenue (NBR) to streamline customs procedures and ensure hassle-free services for the garment industry, creating a more efficient and competitive business environment.

He held a meeting with member (Customs and VAT Admin) of the NBR, Farzana Afrose, at the NBR

office in Dhaka on January 20 and discussed pressing issues affecting the garment industry.

During the meeting, they focused on industry-specific challenges, with a particular emphasis on how readymade garment (RMG) exporters could receive seamless services from the NBR, especially concerning customs, VAT, and bond-related services. The meeting was also attended by Shaful Islam Mohiuddin, former president

of FBCCI and BGMEA, and Md Munir Hossain, vice president of FBCCI.

BGMEA President Faruque Hassan pointed to the current issues faced by RMG exporters in dealing with customs, bonds, and VAT, particularly in the context of the ongoing global economic situation and tense geopolitical crises.

He mentioned how the apparel exporters are struggling to sustain the RMG industry which is a crucial source of foreign currency earnings for Bangladesh.

Hassan underscored that any service-related challenges from the NBR could exacerbate the difficulties faced by RMG exporters.

In response, Farzana Afrose assured full NBR support in addressing the challenges faced by the garment industry, according to the BGMEA. ■



Prime minister Sheikh Hasina speaks while inaugurating the month-long 28th Dhaka International Trade Fair (DITF)-2024 at the Bangabandhu Bangladesh-China Friendship Exhibition Center at Purbachal New Town

# Focus On Other Export Items Likewise RMG

## Business Outlook Report

Prime Minister Sheikh Hasina has asked all concerned to pay the same importance given to readymade garments, to other export items, including jute and leather goods, pharmaceuticals, IT products and handicrafts to increase foreign earnings.

‘We have to give attention to produce more new products and explore new markets (for export). We currently depend on a few products for export. It will not be wise to depend on

one or two products for export as we have to go ahead confronting many hurdles,’ she said. She made the remarks while inaugurating the month-long 28th Dhaka International Trade Fair (DITF)-2024 at the Bangabandhu Bangladesh-China Friendship Exhibition Center in Purbachal New Town, on the outskirts of the capital on January 21.

The fair is organised jointly by the Ministry of Commerce and the Export Promotion Bureau (EPB). The prime minis-

ter said her government has been working to increase the export earnings to \$150 billion by 2030 in line with the election manifesto-2024. ‘The dateline is short. But it is possible to achieve any target if it is fixed,’ she said.

Mentioning that Bangladesh’s knit and woven garments have been leading across the globe, she said, ‘Those who are getting advantages (from the government), have become successful. In that case, we have to create more scopes for other

products.’ The prime minister said Bangladesh is well ahead in jute, leather, pharmaceuticals, small industries and IT sectors. Besides, there are many products which are being exported, but on a limited scale.

‘We have to find out those products and give more importance to them to expand the export basket... to this end, I think, we have to give the similar importance given to garments, to others,’ she said. The prime minister asked all concerned to search for new markets as



the purchase capacity of consumers of many countries have been reduced due to the Covid pandemic and wars, particularly Russia-Ukraine war. State minister for commerce Ahsanul Islam, senior secretary of the commerce ministry Tapan Kanti Ghosh, and Federation of Bangladesh Chambers of Commerce and Industry president Mahbubul Alam spoke at the function.

Export Promotion Bureau vice-chairman AHM Ahsan gave the address of welcome. A video documentary on the government measures taken in the last 15 years for development and expansion of the trade and business and attract local and investment was screened at the function. Local textiles, machinery, carpets, cosmetics, electrical and electronics, jute and jute products, household goods, leather goods including shoes, sports goods, sanitary ware, toys, stationery, crockery, plastic, melamine polymer, herbal and toiletries, imitation jewellery, processed food, fast food, handicrafts, home decor, furniture and other products will be displayed and sold in the fair.

Companies from Turkey, India, Pakistan, Singapore, Hong Kong and Iran will exhibit their products this year. There are 351 stalls, including 16-18 pavilions for the foreign companies. The entry fee of the fair has been fixed at Tk 50 for general visitors and Tk 25 for children below 12

years. The fair will open at 10:00am and close at 9:00pm on weekdays. On weekends, the visitors can stay until 10:00pm. Buses will be available from Farmgate to connect with Metrorail and Elevate Expressway to facilitate travel to the fair. The prime minister said the export volume has increased manifold in the last 15 years due to her government's timely measures.

She said the living standard of the countrymen has also been upgraded with increasing their purchasing capacity,



adding even the demand for products has raised as well. 'So, the markets for our products have also been created in our country.

We have been able to put the country on a dignified position upgrading the living standard of the people as we already ran the country for three consecutive terms,' she said. Praising the role of Export Promotion Bureau in enhancing the export, she said the trade fair is being organised every year as part of the programme to expand the

market of exports. Sheikh Hasina also stressed the need for enhancing the demand of Bangladeshi products in international markets. The prime minister said they have been attaching priority to economic diplomacy instead of political one.

'We have already given a message to our diplomatic missions to pursue economic diplomacy instead of political diplomacy (to increase trade, business and investments),' she said. Sheikh Hasina said the scope of multifaceted use of jute has been created with

unearthing genome sequencing of the jute through research.

'We are conducting more research on it. There is huge scope to export jute and jute products as they have demand in global market due to its environment-friendly nature,' she said. Describing the leather and leather goods as one of the major export items for Bangladesh, she said there is huge demand for the products made of jute and leather in international markets. 'So, we have to give more importance to these

products,' she said. The PM said the service sector appears to be potential for export as the country had earned around \$8 billion in the last FY 2022-23. The products of small industries have huge potential as export items, she said, referring to the tiles made of a special kind of soil in Satkhira which is being exported to Italy.

In this connection, the prime minister asked all concerned to give appropriate training to women as they can produce quality goods which can be exported. She said her government has built Joyeeta Foundation building to ensure marketing of the products of the small industries produced by the women at the village level. The head of the government said they will build Joyeeta Foundation at upazila and district level. 'We have been taking measures to ensure marketing of the products produced by the women so that they can earn money through which they can create their position in the family and society,' she said.

The prime minister also announced 'Handicrafts' as the product of the year to give special focus on this sector due to its role in women empowerment. 'I am announcing the Handicraft as the product of 2024 for its great role in women empowerment, making women economically self-reliant and generating their employment,' she added. ■



# Indian Tycoon Adani Bets Big On Vast Solar And Wind Plant

## *Business Outlook Report*

**D**eep in the desert along the border with Pakistan, India's most controversial billionaire is building the world's largest renewable energy park as he races to future-proof his coal-linked fortune.

Gautam Adani's ports-to-airports, media and energy empire -- which critics say has benefited from his links with Indian Prime Minister Narendra Modi -- made him for a brief time in 2022 the world's second-richest man, with a \$154 billion fortune.

A year ago his firms were hit by accusations of a "brazen stock manipulation and accounting fraud scheme" by US short-seller Hindenburg Research and their market value slumped by more than \$150 billion. But they have since recov-

ered much of their losses and the publicity-shy 61-year-old high school dropout is betting hefty sums on making billions more from the energy transition.

India is the world's third-biggest carbon emitter and Modi's government has been at the forefront of attempts to push back against the "phase out" of coal at global summits. But the world's most populous country and fastest-growing major economy needs ever more power, and Adani is building what he calls a "monumental" solar and wind project he boasts will be "visible even from space".

As the wind whips up sand in the baking heat of the Rann of Kutch desert, thousands of labourers erect vast rows of solar panels, dig foundations for wind turbines and lay

seemingly endless rolls of wires. Sagar Adani, Gautam's nephew and executive director of Adani Green Energy, told AFP that the project's teams are working "at an accelerated pace".

When complete in 2027, the \$2.3-billion Khavda Renewable Energy Park will cover 726 square kilometres (280 square miles) -- nearly the size of New York City. The park is aimed to have the capacity to generate 30 gigawatts of solar and wind energy -- enough to power the homes of 18 million people, more than the combined populations of London and New York.

Adani will produce 17GW, with the rest generated by other companies. The project is slated to produce a third more power than China's



Three Gorges Dam, currently the world's biggest power-generating facility.

### **'Proud Indian'**

The scheme is the showpiece of Adani Green Energy -- in which France's TotalEnergies bought a 19.7 percent stake for \$2.5 billion three years ago. In Mundra, site of India's largest commercial port -- run by another arm of the Adani empire -- it is manufacturing key components for its aggressive solar and wind energy foray, including colossal wind turbine blades nearly 80 metres long. Solar panels are

ciously mischievous" -- has said he will invest an estimated \$100 billion into that energy transition. When fully operational, Adani's renewable energy park will make up the equivalent of a quarter of India's current capacity from wind and solar. But India also plans to sharply increase its coal-based power capacity and vows to become carbon neutral only by 2070, two decades later than many countries.

### **'Mirrors India's Ambitions'**

Political opponents have often accused Modi of abetting Adani's rapid rise, allowing the billionaire to

which is solely invested in India's energy sector to start looking at clean and renewable energy to shift from coal -- though coal will not entirely go away," Malik told AFP. At the energy park, workers in hard hats and neon jackets wrap their faces in cloth for protection from the biting sand and blazing sun.

