

What Awaits BNP: Political Disintegration Or Revival?



Fortnightly Magazine

Business Outlook

www.businessoutlookbd.com

13th Year of Publication

16 March 2024

Price: Tk 30



**Price Hike:
Compounding People's Plight**

PADMA BRIDGE RAIL LINK PROJECT

Steel Standard:
IS 1786

BSRM STEEL: 90%



BANGABANDHU TUNNEL

Steel Standard:
ASTM A706
Grade 60 &
HRB 400E

BSRM STEEL: 72%



DHAKA ELEVATED EXPRESSWAY

Steel Standard:
BDS ISO
6935-2 2021

BSRM STEEL: 73%



ROOPPUR NUCLEAR POWER PLANT

Steel Standard: GOST R 52544

BSRM STEEL: 100%



High standard steels
used in megastructures are
**SAFEGUARDING OUR
NATION'S FUTURE**

BSRM urges all industries to make products maintaining
high standards to help make the country a safer place, together.

Business Outlook

From the Editor

It's Time To Act

People have lost their voices in the current situation of price hike. The cost of every essential item has gone up too high, in some cases without a limit. According to reports, the price of beef continued to rise on the city markets in the last one month as traders claim the prices of cattle increased during this period. The price of beef increased by Tk 40-50 a kilogram on the city markets as the item was selling at Tk 770-800 a kg three days before the start of Ramadan. The price of broiler chicken increased by Tk 10 a kilogram over the week and the item sold for Tk 220-230 a kilogram on the day. Locally bred hens sold for Tk 550-600 a kilogram while the Sonalika variety sold for Tk 320-330 a kilogram. The price of mutton also remained high with the item selling at Tk 1,000-1,100 a kilogram. Compared to the past year, the prices of onions have risen by 157 per cent, potatoes by 54 per cent, garlic by 60 per cent, ginger by 82 per cent, according to data published by the Trading Corporation of Bangladesh. Onions are being sold at Tk 100-110 per kg, which was Tk 30-35 last year. Md Gofran, proprietor of a store in Karwan Bazar, said that except for soybean oil, the prices of nearly all items have increased this year. He is currently selling a litre of bottled soybean oil at Tk 160, which was Tk 170 last year. Gofran said sugar was being sold at Tk 145 per kg, which was Tk 115 last year. Lentils are selling at Tk 110-140, up from last year's Tk 95-130. Chickpeas are being sold at Tk 110 while last year the price was Tk 90.

It seems the state machinery is not working. Every businessman is working in their own way in an arbitrary manner. In the social media, a cartoon image has gone viral where it was depicted that the Shaitan is handing over its responsibility to a Bangladeshi businessman in the beginning of Ramadan. And the market situation, especially where essential commodities are traded has gone out of control. The concerned ministers are just giving lip services. It's really hard to understand what is whose responsibility. A country cannot run in such an uncontrolled way. It's time to act, not to give lip service. Please, do something effective. We don't want to hear any more single word without action against the unscrupulous businessmen. ■

Best wishes for all. Ramadan Karim.



(Sikder Md Sadrul Hasan)

s69hasan@yahoo.com

Editor & Publisher

Sikder Md Sadrul Hasan

Managing Editor

Afroja Bilkis

News Team

Siddique Islam, Salauddin Bablu, Masum Billah
Saadman Sajjad, Kayes M Sohel, Ashraful Islam
Jasim Uddin Khan and Fahad Ferdows.

Contributors

Zafar Malik, Syed Ishtiaque Reza
Kashem Mahamud

Staff Correspondent

Shahed Farid

USA Correspondent

Waliul Alam

UK Correspondent

Nurul Akbar Bhuiyan

Photo Department

Bulbul Ahmed, Sheikh Mamun

Cartoonist

Syed Rashad Imam (Tanmoy)

IT and Graphic Design

Rizoanul Islam
Tonmoy Rajbangshi

Head of Marketing

Basiruzzaman Akond

Marketing Operation

Chandan Rajbangshi

Published by the Editor

From

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

Printed from

Shariatpur Printing Press,
234 Fakirapul, Dhaka-1000.

Editorial, News & Commercial Office

Razzak Plaza, 9th Floor (L-10)
2, Shahid Tajuddin Ahmed Sarani,
Moghbazar Crossing, Dhaka-1217.