One manager, who was not authorised to speak to the media, said the conditions were "challenging" but the scale of the construction was "awe-inspiring".

The site is around 75 kilometres (47 miles) from the nearest village, and



churned out on high-tech production lines nearby. "We are creating one of the globe's most extensive and integrated renewable energy manufacturing ecosystems for solar and wind," Adani wrote last month on X, formerly Twitter, where he describes himself as a "Proud Indian. Excited to be part of the India growth story!" New Delhi has called for ambitious clean energy projects to create 500 gigawatts of renewable capacity to meet half its energy needs by 2030. Adani -- who rejected Hindenburg's charges as "mal-

unfairly win contracts and avoid proper regulatory oversight. Both men come from the western state of Gujarat, and Adani has often praised the premier's policies. Ashok Malik, from the Asia Group consultancy, said the Adani Group is "sitting on very solid assets" and "mirrors India's ambitions and hopes and strategy". Malik said Adani, like all of India's conglomerates and major multinationals in the country, were "broadly aligning" themselves with the government's economic strategy. "It makes perfect sense for a company

about six kilometres from the heavily militarised border with nuclear-armed arch-rival Pakistan. Such grand projects often come at a heavy environmental footprint, but local conservationist Mahendra Bhanani said that while he would like a study on its impacts to be conducted, the energy park is far from human settlements and biodiversity hotspots.

"Solar energy is better than many polluting chemical industries," he said. ■



# Africa In Debt Spiral As Restructuring Efforts Drag On

## Business Outlook Report

**W**hile the explosion of debt is throwing a shadow over global economic growth, experts warn that sub-Saharan Africa, where several countries are already in default, is experiencing its worst-ever crisis.

The rise in interest rates and over-indebtedness is already crimping the ability of countries to finance their development, as a number of African leaders emphasised at appearances at the World Economic Forum in Davos.

### *The Origins Of The*

### *Crisis*

Following the 2007-2009 global economic crisis central banks in industrialised countries have generally kept interest rates low and countries from the Global South, which had mostly been borrowing bilaterally or from international financial institutions, gained unprecedented access to financial markets.

"Many developing countries in a desperate need for cash injection in their economies rushed to these low-cost loans, in markets with no rules or regulation," said Kenyan economist Attiya Waris, who

also serves as an independent expert for the United Nations. She added that the International Monetary Fund had encouraged them to do so.

The money helped provide a much-needed boost to many African economies, but countries dependent upon the export of raw materials such as oil, minerals and wood came under intense pressure when commodity prices began falling in 2015.

The Covid pandemic further aggravated the situation. The fall in commodity prices squeezed the foreign

currency revenues they needed to service their loans. Several countries took out new loans to repay their existing debt, creating a debt spiral that is preventing investment in vital infrastructure, health systems and education.

The World Bank last year estimated that 22 countries are a heightened risk of over-indebtedness, including Ghana and Zambia, which has defaulted on its foreign debt.

Also on the list were Malawi and Chad, which has an IMF assistance programme. Ethiopia,



which Fitch Ratings put on partial default in December, is also negotiating a rescue package.

### **Private Lenders Blocking Deals**

In 2022, African public debt stood at \$1.8 trillion, a 183 percent jump from 2010, having grown at around four times as fast as economic output, accord-

lenders are often baulking at the terms. Private investors -- including investment funds and pension funds -- have in recent years risen to become the top lender to African nations. In 2022, they held 42 percent of African foreign public debt, compared to 38 percent for multilateral institutions such as the IMF and

for Debt and Development, which brings together more than two dozen civic groups to push for sustainable debt restructuring. The case of Zambia is instructive. After two years of tough negotiations, the country in June 2023 reached what was presented as an "historic" debt restructuring deal. But it only

"African countries are experiencing dangerous currency fluctuations and inflation is increasing all the time," said Ghanaian economist Charles Abugre. "The daily impact is dramatic for poor people: we're seeing an explosion in the cost of transport, food, housing, while real wages have stagnated," he added. For



ing to UN figures. Gathering under the aegis of the G20, Western public creditors and several partners including China -- which has often been accused of laying debt traps with easy loans for infrastructure projects -- have been trying to work out a debt restructuring for 40 African countries. These debt deals are built on the principal of equal treatment -- all the creditors must participate. But the deals for African nations have been tough to conclude as private

World Bank, and 20 percent was held by other nations.

Of the 20 percent held by other nations, China was the biggest lender to Africa, alone holding 11 percent.

"China is often presented as the 'big bad guy', but it has understood the importance of giving a bit of air to states in deep trouble and is now participating in the efforts, even if this is taking some time," said Mathieu Paris, coordinator of the French Platform

concerned \$6.3 billion of its \$18.6 billion foreign debt. Worse, it only would go into effect if private lenders agreed to take a similar hit, and the US asset manager BlackRock -- one of the major private holders of Zambian debt -- baulked. "BlackRock blocked the whole negotiations" for Zambia, said the economist Waris.

### **Inflation And Poverty**

With higher interest rates adding more pain to the already crushing debt,

Amine Idriss Adoum, a senior director at the African Union Development Agency, "the real question today isn't to know how to get out from under the debt, but how to borrow intelligently".

While restructuring the debt is important, it "shouldn't be done at the detriment of investments in infrastructure, health and energy" to support the development of economies and societies. ■



# Rice Prices Remain Puffy



Speaking as the chief guest at a discussion meeting with stakeholders on regulating the rice market in the Rajshahi Deputy Commissioner office on January 25, 2024, the food minister warned against any abrupt increase in rice prices

**Apu Ahmed**

**T**he prices of rice increased by up to Tk 8 per kilogram immediately after the January 7 general election before it dropped by only Tk 1 or 2.

## **PM's Warning**

The decrease in prices of essentials has marked the hectic efforts by the government agencies concerned and warnings from the Prime Minister Sheikh Hasina. The PM, according to a report released by national news agency BSS, on January 22, warned the hoarders and market manipulators of essential commodities of tough actions. 'If anyone hoards any goods for bad intention, we'll have to take instant action against them through mobile courts and if needed

they will be sent to jail,' she said in an introductory speech while chairing a meeting of Awami League Central Working Committee in her official Ganabhaban residence. Mentioning that the sudden price-hike of essential items immediately after the election is quite abnormal. The PM said, 'It is inevitable to find out who are manipulators behind this price hike. It's not only necessary to find them, but also take instant actions against them. We'll do it in future.'

## **Warning By Food Minister**

Meanwhile, food minister Sadhan Chandra Majumder sent a warning the same day to half a dozen corporate entities against stockpiling of paddy that leads to uneven competi-

tion in the market. Nobody will be spared, he cautioned, while presiding over a meeting with the group at his Secretariat office against the backdrop of volatile rice prices in the post-aman harvest period. The groups are City Group, Square, PRAN RFL, Meghna Group, ACI and Akij Essentials Limited. They were also asked to inscribe the mill gate price along with maximum retail price on the rice packets so that the retailers cannot manipulate the prices. At present, the packets contain only the MRPs. The groups gave consent to inscribe the mill gate rates besides the MRPs from now on.

## **Inflation Still A Decade High**

The food minister's meeting with the corporate entities was held a day

after the inter-ministerial meeting presided over by finance minister Abul Hassan Mahmood Ali in which it was decided that market vigilance would be enhanced over both supply chains of daily essentials and intermediaries to check price hikes. The food ministry had launched drives against unscrupulous traders with little impact, while the consumers reel under 9.4 per cent inflation on an average over the past five months, highest in a decade. Throughout the recently concluded 2023, the poor and low-income people suffered due to surging prices of food and other essentials. A continued spiral of rice and flour prices in particular multiplied the sufferings of the poor and the low-income people as their buying capacity fell gradually.

### ***Blames On Corporate Groups***

The food minister told the groups' representatives at the meeting to restrain from engaging in uneven competitions to buy paddy from the market. Referring to a recent meeting with rice millers, the food minister said that allegations had been labelled against the corporate entities of paddy hoarding. The food minister noted that the corporate entities became busy procuring paddy at higher price since they added value to it before marketing. He noted that even a small buy by the corporate entities carried a big impact on the rice market. Food secretary Ismail Hossain said that they are monitoring paddy businesses to prevent stockpiling. If necessary, the food ministry will review the capacity of the corporate groups, he further said. In the past year, the 'Production, storage, transfer, transportation, supply, distribution and marketing of food products (prevention of prejudicial activity) bill, 2023' was passed with a provision of maximum life imprisonment for illegal hoarding of food stuff.