Telephone : 01819 200 641, 01627 140 427

Email : bdbusinessoutlook@gmail.com

Website

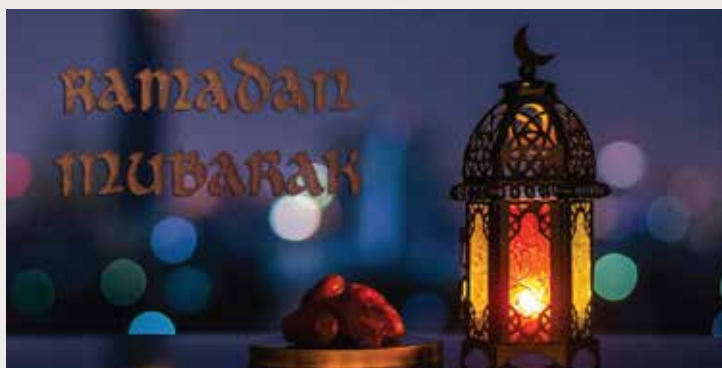
www.businessoutlookbd.com

All rights reserved. Reproduction in whole or
part without written permission is prohibited.

Volume-13

Issue-05, 16 - 31 March 2024

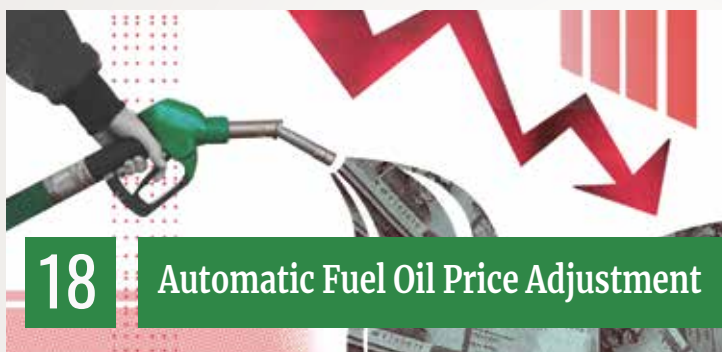
Released on 15 March 2024



Cover Story

22

Price Hike:
Compounding People's Plight



18

Automatic Fuel Oil Price Adjustment



POLITICS

05

What Awaits BNP: Political Disintegration Or Revival?

Read
Business Outlook

To get
Half Month's Business & Economic News,
Views and Analysis in one fold

Call your hawker or contact : 01847 305167, 01819 200641

11 47% Factories Fail
To Implement
Corrective Measures

13 Bangladesh Needs An
Appropriate National
Wage Policy

16 Bangladesh Yet To Benefit
From GI-Certified Products

29 Stakeholders Fret Over
Looming Forced Mergers

32 Bangladesh's Growing
Prowess In RMG Makes
Chinese Investors Upbeat

42 IMF Team To Help NBR
Assess Tax Expenditures

CCPIT, BGMEA Discuss Collaboration To Promote RMG Industry

A delegation from the Sub-Council of Textile Industry, China Council for the Promotion of International Trade (CCPIT), led by Vice President and Secretary General Zhang Tao, March 8 met Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at its complex in the city. The delegation included Wu Zhizhen, Deputy Director, and Jiao Jiao, Assistant Director from the Sub Council of Textile Industry, CCPIT, said a press release. Leo Zhuang, Managing Director of Liz Fashion, also attended the meeting held at the BGMEA Complex. The discussions revolved around potential collaboration to promote the apparel industry of Bangladesh on the global stage, particularly through the organization of international exhibitions. The meeting also focused on working together to showcase strengths of Bangladesh's RMG industry,



especially enhanced capabilities in manufacturing more complex and high-end fashion products. They also had discussions about the Sub-Council of Textile Industry, CCPIT role in facilitating investment in the non-cotton textile sector in Bangladesh as the country's apparel sector is increasingly diversifying to higher-value garments, especially those made using man-made fibres. ■

Exports Rise 12% In Feb

Exports grew 12 percent year-on-year to \$5.18 billion in February this year, as the global economy has been gradually recovering from the high inflationary pressure. The February export is 0.98 percent lower than the month's target of \$5.24 billion, according to Senior Commerce Tapan Kanti Ghosh. In the July-February period, exports hit \$38.45 billion, registering a 3.71 percent year on year growth, he said. However, the July-February export figure was 6.48 percent lower than the target of \$41.12 billion. The export has been bringing over \$5 billion each in the last three months, which has happened for the first time in the history of Bangladesh. ■



Gold Price Makes New Record



Gold price will be Tk 112,907 a bhoori, the highest in the history of Bangladesh, with effect from March 8. The previous price of each bhoori or 11.664 grammes of 22-carat gold ornaments was Tk 1.1 lakh. The standing committee on pricing and price monitoring of the Bangladesh Jewellers' Association (Bajus) today in a meeting took the decision of raising the price citing an increase in pure gold prices in the local market. In July last year, the price of gold crossed the Tk 100,000-mark for the first time in Bangladesh. Gold prices have been rising for more than a year influenced by hikes in the international market and volatility in its supply in the domestic market. Although Bangladesh does not import any significant quantity of gold, its prices are almost linked with international trends. In Bangladesh, the annual demand for gold stands in between 20 tonnes and 40 tonnes. ■

Inflation Rate Fell Slightly To 9.67% In February

The rate of inflation in Bangladesh fell slightly to 9.67% in February compared to 9.86% in January, but the overall inflation was over 9% during the last 12 consecutive months. According to the Bangladesh Bureau of Statistics (BBS), the food inflation rate stood at 9.44% in February, while non-food inflation was 9.33%. In January, food inflation was 9.56% and the non-food inflation rate was 9.42%. The food inflation had soared to 12.54% in August last year, before finally dipping back to 10.76% in November. Meanwhile, the wage growth rate in February marginally rose to 7.78%, however, it has been lagging behind inflation for the past 25 months. ■



Minimum Wage Set For Textile Workers



The government has set the minimum monthly wage for textile workers at Tk10,000, or \$90, according to a gazette notification dated 27 February, published on Mar 3. The gazette notification was signed by Senior District Judge Liaquat Ali Molla, chairman of minimum wage board. This wage marks a 75% increase from the previous amount of Tk5,710 set in 2018. However, it falls short of the minimum wage for ready-made garment (RMG) workers, set three months ago at Tk12,500. According to the notification, the minimum wage for 10th-grade workers in this sector varies based on location: Tk10,700 in divisional cities, Tk10,350 in district cities, and Tk10,000 in upazilas and other areas. For the highest grade (number one), the minimum wage will be Tk15,273 in divisional cities, Tk14,789 in district cities, and Tk14,304 in upazilas and other areas. ■

Govt Employees Demand Announcement Of Ninth Pay Scale

The 11th-20th Grade Government Service Holders' Forum has placed a six-point demand, including the announcement of ninth pay scale, eliminating salary discrimination. Md Mahmudul Hasan, general secretary of the forum, made the demands at a press conference at the National Press Club in Dhaka on March 8. In a written statement, he also demanded the regularisation of annual increment for the employees who have reached the final step of their pay grade, restoration of time scale and selection grade, and promotion to higher grades every five years. Although the eighth pay scale was announced almost nine years ago, initiatives have yet to be taken to announce the ninth one, he said. Mahmudul sought Prime Minister Sheikh Hasina's intervention in realising their demands. The forum would submit copies of a memorandum to all the deputy commissioners on 24 April



with a view to handing over those to the prime minister to realise their demands, he said. For the same purpose, they would submit a memorandum to the public administration minister on 5 May to reach it to the prime minister. ■



What Awaits BNP: Political Disintegration Or Revival?

SMS Hasan

Did Bangladesh Nationalist Party (BNP) fail to discharge its duty as main opposition in a critical juncture of history? Will its leaders and activists leave the party due to its repeated failure in politics in recent years? Will another political party come up as an alternative to BNP? These are questions now being discussed in the political arena. Many political analysts believe that only some core values of the BNP distinguishes it from its arch rival ruling Awami League. Only maintaining and preserving these can help survive the party from its steady death or destruction.

It was a historic fact that BNP was

established in a harsh political situation when there was no political leadership in the country and the politics was full of indiscipline and chaos. Undue influence and expansionism policy of a neighbouring country was controlling everything. There was mismanagement in both the public and military administration.

The founder of BNP general Ziaur Rahman had to take over the charge of the country as a need of the hour at that time and put everything on the right manner. So, fighting against expansionism is the core ethics of the BNP while establishing a right management by combating corruption is the main morale of the

party. But day by day BNP is going far from these two main foundations. It is a fact that Pakistan obtained its independence under the leadership of Muslim League. But just within 25 years, it disappeared from existence because of its weak leadership and failure to deal with political needs of the time.