### ***Market Dynamic***

Bangladesh produces around 3.8

crore tonnes of rice annually to become the third largest grower in the world. Besides the corporate entities, there are also around 18,000 automatic, semi-automatic and husking mills and thousands of traders involved in the rice marketing network. An analytical report by Jago News, a news portal run under the PRAN RLF Group, on the rice market on January 3, one day after the government threat, revealed that the market share of rice by the corporate group is less than one per cent. By holding such a paltry amount of a share, it is almost for the groups to dictate the market. To be a player in the open market, a single entity or a combined group will have to have 20 per cent of share of the market share. Referring to the views of the corporate group at the meeting with the food minister, the report said rice traders' allegations

The production capacity includes aromatic and non-aromatic rice. In that sense, the rice production capacity of non-aromatic rice will be less than 2 lakh tonnes. The largest paddy processing capacity belongs to Meghna Group with 1.2 lakh tonnes. Of the capacity, 80 per cent non-aromatic, parboiled rice or coarse variety. City Group is in second position by processing 78,000 tonnes annually with 90 per cent non-aromatic. ACI is in third position with a capacity of 40,000 tonne. Square has 30,000 tonnes capacity, Pran RLF 28,000 tonnes and Akij 18,000. The bottom places holders process 40 per cent non-aromatic rice and 60 per cent aromatic rice.

### ***Manipulator Still At Large***

The Jago News report quoting chief financial officer Amin Siddique of



against the groups were motivated and targeted damaging the brand value.

### ***Capacity Of Corporate Groups***

The rice grower sells 62 per cent of the paddy to the market while keeping the 38 per cent for their own consumption, said the Jago News report referring to Bangladesh Rice Research Institute. The annual production capacity of rice by six groups is 3.14 lakh tonnes annually.

City Group said they did not understand why they were blamed for the price volatility in the rice market. Amin noted that a group was trying to make the corporate group scapegoat for its own benefit in a market growing with changing dynamics. The stakeholders of the rice market hoped that the regulator would identify the actual manipulator of commodity items to ensure fair competition.



# Consumer Frustration Grows As Winter Vegetable Prices Show Limited Decline



## Business Outlook Report

**T**here is no relief for consumers in kitchen markets as commodity prices have not yet become stable.

Vendors attributed higher prices to increased procurement costs. However, some vendors said the prices of vegetables have decreased ever so slightly.

Winter is traditionally associated with an abundance of vegetables, leading to lower prices. However, this season, the pattern is disrupted as prices remain resistant to decrease.

Muktadirul Islam, who works at a private organi-

zation, expressed his discontent at a kitchen market in Mirpur 1 in the capital recently. "The prices of all vegetables should be low in winter. But they are not decreasing this time. If the price of a vegetable falls by Tk10, after a few days, it increases by Tk20."

Runner beans were priced between Tk60-80, turnip at Tk50, raw tomato at Tk50, regular tomato at Tk60, onion sprouts at Tk60, peas at Tk140, radish at Tk40, red radish at Tk50, local carrot at Tk50, long brinjal at Tk100, white round brinjal at Tk100, black round brinjal at Tk10, cucumber at Tk70, papaya at Tk40, pointed

gourd at Tk70, pumpkin at Tk50, okra at Tk100, snake gourd at Tk80, sponge gourd at Tk80, green chilli at Tk100, cauliflower at Tk60, cabbage at Tk50, broccoli at Tk60 and coriander leaves at Tk120 per kg.

Shafayat, another customer, said: "Winter is ending, but I could not buy cauliflower or cabbage below Tk50. Even today it is being sold at Tk60. And I bought gourd for Tk100. These are seasonal vegetables, but they have to be bought at a high price." Vendors, such as Harun, pinned the blame on factors beyond their control, emphasizing that they sell at prices reflect-

ing their purchase costs. Another seller, Sanwar, mentioned: "The price of vegetables was high at the beginning of winter, but now it has come down a lot. But the price is higher than last week."

Recent market saw onions being sold at Tk75-80, red and white potatoes at Tk45-50, local garlic at Tk280, Chinese garlic at Tk240-260, Indian ginger at Tk240 and Chinese ginger at Tk240. Potato-onion seller Sharif noted a decrease in prices and expected further reductions, although ginger and garlic prices have seen an increase.

Additionally, ilish was priced at Tk1,000-1,200 based on weight, rui at Tk360-600, catla at Tk380-550, Kalibaus at Tk400-600, prawns at Tk700-1,200, Kachki fish at Tk450, Koi fish at Tk200-1000, Pabda fish at Tk450-600, Tengra fish at Tk600-800, Boal fish at Tk600-1200, and Rupchanda fish at Tk1,000-1,200 per kg.

Poultry prices included broiler chicken at Tk192-208, cock chicken at Tk272-280, layer chicken at Tk272, local chicken at Tk550, besides beef at Tk750 per kg.

Meanwhile, grocery product prices remained unchanged last week. ■



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# Can The New Finance Minister Break The Jinx?



*New Finance Minister of Bangladesh Abul Hassan Mahmood Ali*

**Apu Ahmed**

**O**n January 11, the new cabinet was formed by the ruling Awami League for the fourth straight term, with the introduction of a new face in the crucial finance ministry as the persisting high inflation and lingering shortage of dollars threaten the economy.

## ***New Face at Finance Ministry***

Abul Hassan Mahmood Ali, who was the foreign minister from 2013 to 2019, has replaced AHM Mustafa Kamal in the finance ministry as the ruling party raced to constitute the cabinet less than 100 hours after the much-talked-about election on January 7 that has been called not free and fair globally. Not only in

the finance ministry, the ruling party led by Prime Minister Sheikh Hasina for the fourth consecutive term since 2009 has also introduced new faces in the commerce and planning ministries—two more crucial ministries having direct links with finance and trade. Although the exclusion of MA Mannan from the planning ministry as well as the new cabinet surprised many, Mr. Kamal's departure was long overdue.

## ***AHM Mustafa Kamal***

In 2019, Mr. Kamal was promoted as the finance minister after the ruling party continued the immediate past tenure through the national polls in 2018 described globally as the 'midnight election', and was marred

by ballot stuffing the previous night. Mr. Kamal became a member of parliament in 1996 on an Awami League ticket and became a member of the Public Accounts Committee and a member of the Parliamentary Standing Committee on the Ministry of Finance. In 2008, he again became a member of parliament and held the chairmanship of the Parliamentary Standing Committee on the Ministry of Finance between 2009 and 2013. In 2014, he was made planning minister. However, his engagement with the finance ministry was eventful.

## ***Kamal's Performance***

To sum up briefly, Mr. Kamal was instrumental in introducing the

controversial 9 per cent interest on lending and 6 per cent interest on deposits policy despite advocating for the open market economy. The policy has recently been changed following suggestions from the international Monetary Fund. The controversial interest rates mainly helped the large industrialists and big trading houses having access to cheap credits. It hardly helped to increase private investment in real economic sectors. It largely contributed to increasing money flow to the unproductive sectors for the past two years beginning with subsiding of the Covid pandemic. The cheap money during the 9/6 per cent interest regime came against the stimuli designed in the form of bank credits for the big industries, small and medium entrepreneurs. The stimuli, however, were mainly obtained by big industries as complexities in banking procedure brought little successes in providing the targeted credits to small and cottage industries at low interest rates.

### ***Kamal Apathy with Key Policies***

This had affected the production and jobs loss. The slowdown in economic activities became acute following the price hikes of imported goods against the backdrop of the Ukraine war in early 2022 and the series of interest rate hikes by the US Fed to tame inflation. Many other countries followed the US moves, but the economic think-tank led by business-man-turned politician Mr. Kamal remained idle to respond to the changing situation. The inaction has resulted in the higher outflow of foreign currency in form of import payment, capital flights under the guise of exports and imports against the lower inflow of foreign currency contributed largely from exports, remittance, foreign loans by public and private sectors, and foreign direct Investment. The forex reserves dropped sharply forcing Mr. Kamal to seek bailout funds of \$4.7 billion from IMF, imposed restric-

tions on imports, and took austerity steps to tackle the shortage of dollars. However, the blunders made by Mustafa Kamal by not depreciating the exchange rate gradually since 2019 and enhancing the interest rate pushed up the inflation decade high which means that majority people lost their incomes and savings. The revenue income also decreased considerably in terms of gross domestic product.

### ***No Let Up in Banking Sector***

The overall performance of the

Islami Bank Bangladesh, Social Islami Bank, Union Bank and Global Islami Bank. As of January 18, it was reported in the national daily, New Age, that the negative balance in the current account of First Security Islami Bank was Tk 7,400 crore, Islami Bank Bangladesh Tk 3,500 crore, Social Islami Bank Tk 1,900 crore, Union Bank Tk 1,100 crore, and Global Islami Bank Tk 70 crore.

### ***Lender of the Last Resort***

BB governor Abdur Rouf Talukder



*Former Finance Minister of Bangladesh AHM Mustafa Kamal*

banking sector has deteriorated further in absence of discipline, an issue which is hardly addressed under the present government's tenures spanning over the past 15 years. Hostile taking over banks by a certain quarter just before Mustafa Kamal assuming into the helm of the finance ministry became the dominating feature of the sector along with growing bad debts. The adverse impacts of the hostile take-over has forced Bangladesh Bank printing money to provide loans to five crisis-hit Shariah-based banks--First Security Islami Bank,

said in a press conference on January 17 that the central bank provided the money under a special arrangement called 'lender of the last resort. He also said that lending followed rules and regulations. The surplus money supply pushes up inflation, undermines the interests of the citizens and raises serious concerns about the integrity of the central bank. Islami Bank Bangladesh, SIBL, and FSIBL were mired in controversy after it was revealed in November 2022 that the banks had lent about Tk 9,500 crore to 11 shell companies. By bailing out the crisis-hit banks since



December 2022 without addressing the root causes of their financial distress, the central bank is jeopardising the overall financial stability of the country, experts said.