After "the silent boycott" of the general election in 2024 by BNP, the frustration among its rank and file has increased a lot. They don't know how many days, months or years they have to wait for a good moment. Still the party remained confined in its political programmes within the leaflet distribution. This sometimes creates extreme humour

among the political circles. The government again raised the electricity tariff when the people are being sandwiched by the price hike of essentials. This will have a major impact in pushing up prices further. But the BNP also remained silent

and BNP secretary general Mirza Fakhru Islam went to Singapore in the first week of March for a health check up. At the same time, it was reported by some media that US ambassador Peter Haas also went to Singapore. The rumour was that the



Nasrul Hamid

Minister of State for Power, Energy and Mineral Resources of Bangladesh

about the issue. Only a very simple statement came from BNP leader Ruhul Kabir Rizvi. This kind of statement is losing its importance to newspapers as well.

As a result, most of the newspapers placed it on the back page instead of the front page. BNP's leaders and activists don't know what they will do for their party. Many of them hold the top leadership for the failure as it failed to provide the proper directives at the proper time with proper programmes. Failure to come up with innovative action programmes is the main problem of the BNP. However, some of the BNP leaders said that releasing its arrested leaders and activists from the jail is their main priority.

Recently, a rumour gripped the political arena with visits of three influential persons to Singapore at the same time although all left the country separately with absolutely separate purposes. Awami League general secretary and the transport and bridge minister Obaidul Quader

three are meeting in Singapore to discuss the issue of a midterm election. But there was no basis for such a report established. Even, no sources confirmed such a report of any tripartite meeting among the three. But no comment from the US Embassy also came on it.

Many believe, some circles are spreading such rumours with some malaise intention. Obaidul Quader already has given his reaction to it.

Power Tariff Raised By 8.50 Percent At Retail Level

After announcing a bulk tariff hike by 5 percent, the government issued the gazette notification to raise power tariff at retail level on February 29.

As per the gazette notification, at the retail level, per unit of electricity (each kilowatt hour) will increase by an average Tk 0.70 (8.50%) to Tk 8.95 per unit from existing Tk 8.25. On the other hand, the life line subscribers will see a hike by Tk 0.28 per unit from Tk 4.35 to Tk 4.63.

The new tariff will be effective retroactively from February 1. There are 1.65 crore "life line consumers", said the Ministry of Power, Energy and Mineral Resources giving a clarification to the latest tariff hike for the retail consumers. Earlier on the same day, the government has announced the new power tariff for bulk consumers raising it by 5 percent from existing Tk 6.70 per unit to Tk 7.04 meaning a rise of Tk 0.34 per unit (each kilowatt hour) with effect from February 1.

The bulk consumers are mainly the distribution entities and large industries who receive electricity at 33 kV, 132 kV and 230 kV transmission lines directly from the single buyer and principal organization in the power sector, the Bangladesh Power Development Board (BPDB).

"So, it will have no effect on the power tariff applicable for the retail consumers until the government announces a new tariff for retail consumers," a top official of the BPDB told UNB. There are six distribution entities—Bangladesh Rural Electrification Board (BREB), Dhaka Power Distribution Company Limited (DPDC), Dhaka Electric Supply Company Limited (Descos), Northern Electricity Supply Company PLS (Nesco), West Zone Power Distribution Company Limited (WZPDCL) and also BPDB, which is itself involved in power distribution.

As per a gazette notification, dated February 29, the distribution entities will purchase electricity from BPDB at Tk 8.44 per unit electricity at 230 kV, Tk 8.47 at 132 kV and Tk 7.62 at 33 kV level.

Besides, a separate gazette notification was also issued raising the transmission charge as well for the entities. Earlier, State Minister for Power, Energy and Mineral Resources Nasrul Hamid at a press briefing said that power tariff will be increased from February 1 instead of March 1, said on February 29, 2024—

meaning the new rates will come into effect retroactively, to cover February bills as well. However, two days before, he had said the new tariff will come into effect from March 1. He said the power tariff will be hiked between Tk 0.34 (5 percent) and Tk 0.70 per unit (8.5 percent) for all kinds of consumers depending on their volume of consumption while gas price will go up by Tk 0.75 per unit only for power plants.

He also said that a dynamic fuel pricing will be introduced for the consumers from March 1 under which the price of petroleum fuel will go up and down in line with international market price. "Each month fuel price will be declared for the consumers," he said adding neighbouring India does this every day. He noted that the steps have been taken to minimise the government losses caused by the increase in dollar rate. "This year the government will incur a loss of Tk 43,000 crore due to sale of electricity at lower price," he said. This step has been taken as part of the government move to come out of the subsidy now being given to the power sector, said the minister. According to the BPDB's Annual Report 2022-23, the fiscal year saw the production of 87,024 million kilowatt hours of electricity at a total cost of TK 98,646 crore. Its per unit production cost was Tk 11.33, while it was selling electricity at Tk 6.7 per unit — incurring a loss of about Tk 4.63 per unit.