### **First Impression by New Finance Impression**

With the beginning of the tenure Mr. Ali has been saying that he was new to the ministry. He is very cautious to make comments over

checking the price hike of essentials and overcoming other problems plaguing the economy. 'All crises cannot be fixed overnight,' he said, while talking to reporters on the first day of assuming his new responsibility as the finance minister. The 81-year old former career diplomat turned politician said that they needed time to address the issues. But it was not unknown to the country people that Mr. Ali was

chairman of the parliamentary standing committee on finance ministry. The standing committee provided Mr Ali ample opportunities to be updated regularly with the economic situation in the past five years, So, his comments regarding the economy carried less than the promise he should show to provide comforts to the country people. ■

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## Russian Coal Exports To Southeast Asia Surge By Nearly 50%



### **Business Outlook Report**

**E**xports of Russian coal to countries in Southeast Asia surged last year after supplies to the EU stopped amid Western sanctions on Moscow, Vedomosti business daily reported on January 22, citing data from energy analytics firm Kpler. South East Asia-bound deliveries of Russian coal, excluding

China, jumped by 47% in 2023 and reached 13.1 million tonnes, the outlet said.

Countries that ramped up Russian coal imports included Sri Lanka, which boosted purchases by 4.5 times to 1.6 million tonnes.

Vietnam nearly doubled imports to 3.9 million tonnes, Malaysia, by 18%

to 3.8 million tonnes, and Indonesia, by 1.7 times to 3.4 million tonnes.

Deliveries to Myanmar increased by 10%, reaching 41,000 tonnes last year, while Bangladesh bought 48,000 tonnes of coal from Russia, data shows.

Meanwhile, Beijing, currently Moscow's largest Asian trade

partner, has imported 40% of all Russian coal exports since 2022, followed by India (20%) and South Korea (13%), data shows.

According to Chinese customs data, coal imports in December hit a record high of 47.3 million tonnes following the third-highest volume seen in November, sending total imports in 2023 to an all-time high.

According to Kpler's preliminary estimates, exports of Russian coal to China totalled 104 million tonnes last year, representing a nearly 43% increase year-on-year as the two countries deepen energy cooperation.

The boost in Russian coal exports to Asian markets comes as Moscow has diverted its trade flow following the EU's import ban on the country's coal imposed in December 2022. ■



# Industrial Loan Release Rises, But Capital Machinery Imports Dip

*Business Outlook Report*

**D**isbursement of industrial loans rose by 31.52 per cent in the financial year 2022-23 compared with that in FY 2021-22. According to Bangladesh Bank data, Industrial term-loans advanced to Tk 95,172 crore in FY23 from Tk 72,360 crore in FY22.

However, letter of credit opening for importing capital machinery in July-May plunged by 55 per cent and LC settlement dropped by nearly 30 per cent, BB data showed. LC opening for importing industrial raw materials also dropped by 30.15 per cent while settlement fell by 10.82 per cent in the period. In FY23, the disbursement of

working capital loans reached Tk 4,67,172 crore, reflecting a 14.17-per cent increase compared with that in the previous financial year. Banks and non-bank financial institutions together disbursed total Tk 5,62,344 crore in FY23, which is 16.78 per cent higher than that in the previous year.

The total recovery of industrial loans in FY23 was Tk 1,06,393 crore, which increased by 64 per cent to Tk 64,862 crore in the previous financial year. The central bank data revealed a concerning trend with the amount of overdue loans in the industrial sector reaching Tk 59,590 crore by the end of June 2023, up from Tk 50,928 crore in June

2022. The overdue loan amount indicates a debt that has passed its due date, meaning it should have been repaid by a certain time, but has not been paid yet. Economists said that due to the current economic downturn, businesses may face reduced revenue and cash flow, making it challenging for them to meet their loan repayment obligations.

The country's economy is grappling with an array of challenges, including high inflation, local currency depreciation, dollar shortage and energy crisis, which have collectively put an immense pressure on businesses, they said. The mounting problem of non-performing loans, coupled with the central

bank's seemingly lax approach to addressing these issues, may encourage others to delay their loan repayments, they said. The highest amount of overdue loans is in private banks, standing at Tk 28,930 crore at the end of the past financial year. Private banks held the highest amount of overdue loans, totalling Tk 28,930 crore, followed by public banks Tk 21,650 crore, foreign banks Tk 340 crore and specialised banks Tk 500 crore. Non-bank financial institutions also accounted for Tk 8,170 crore in overdue loans.

The outstanding of industrial loans at the end of June 2023 stood at Tk 3,95,320 crore, which was Tk 3,20,410 crore at the end of June 2022. ■





Rupali Bank PLC has congratulated newly-appointed Road Transport and Bridges Minister Obaidul Quader. Rupali Bank Managing Director and CEO Mohammad Jahangir greeted Mr Quader with a bouquet. ■



The British Standards Institution (BSI) has organised a five-day 'Lead Auditor Training on Energy Management Systems (ISO 50001:2018)' in the capital. Director General (Grade-1) of the Bangladesh Standards and Testing Institution (BSTI) SM Ferdous Alam was present as the chief guest at the inaugural ceremony. ■



The Investment Corporation of Bangladesh (ICB) has congratulated the newly-appointed honourable Finance Minister Mr. Abul Hassan Mahmood Ali. ■



A delegation of Shippers' Council of Bangladesh led by its Chairman Md Rezaul Karim paid a courtesy call on State Minister for Shipping Khalid Mahmud Chowdhury at the latter's office. ■



InterContinental Dhaka has signed a Memorandum of Understanding (MoU) with Smart Bangladesh Network (SBN) recently. Under the MoU, they will collaborate to achieve a common goal and focus on sustainability projects and initiatives that support sustainable hospitality in Bangladesh. ■



Prime Minister Sheikh Hasina visits the mega stall of Walton after inaugurating the month-long 28th Dhaka International Trade Fair (DITF)-2024 at Bangabandhu Bangladesh-China Friendship Exhibition Centre in Purbachal New Town on the outskirts of the capital. ■





A delegation of Shippers' Council of Bangladesh (SCB) led by its Chairman Md Rezaul Karim paid a courtesy call on Railways Minister Md Zillul Hakim at his ministry. ■



Ali Reza Iftekhar, managing director and CEO of Eastern Bank (EBL) launched the Smart Interactive Voice Response (Smart IVR) service at ZN Tower in the city's Gulshan area. ■



City Bank has received approval from the Bangladesh Bank to start Bancassurance business with Guardian Life Insurance Ltd. Mohammad Shahriar Siddiqui, director, Banking Regulation and Policy Department (BRPD) of Bangladesh Bank, handed over the approval document to Sheikh Mohammad Maroof, AMD & chief business officer of City Bank. ■



Sonali Bank PLC distributed winter clothes among the cold-hit destitute people at Harirampur Upazila auditorium in Manikganj under its Corporate Social Responsibilities (CSR) activities. Sonali Bank general managers AKM Selim Ahmed and Arshad Hossain, and Upazila Nirbahi Officer Md Shahriar Rahman attended the event. ■



A delegation of the Bangladesh Association of Publicly Listed Companies (BAPLC), led by its President Rupali Haque Chowdhury, called on BSEC Chairman Prof Shibli Rubayat-Ul-Islam at the Securities Exchange Bhavan. ■



A delegation of CIS-BCCI (Commonwealth of Independent States-Bangladesh Chamber of Commerce & Industry) led by its President Mohammad Ali Deen called on State Minister for Commerce Ahsanul Islam Titu at the secretariat. ■



# How The Red Sea Crisis Is Severely Affecting The RMG Industry

## *Business Outlook Report*

**T**he extended Red Sea crisis poses a significant threat to the apparel manufacturers in Bangladesh, with rising freight surcharges, extended lead times, and concerns about order redirection and future price adjustments. Moreover, industry insiders warn that the crisis could trigger another container shortage, given the ongoing global disruptions in the supply chain and the disorder in global container and logistics schedules.

### *Red Sea Info*

According to BGMEA President Faruque Hassan, the Red Sea conflict has already led to an increase in freight costs and is expected to impact overall trade. Buyers, who bear the brunt of these rising costs during exports, may find themselves facing higher product prices as a result. Bangladesh heavily relies on

the Red Sea-Suez Canal route, the fastest and most efficient, to ship nearly 70% of its ready-made garment (RMG) items to Europe and the US. The severity of the crisis amplifies the risks for the country's apparel sector, introducing challenges that extend beyond immediate concerns such as increased costs and delayed timelines. Nearly all commercial shipping lines have been rerouted away from the Suez Canal towards the longer route around the Cape of Good Hope since Yemen's Iranian-backed Houthis stepped up attacks on vessels transiting the Gulf of Aden and southern Red Sea since late November. So far, Houthis have launched at least 25 attacks on merchant vessels passing through the southern Red Sea and Gulf of Aden.

### *Why Is The Red Sea-Suez Canal Route Important?*

The Suez Canal handles about 12%

of global trade and 30% of global container traffic. Rerouting shipments around the Cape of Good Hope add about 3,000-3,500 nautical miles to journeys connecting Europe with Asia, and about 11-13 days to the duration of trips, when trips normally take 27-30 days from major Asian transshipment ports like Singapore, Colombo or Port Klang.

About 19,000 ships, carrying around \$1 trillion worth of goods, navigate the Suez Canal every year but the rate has dropped by at least 64% due to attacks.

### *Hike In Freight Costs*

Along with the disruption of the global supply networks, Bangladesh is particularly hard struck as the economy of the country is solely dependent on the apparel sector, which generated \$47 billion in revenue last year out of around \$55 billion in export earnings. Major



shipping companies like Maersk, MSC, Hapag-Lloyd, CMA CGM, Zim and One are largely or completely avoiding the Red Sea because of the threat from the Houthis. As a result, they have imposed surcharges. According to media reports, the fare for moving goods from China to Northern Europe rose from \$1,500 to \$4,000 per 40-foot container. Khairul Alam Sujan, vice-president of Bangladesh Freight Forwarders Association (BAFFA), said that already the cost of shipping containers from Bangladesh to Europe and America has increased by 40% to 50% due to the surcharge. He also said that the charges may shoot up by another

choose expensive air shipments if suppliers fail to deliver products within the agreed time, and the cost will be too high. For instance, it costs less than 30 US cents to move one kg of goods from Chittagong to European destinations through sea routes whereas the carrying cost for the same quantity is \$3.50 if air freight service is used, they said.

### ***Will The Crisis Impact Work Orders?***

Shipping corporations are rerouting their ships around Africa and the Cape of Good Hope to avoid the Red Sea, which takes 11-13 more days. If the crisis is not solved immediately, there is a fear of losing work

buyers may impose additional costs on the manufacturers, he further said. “We fear some of the orders may be diverted to competitors as they have capacity to deliver the orders faster, which may affect us in the long run,” he added. BGMEA Director Mohiuddin Rubel also said that in the future, they may lose work orders if the crisis continues. Zahid Hussain, former chief economist of World Bank Dhaka Office, said that the impact of the Red Sea crisis will be more visible in the long run. “If such a situation continues, it will have a big impact on both imports and exports in Bangladesh. Buyers will turn to near sources if shipping costs rise which can impact



20%-25% if the crisis prolongs. BGMEA Director Mohiuddin Rubel told Dhaka Tribune that the Red Sea crisis is becoming another Covid-19-like situation for the industry as they have to pay an additional 40%-50% in freight costs. The surges in freight costs bring a catastrophic blow to the Bangladeshi RMG makers as they are already operating on thin margins following a 56% pay hike in January. Industry insiders said that they will have to

orders for the country's apparel manufacturers. Shovon Islam, managing director of Sparrow Group, spoke to Dhaka Tribune regarding the matter, and said that buyers haven't canceled any consignments which were ordered earlier. “They politely requested us to ship the product a week in advance, saying they will bear the additional cost,” he added. But the matter of concern is on the future orders. If the crisis is prolonged, the

our export. However, in the current state of our economy, it will be relatively difficult to deal with such a crisis,” he added. Bangladesh is the second-largest exporter of RMG items but it is unable to fulfill orders swiftly because its main port, Chittagong, is too shallow. Usually, Bangladeshi exporters use feeder vessels to transport small batches of containers from Chittagong to mother vessels at transshipment ports like Singapore, Colombo, or Klang



ports. This process takes more lead time for Bangladeshi exporters than their competitors, industry insiders said.

### **Another Container Crisis Approaching?**

Industry insiders fear the Red Sea crisis may create another container shortage across the globe.

Khairul Alam Sujon said that there is a shortage of 40-foot containers in Bangladesh as a result of the 11-day maritime route delay brought on by the ship attack in the Red Sea. "A container slot crisis on the mother vessels has also emerged at the same time, along with disruption in the schedule," he added, mentioning that 40-foot containers hold 75% of Bangladesh's exports, especially the RMG exports. A scarcity of 40-foot containers already exists in multiple depots, so a fresh container crisis

may hit Bangladesh, as the country saw post Covid-19. A Weaker Position In Price Bargaining? As Bangladesh's apparel sector is already lagging behind to meet lead time considering their competitors, the Red Sea crisis may further impact them. Shovon Islam said, as the freight cost has surged due to trips via Cape of Good Hope, it may have a long term effect on the country's RMG sector, especially price negotiation.

"After raising the minimum wage, we were in good shape to negotiate for a fair price. However, if the situation drags on, and the buyers bear the additional cost, we may lose our bargaining power," he added. The Red Sea crisis hit the country at the time when the RMG sector was struggling as the exports to its major destinations witnessed continuous negative growth for few consecutive

months and weathering domestic crises like power and energy shortage, political upheaval etc. In response to the attacks, the UN has unequivocally stated that no cause or grievance justifies Houthi attacks against freedom of navigation in the Red Sea. On the other hand, the US has declared the formation of a coalition, named Operation Prosperity Guardian (OPG), comprising several countries to conduct patrols in the southern Red Sea.

Despite these measures, there remains uncertainty about when commercial shipping groups will regain confidence and allow their vessels to traverse the Bab el-Mandeb strait again. The fluidity of the situation raises concerns about the prolonged impact of the Red Sea crisis on maritime activities and global trade. ■

## **Call Money Rate Hits 9.60%, A 12-Year High**



The average call money rate on January 28 rose to 9.60%, the highest it peaked in the last 12 years, owing to the recent policy rate hikes made by the Bangladesh Bank.

Call money rate is the

interest rate at which banks borrow from each other overnight.

Central bank data showed that banks borrowed Tk3,251 crore from the call money market on the day. This demand pushed

the weighted average rate to a staggering 9.60%, the highest since 2013.

Prior to this, 2012 saw an average call money rate of 12.82%. Banks lend overnight money to each other to fill the asset-lia-

bility mismatch or to meet sudden demand for funds. The market was introduced in the country in the early 1980s.

Sector insiders said that the economic slowdown was making it difficult to collect loans from borrowers, while high inflation was eroding consumer confidence, causing deposits to dry up.

On the other hand, banks' funds also significantly increased due to the policy rate hikes.

However, banks are obligated to maintain the Cash Reserve Ratio (CRR) against deposits. To meet this requirement, they are forced to borrow at higher interest rates. ■

# New DCCI President Says Forex Reserve Crisis, Inflation, NPLs Can Be Overcome



## Business Outlook Report

**D**haka Chamber of Commerce and Industry president Ashraf Ahmed on January 20 played down declining foreign exchange reserves, growing non-performing loans and high inflation, adding that those were not big challenges for the country. The newly elected DCCI president at a press conference held at the auditorium of the trade body said that the fundamental driver for the country's growth remained unchanged for the past 15 years but the external environment created some pressure on the economy.

Ashraf opined that there was a misunderstanding regarding the forex reserve crisis as a country needed reserve equivalent to make import payments for 2.5 months, but Bangladesh had enough reserves to meet the import demand for 3 to 3.5 months. Regarding NPLs, Ashraf said that considering the increase of assets in the banking sector, the NPL had not increased in the country in the past 15 years. He said that the assets of the banking sector increased five times in the past 15 years and the NPL increased nearly 4.5 times.

Considering the assets of the banking sector, the existing NPL is not so high in the country, Ashraf said. The DCCI president said that inflation increased all over the world due to global reasons and hopefully the monetary policy

statement of the Bangladesh Bank would be effective to ease the inflation in the country. He said that the inflation in Europe and the United Kingdom increased to 9 per cent from 3 per cent and in Bangladesh it increased to 10% from 6%. "If we consider the global scenario, the effect of inflation in Bangladesh was less than that in the European countries," Ashraf said. "We have faced the reserve crisis, NPL and inflation earlier and these issues are not insurmountable," the DCCI president said.

Regarding the capital market, he said that there were some issues in the market but it was going in the right direction, he said. The DCCI president, however, said that Bangladesh was passing through a few challenges like inflation, NPL, forex reserve, financial market volatility, balance of payment and depreciation of the Taka, but the country had the ability to overcome these economic challenges as soon as possible. Regarding the energy crisis, he said that closure of manufacturing industries due to lack of power and energy had been negatively impacting economic capacity.

"We have no option but to import energy as the reserve of our natural gas has declined. If the government needed to increase the price of energy due to it being imported from the international market, businesses would have to accept the increased price," Ashraf added. ■

# Banks Phasing Out ATMs As Focus Shifts To Both Deposit And Withdrawal



*Banks Shifting From ATM To CRM*

## *Business Outlook Report*

**A**utomated teller machines (ATMs) were once a symbol of modern electronic banking for facilitating quick and easy cash withdrawals alongside other banking solutions, including credit card payments and balance confirmation.

However, banks in Bangladesh are now switching to cash recycling machines (CRMs) as they provide customers the added convenience of being able to deposit or withdraw funds from a single location. Besides, CRM usage is helping banks reduce their operational expenses associated with having to load the machines with cash for withdrawals by recycling deposited funds. At the

same time, people are increasingly turning toward electronic solutions for fund transfers, bill payments and other transactions in a trend that is gradually reducing the need for cash handling. Data of Bangladesh Bank showed there were about 13,732 ATMs in the country as of August 2023.

However, the number fell to 13,437 by the end of November that year as banks started reducing their ATMs in rural areas. On the other hand, CRMs were first introduced in Bangladesh just seven years ago, but their usage has steadily risen with banks having installed 3,897 units as of last November. Arup Haider, head of retail banking at City Bank PLC, agreed that electronic

solutions are becoming exceedingly popular payment methods. For example, Mobile Financial Services (MFS) are now a major medium for conducting transactions, thereby reducing the need for cash withdrawals and furthering the country's move towards a cashless society.

Additionally, banks are gradually replacing ATMs with CRMs as the latter enables customers to deposit or withdraw money on a real-time basis from a single spot, he said. Haider also informed that like ATMs, which mainly facilitate cash withdrawals, banks are gradually phasing out cash deposit machines (CDMs) as these too have little purpose other than taking deposits.



Moreover, the money deposited through CDMs does not show in the customer's account until after the bank's cash officers register the transaction, he added. And although installing CRMs required more investment compared to ATMs and CDMs, banks are preferring CRMs as they reduce the cost of cash replenishment. "A lot of cost goes into loading cash in ATMs both in terms of money and time. But when it comes to CRMs, it is actually reducing the operating cost," Haider said.

Md Shafquat Hossain, deputy managing director and head of retail banking at Mutual Trust Bank PLC, said the number of CRMs will grow as they facilitate both deposits and withdrawals. "These are benefiting banks too. They can bring down the queue of clients in branches," he added. Meanwhile, as the cost of operating ATMs is high, some banks are depending on the ATMs of other banks to serve their customers instead of establishing their own.

Md Mahiul Islam, deputy managing director of BRAC Bank, said some big banks are downsizing the number of their ATMs. "We did not close any ATMs recently. Instead, we are opening subbranches featuring ATMs," he added. In May 2023, Standard Chartered Bank (SCB) Bangladesh began to restrict access to ATMs at its branches to encourage cashless transactions. As such, it eventually closed down several of its ATM outlets.

In an email response regarding the closure of ATMs in May last year, SCB said as cash and ATMs lose relevance and Bangladesh Bank charts a course to become cashless by 2027, it was following suit. "We started promoting cashless lifestyle through campaigns that we started in March 2023," SCB said. "We believe in having separate ATM networks for each bank but having them at the same locations is redundant not only in terms of investment for installation, but the use of electricity and carbon emissions

associated with the operation of these networks," it added. The SCB also said that since almost all of the ATMs were connected through Visa/Mastercard/National Payment Switch Bangladesh (NPSB) network, it is only a matter of time before there is a convergence of these networks. However, Abul Kashem Md Shirin, managing director and CEO at Dutch-Bank PLC, said demand for cash withdrawal through ATMs/CRMs will persist for some time in the future.

"This is because people in Bangladesh are still not ready to go fully cashless. But the growth of ATMs will not be that high anymore as CRM usage will grow," Shirin added. At present, Dutch-Bangla Bank PLC has 5,500 ATMs and 2,000 CRMs across the country.

The private bank recently placed work orders to buy another 3,000 CRMs as a part of its effort to install the device at all branches. ■

## BGBA election: United Forum Nominated Bablu As Panel Leader



A group of Bangladesh Garment Buying House Association (BGBA) members formed a new panel, United Forum, to participate in the upcoming poll of the apex body, and announced JBL Fashions Managing Partner Mohammad Mofij Ullah Bablu's name as panel

leader. Pearl Global Sourcing Managing Director Md Anisur Rahman, also convener of the new United Forum, announced the panel leader's name in a press conference on January 23 at the Dhaka Reporters' Unity (DRU) auditorium in the capital. Leaders of the panel Flatki-

nit International Managing Director Md Nahidul Huda, CRV Resources Managing Director Rezwanaul Haque Seraji and Biz Xpress CEO Mohammad Kawser Alam were present at the press conference. According to the BGBA, the poll will be held on March 2, and the voting centre is yet to be fixed.

Although the apex body of the export-oriented ready-made garment sector buying houses has nearly 1,700 members, 819 voters registered their names in the voter list. Panel leader Bablu said: "After five years of getting registration from the government, the mem-

bers of the BGBA are finally going to exercise voting rights. We want to build the BGBA as an actual trade body such as BGMEA and BKMEA." He further said that exporters are receiving orders through buying houses. However due to the lack of leadership, the apex body could not function. That is why the buying house owners cannot receive proper service from the BGBA.

"We decided to nominate candidates in a mix-up with experienced, older and younger, and the full 15-panel candidates' names will be announced as soon." ■



# BTMA Demands Previous Gas Prices Until Scarcity Issue Resolved

## Business Outlook Report

**T**he Bangladesh Textile Mills Association (BTMA) on January 29 demanded paying gas prices according to its 2022 prices until the scarcity issue was resolved.

They also said that the crisis has been continuing since last year and the production has downed by at least 50%. The situation of Narayanganj industrial hub is almost blackout and the pressure of gas in Savar, Gazipur and Ashulia hubs is around 1-2 PSI, which severely hindering the production.

Mohammad Ali Khokon, president of the BTMA, expressed his dissatisfaction while addressing a press conference regarding 18th Dhaka International Textile and Garment Machinery Exhibition (DTG) 2024 in the capital. The government had

revised gas prices at industrial level in January last year by hiking prices by 179% to adjust subsidies and reduce fiscal deficit. Khokon also said that the government assured them that they would get uninterrupted gas supply once the price was hiked, but a year passed and to no avail.

"The government should sit with us to solve the issue. Until resolving the problem, the previous gas price of 2022 must return. Petrobangla has failed to address the gas issue," he also lamented.

The price of gas used by large, medium, small, cottage and other industries was hiked from Tk11.98, Tk11.78, and Tk10.78 respectively, to Tk30 for all in the last year. He also said that as the country was facing a severe gas shortage, the

government should increase supply to industries from households and CNG stations. They claimed that these users are burning 19% of gas from total supply, and it has an annual value of \$8 billion. But if half of the gas is supplied to the industries, they can earn 4-5 fold in foreign currencies.

"The households and CNG can be run by LPG. But our machines are not capable of burning this. It needs natural gas," he added. Khokon said that households were burning 13% gas and CNGs 6%. Regarding the weak economic situation, he blamed the Bangladesh Bank citing that the weak monetary policy of the central bank is responsible.

The four-day DTG will start on February 1 at the International Convention City, Bashundhara. ■



# Metro Rail Affords Harassment-Free Commute For Women

## *Business Outlook Report*

**O**n a bustling morning at Dhaka Metro Rail's Bijoy Sarani Station recently, a stream of commuters, including Anu Akhter, lined up for their daily transit. Anu, a resident of Mohammadpur and an employee at a private company in Shahbagh, is headed for her workplace.

She has altered her routine to include a metro rail journey from Bijoy Sarani, marking a significant shift from her previous two-hour, traffic-laden commutes, reports bdnews24.com. Before the metro rail was launched, she used to

spend over two hours commuting. Even then, traffic jams made it difficult for her to reach the office on time. "Now, I can get to the office earlier, before the scheduled work hour at 11am," she said. It took only 10 minutes for her to reach Karwan Bazar.

The station buzzed with activity, yet everyone seemed calm and patient. Kaniz Fatema, a passenger heading to Dhaka University, bought her ticket through a digital vending machine. She said the worries of commuting have reduced, and the metro rail is a safe transport option for her.

"The metro rail has made travel much easier for me. I can go directly from Moghbazar to Karwan Bazar station and then directly to Dhaka University." Students and working women, who used to spend most of the day in public transports stuck in traffic jams on the streets, faced insecurity.

"Bus travel was always uncomfortable, especially at night. I used to get off before my destination if there were fewer passengers. Moreover, I have faced verbal and physical harassment many times on buses," said Kaniz. "The metro's coach for women has made my commute

much safer now." Shireen Muntahar, an intern media professional who commutes regularly from Mirpur to Banglamotor, echoed similar sentiments.

Choosing to disembark at Karwan Bazar or Shahbagh based on convenience, Shireen said, "Before the metro rail, taking a job was challenging because of traffic and insecurity in public transport. Now, I can return home during the day, making my commute much safer." Before the metro rail launch, she sought online jobs. She said that with the metro rail service in operation, travelling feels much safer.



A significant portion of regular metro rail users include professionals and business people. Ali Azad, who works in Karwan Bazar and lives in Mirpur's Shewrapara, has benefited from the metro rail. He shared, "I used to reside in Dhanmondi and had to depart by 8am to avoid traffic. Since the metro rail commenced, I relocated to Shewrapara.

"I board the train near my residence and alight close to my workplace. Now, I even have the opportunity to take my child to school." Signs designating seats for women are always there on buses, but they are also taken by male passengers almost all the time. The metro rail has designated a whole

coach for women in every train. Women can also use the other coaches with their male co-passengers. Unlike the buses, no men can travel in the women's coach of the metro rail. Iftikhar Hossain, General Manager (Operation) at Dhaka Mass Transit Company Limited, informed bdnews24.com that over 300 women can travel in one coach with sitting arrangement for 45.

"We have received a positive response from women since the launch of the metro rail. "Particularly at night, the number of women passengers has increased after the route to Motijheel opened," he said. According to him, in the last two days, approxi-

mately 16 percent of the total passengers were women. "Notably, during office hours from 8am to 10am and at the end of the office from 4pm to 7pm, we observed the highest concentration of female passengers."

Stations such as Uttara North, Mirpur 10, 11, Shahbagh, Dhaka University, and Secretariat experience substantial crowds of female passengers, especially during office hours and in the late afternoon when many women travel with their families, he added. The demand for the metro rail is evident among commuters, with the maximum number of passengers using it in the last two days. Around

250,000 people used the metro rail in these two days, generating an income of about Tk 16.2 million, according to Iftikhar. This marks a record for DMTCL. At 1pm, the road near the Bijoy Sarani station had light traffic as many travellers were travelling by the metro rail overhead. The road from Farmgate to Karwan Bazar, which usually faced traffic throughout the day, was surprisingly clear after 2pm. Although there were some congestions near the intersections, they were less severe than usual.

Similarly, from 3:00 pm to 4:00 pm, there was no significant traffic congestion at Bangla Motor and Shahbagh intersections. ■

## Measures To Be Taken For Increasing Foreign Tourists



Civil Aviation and Tourism Minister Muhammad Faruk Khan said that measures will be taken immediately to increase the number of foreign tourists in the country.

"The number of domestic tourists in the country has increased due to the improvement in the

standard of living of the people of Bangladesh. It's a matter of joy.

Now we have to focus on increasing the number of foreign tourists," the minister said while addressing a view exchange meeting with the officials of the Bangladesh Tourism Board and

Tourism Corporation at the Tourism Bhaban in the capital's Agargaon on January 23.

He also said that innovative promotion strategies should be employed to make foreign tourists aware of the tourism attractions of Bangladesh. Facilitation of visas for foreign tourists, issuance of visas to them at the earliest, and increasing the scope of on-arrival visas will be discussed with the Ministry of Home Affairs, and prompt action will be taken, he added.

Faruk Khan emphasised on the introduction of special services at the airport and the creation of

efficient tour guides for them.

According to him, to realise the immense potential of tourism in Bangladesh, quick initiatives will be taken to identify and solve the existing problems in the sector.

"The tourism attractions and culture of our country should be properly highlighted to foreign tourists to popularise our tourist destinations," the minister said, adding that emphasis should be given to eco-tourism, adventure tourism, and culinary tourism. ■



# Bangladesh's Imports Drop Over 18pc In First Half Of Fiscal 2023-24

## Business Outlook Report

**A**mid various economic challenges, Bangladesh experienced an 18.19 per cent year-on-year decline in imports, totalling USD 33.68 billion during the first half of the 2023-24 fiscal year, spanning from July 2023 to June 2024.

As per the most recent data from the Bangladesh Bank (BB), the total value of letter of credit (LC) settlements, commonly referred to as actual imports, amounted to 33,683.51 million dollars from July to December, marking a decrease from 41,175.28 million dollars recorded during the corresponding period in the previous year, according to a UNB report. In the July-December period, the BB data showed, Bangladesh's overall import orders also declined by 5.33 per cent year-on-year. The overall import

orders, officially known as the fresh opening of import letters of credit, decreased to 32,929.31 in July-December against 34,784.72 million dollars in the same period of the last fiscal year, it showed. Bangladesh's trade deficit in the last 2022-23 fiscal year dipped by 48.41 per cent year-on-year to 17.16 billion dollars amid shrinking forex reserves-depressed imports.

In its bid to boost Bangladesh's shrinking forex reserves, which now stand at around 20 billion dollars, the bank has taken various measures to discourage imports. The central bank has recently set policies to tackle economic challenges. The BB said that the main objective of its strategic directives in the half-yearly monetary policy, spanning from January to June 2024, is centred on upholding a vigilant, hawkish

approach to monetary policy until inflation rates are effectively reined into a desired level. The BB said it finds itself at a critical juncture as the economy navigates through the latter half of the fiscal year, facing a multifaceted economic landscape. The bank said it has decided to increase its policy rate by 25 basis points to 8 per cent from 7.75 per cent to deal with the demand-side pressures while ensuring the required flow of funds to the priority and production sectors to promote supply-side activities. This was the ninth straight rate hike in the past 20 months as consumer prices have remained elevated.

Bangladesh's inflation was 9.93 per cent last October, above the central bank's then-target of 6 per cent for the current fiscal year from July 2023 to June 2024. ■

**Chief Economist's Unit**  
**(Policy Support Wing)**  
**25 January 2024**

[illegible]



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	1745373.90 299232.70 39426.80 1406714.40	1926770.70 387349.80 45164.70 1494256.20	1957595.90 363992.40 47662.30 1545941.20	12.16 21.64 20.89 9.90	1.60 -6.03 5.53 3.46	4.40 5.62 5.99 4.11	15.25 36.72 21.41 10.58		
		Percentage change								
13.	L/C Opening and Settlement (in million US\$) a) Consumer Goods b) Capital Machinery c) Intermediate Goods d) Petroleum e) Industrial Raw Materials f) Others Total	July-December, FY23		July-December, FY24 <sup>P</sup>		July-December, FY24		FY23		
		Opening	Settlement	Opening	Settlement	Opening	Settlement	Settlement		
14.	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100) a) Twelve Month Average Basis b) Point to Point Basis Corresponding Period a) Twelve Month Average Basis b) Point to Point Basis	4051.16 1323.56 2587.36 5026.10 12366.09 9430.45 34784.72	4162.76 1962.34 2827.53 5406.26 15322.49 11493.90 41175.28	3174.05 1340.81 2256.82 4746.60 11106.45 10304.58 32929.31	3225.47 1434.24 2539.67 4880.66 10540.69 11062.78 33683.51	-21.65 1.30 -12.78 -5.56 -10.19 9.27 -5.33	-22.52 -26.91 -10.18 -9.72 -31.21 -3.75 -18.19	-11.37 -36.65 -23.67 15.93 -13.94 -4.96 -12.38		
		December, 2021	June, 2022	September, 2022	December, 2022	March, 2023	June, 2023 <sup>#</sup>	September, 2023 <sup>#</sup>	November, 2023 <sup>#</sup>	
15.	Classified Loan a) Percentage Share of Classified Loan to Total Outstanding b) Percentage Share of Net Classified Loan	5.55 6.05	6.15 7.56	6.96 9.10	7.70 8.71	8.39 9.33	9.02 9.74	9.42 9.49	9.48 9.41	
		December, 2020	June, 2021	September, 2021	December, 2021	March, 2022	June, 2022	September, 2022	November, 2022	
16.	Agricultural and Non-farm Rural Credit (Tk. in crore) a) Disbursement ** b) Recovery c) Outstanding	5.69 5.29	5.56 5.64	5.50 5.59	5.54 6.05	5.75 6.22	6.15 7.56	6.96 9.10	7.70 8.71	
		December, 2020	June, 2021	December, 2021	June, 2022	September, 2022	December, 2022	March, 2023	June, 2023	
17.	SME Loan (Tk. in crore) a) Disbursement b) Outstanding	7.66 -1.18	8.18 -0.47	7.93 -0.43	8.96 0.49	9.36 0.90	8.16 -0.08	8.80 0.30	10.11 1.22	
		November, 22	December, 22	July-Dec, FY23	November, 23	December, 23 <sup>P</sup>	July-Dec, FY24 <sup>P</sup>	FY23	FY21	
18.	Industrial Term Loan (Tk. in crore) a) Disbursement b) Recovery c) Outstanding	3308.34 3090.79 50206.69	3892.42 3558.65 50997.35	16670.10 16429.76 50997.35	3319.61 3470.00 54590.56	3046.05 3361.09 55395.32	18326.17 17779.54 55395.32	32829.89 33010.09 52704.45	28834.21 27463.41 49802.28	
		Oct-Dec, FY22	Jan-Mar, FY22	Apr-Jun, FY22	Jul-Sept, FY23	Oct-Dec, FY23	Jan-Mar, FY23	Apr-Jun, FY23 <sup>P</sup>	FY23	FY22
19.	GDP Growth Rate (in percent, Base: 2005-06=100)	57118.60 252082.09	51716.69 259704.21	56484.26 271448.58	51676.81 273906.60	60611.61 282896.54	49068.40 283236.32	62747.05 295842.02	224103.87 295842.02	207395.04 271448.58
		Jul-Sep, FY22	Oct-Dec FY22	Jan-Mar, FY22	Apr-Jun, FY22	Jul-Sept, FY23	Oct-Dec, FY23	Jan-Mar, FY23 <sup>P</sup>	FY22	FY21
20.	GDP Growth Rate (in percent, Base: 2005-06=100)	14834.23 12979.47 303329.12	18772.59 18477.42 308918.45	17340.49 310572.40	21413.63 320410.22	18562.45 328742.50	29574.55 360051.14	20907.65 383075.76	72360.94 320410.22	68765.25 315294.16
		FY15	FY16	FY17 <sup>N</sup>	FY18 <sup>N</sup>	FY19 <sup>N</sup>	FY20 <sup>N</sup>	FY21 <sup>N</sup>	FY22 <sup>N</sup>	FY23 <sup>NP</sup>
21.	GDP Growth Rate (in percent, Base: 2005-06=100)	6.55	7.11	6.59	7.32	7.88	3.45	6.94	7.10	6.03
		December, 2020	June, 2021	September, 2021	December, 2021	March, 2022	June, 2022	September, 2022	November, 2022	December, 2022

# 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 Mise Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
Grand Total		1138.93	1096.19	951.28	1388.85	775.92	1076.34	944.39	1436.97	326.30	379.63	4136.82	5377.98

Data downloaded: on 31.08.22

# Corporate Syndicates Behind Eggflation



## Business Outlook Report

**B**angladesh Competition Commission (BCC) has found evidence that several big corporate poultry farms are responsible for egg and poultry market manipulation, which pushed the prices of poultry meat and eggs abnormally.

Hafizur Rahman, a member of the Bangladesh Competition Commission, on Wednesday, told the Daily Sun that they have evidence of companies increasing egg prices in collusion with other companies. “Diamond Egg has been fined Tk2.5 crore and CP

Bangladesh Tk1 crore due to manipulating the market to increase the price of eggs abnormally. We passed the verdicts of their cases on January 22,” he said.

The action comes after a year-long investigation into the soaring prices of eggs and broilers in August 2022, when egg prices skyrocketed to Tk180 per dozen and broiler chicken to Tk300 per kilogram. The BCC then filed cases against 10 poultry farms and poultry organisations for manipulating the market and increasing the price of eggs in 2022. The BCC initiated its probe in the

wake of a public outcry over exorbitant prices that gripped the poultry market. Earlier, on 10 October 2023, Kazi Farm, was fined a staggering Tk5 crore while Saguna Foods Pvt Ltd Tk3.44 crore for manipulating the market.

Such substantial fines are intended to act as a deterrent to others in unfair market practices and also to safeguard consumer interests, said Hafizur Rahman. Economist and researcher Dr Jahangir Alam Khan said that big corporate companies are generating high profits through syndicates. “Instead of competition,

the companies are assisting market manipulation, the government has to bring them back into the competition,” he said, adding that the fine is a good step.

Meanwhile, the egg market became volatile again in August 2023 and the BCC lodged complaints against 10 firms and poultry-related organisations in September 2023 for manipulating the egg market in collusion with each other to hike egg prices.

The companies are Kazi Farms, Paragon Poultry Ltd, Diamond Egg, Peoples Poultry and Hatchery, Naba Farm, Bangladesh Poultry Industries Central Council, Bangladesh Poultry Industries Association, Bangladesh Poultry Farm Protection National Council, Poultry Professionals Bangladesh and United Egg Sale Point.

Earlier on 21 September 2022, the BCC sued 11 companies and individual traders for market manipulation by jacking up prices of many daily essentials since the beginning of the Russia-Ukraine war.

The cases were filed under sections 15 and 16 of the law and the accused were notified in this regard the same day, according to the BCC. ■





# Dhaka Sees Changing Skyline Indicative Of Growing Economic Strength

Say experts of the construction industry

## *Business Outlook Report*

**A**lthough infrastructural development in Bangladesh has been mostly Dhaka-centric, the capital city's ever-changing skyline is a testament to the country's economic growth, according to experts. High-rise buildings improve the efficiency of land use by providing more residential or commercial space per square metre, making them more suitable for densely populated areas.

As such, a number of skyscrapers have popped up in Dhaka, indicating a thriving business environment and rising investment in the capital city. Although there is no universally accepted definition of a skyscraper, they are generally defined as being at

least 100 metres, or 330 feet, in height. A 100-metre building can have as many as 50 storeys depending on its structure, but a residential

tower of that height is usually about 30 storeys tall. And at present, there are around 20 commercial skyscrapers in Dhaka that fit the description.



For example, the City Centre Dhaka in Motijheel comprises 37 floors, the Pinnacle in Tejgaon has 40 floors and Hilton Dhaka in Gulshan features 34 floors. Before 2012, the tallest building in the capital was the 31-storey head office of Bangladesh Bank. "The construction of high-rises began just

standards in construction, which is encouraging for high-rise buildings. Mahfuja Aktar, town planner (planning and implementation) of Rajdhani Unnayan Kartripakkha (Rajuk), said they approved the building code with permission from the Civil Aviation Authority.



one-and-a-half decades ago, but it is common now," said Shahriar Kamal, group managing director of Concord Group of Companies. This is because the efficiency of local civil engineering and construction companies improved over the years, making the construction of 30-storeyed buildings normal for them.

In the past, businesses would hire foreign firms to construct their corporate offices, but this trend has changed over time as local companies have achieved international standard capacity and efficiency. "Now, we only hire foreign consultants for the construction design of high-rise buildings," Kamal said, adding that even this will stop after the learning process is complete.

He also said more skyscrapers are being constructed in Dhaka thanks to the availability of customers, with there being about two dozen projects for 30-storey buildings so far. Besides, skyscrapers reflect the country's economic capacity, Kamal added. Kamal said he appreciates the Bangladesh National Building Code-2020 as it ensures compliance with international quality and safety

According to her, there is no height cap for buildings in Dhaka's Purbachal. However, the skyline limit is up to 500 feet for different



zones of the capital city. Also, factors such as soil quality need to be considered when approving high-rise projects, she added. Mehedi Ahmed Ansary, a professor of civil engineering at Bangladesh University of Engineering and Technology, said there is no doubt about the local companies' ability to construct high-rise buildings. Besides, locally available construction materials like rod and cement have reached

international standards. So, the construction quality is very good, he added. Ansary informed that while there is no written guideline on building height, Rajuk and the Civil Aviation Authority are the main regulatory bodies in this regard. He opined that the increasing number of skyscrapers are a reflection of the country's economic resilience even in face of ongoing economic vulnerability stemming from global crises.

However, the building safety expert said Dhaka cannot support more high-rise buildings as the city lacks adequate space and connectivity. So, developers should focus on some of satellite cities in order to reduce population density, he added.

The 40-storey Pinnacle, a commercial property being built by Shanta Holdings Ltd on 45 kathas of land, is set to be the country's tallest building. Shehab Ahmed, senior general manager of Shanta Holdings, said the building could have been 45-storeys tall for being 500 feet in height. "But

we kept the ceiling height at 11.5 feet to ensure superior aesthetics, quality internal functionality, and world-class heating, ventilation and air conditioning solutions," he added.

Currently, the City Centre Dhaka, a commercial structure, is the country's tallest building while the under-construction Hilton Dhaka, a Hilton brand hotel, is the second tallest. ■



# Crawling Peg System Likely From 2024's First Quarter



## Business Outlook Report

**B**angladesh is likely to introduce crawling peg system for the taka to regulate abrupt fluctuations of its value against foreign currency in the first quarter of this year, said a top banker.

"We want to launch it in the first quarter of this calendar year. We think stability has come back to the foreign exchange market and speculation has reduced. This is good news for all," said Selim RF Hussain, chairman of the Association of Bankers' Bangladesh (ABB). He shared the information after a meeting between

the top officials of Bangladesh Bank (BB), the leaders of ABB and Bangladesh Foreign Exchange Dealers' Association (BAFEDA) on January 23. In the monetary policy for the January-June period of 2024 declared last week, the BB said it would introduce the crawling peg system as part of the plan to move towards a market-based exchange rate regime in future.

The crawling peg is a system of exchange rate adjustments in which a currency with a fixed exchange rate is allowed to fluctuate within a band

of rates. Currently, only three countries -- Botswana, Honduras, and Nicaragua -- use a crawling peg, according to the International Monetary Fund. The BB said the crawling peg system will be tethered to a carefully chosen basket of currencies within a defined band corridor.

A competitive and representative equilibrium rate will be established at the midpoint of the corridor, allowing the exchange rate flexibility within these bounds, it added. Hussain, also managing director and chief executive of BRAC Bank Ltd,

said Bangladesh's taka has become more expensive in the face of rising interest rate resulting from monetary tightening by the BB. The more it becomes expensive, the more people's tendency to move away to dollar from taka will reduce, he said. The demand for dollar declined too because of falling imports, he said.

At the meeting, discussion also took place regarding increasing inflow of the foreign currency, including remittance in the country, to improve availability of foreign exchange, according to Hussain. ■



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