This imbalance has led to a staggering loss of Tk 47,788 crore for the fiscal year, as the government grapples with purchasing power from private and international sources at significantly higher rates. With this huge loss, the government has been facing great trouble as it has to purchase electricity worth Tk 82,778 crore from private sector power producers, while it generates electricity worth Tk 13,307 crore from its own generation plants. The

annual report also shows that the BPDB's average per unit production cost from its own plants is Tk 7.63, while it is Tk 14.62 at the independent power producers or IPPs (private sector), at rental plants Tk 12.53, at public plants Tk 6.85, and imported power from India at Tk 8.77.

The government purchases electricity from the private sector and India in dollars.

Power Sector In Deep Crisis: Rizvi

BNP's Senior Joint Secretary General Rizvi on March 3 said the coun-



Ruhul Kabir Rizvi
Senior Joint Secretary General, BNP

try's power sector had plunged into a deep crisis. Talking to reporters at BNP's Nayapalton office, Rizvi said Quader's recent remarks on the power situation contradict what Prime Minister Sheikh Hasina has said.

The BNP leader said Quader claimed that hundred percent people of the country are getting electricity supply while his PM a few days ago stated that load-shedding in small scale should remain in the country. He said people of the country are suffering from load-shedding morning to evening whereas the temperature still remains at tolerable level. Rizvi denounced Quader's another statement that BNP is pleading with

its foreign master by ignoring the people of the country. He alleged that the AL general secretary is perhaps suffering from amnesia as he had forgotten the 2014 election when India's then-foreign minister Sujata Singh visited Bangladesh to show their support to AL and manage HM Ershad to join the polls. It is a clear sign of intervention in a sovereign country, he added.

This time also (January 7 election) the people of the country have seen that they (India) stand beside AL not Bangladeshi people, he continued. Rizvi said they can do anything here

as AL recognizes them as their master by showing a 'knee-jerk' attitude.

BNP Vice Chairman Ahmed Azam Khan, Adviser to Chairperson Zainul Abdeen Farooq, Zainal Abedin (VP Zainal), Organizational Secretary Advocate Abdus Salam Azad, Assistant Office Secretary Munir Hossain, Assistant Economic Secretary Mahmudur Rahman Sumon, were present in the press briefing.

Fakhrul Goes To Singapore

Mirza Fakhrul left Bangladesh for Singapore on March 4 morning for a regular health checkup. Fakhrul accompanied by his wife Rahat Ara Begum left Dhaka's Hazrat Shahjalal

International Airport via a Biman Bangladesh Airlines flight around 8:30 am, his personal assistant M Yunus Ali told UNB. He said Fakhrul is scheduled to have treatment at a Singapore clinic for various health issues, including a blockage in his neck.

He said the BNP leader is scheduled to return home on March 18. After being released from jail on February 15, Fakhrul went to Bangladesh Specialised Hospital with various health problems and received treatments at home under supervision of Prof Shamsul Arfein of the hospital, he said. BNP vice-chairman Professor AZM Jahid Hossain said their leader Fakhrul lost six kilograms of weight in over three months in jail since October 29.

Quader Off To Singapore

Road Transport and Bridges Minister Obaidul Quader left for Singapore for a regular health checkup on March 10. He left Dhaka around 8:30 am by a flight of Biman Bangladesh Airlines. He will return to the country soon after having medical tests at Mount Elizabeth Hospital in Singapore, according to Sheikh Walid Foyez, information officer of the ministry.

BNP Has To Wait For Another 5 years

Quader said the people of the country gave a befitting reply to the arsonists, defeated forces of 1971, and the killers of August 15 through balloting.

"BNP-Jamaat has failed this time too and after boycotting the election repeatedly, now BNP has nothing to do except waiting for five years. All allegations BNP brought are now unrealistic and baseless," he said. Quader came up with the remarks while talking to reporters at AL's Tejgaon office in the capital. He also urged the BNP to accept the truth. "We'll implement the pledges made in the election manifesto and a smart and prosperous Bangladesh will be

built in future. This election will be a milestone in the country's democratic journey," said the AL general secretary. Besides, Awami League will hold a public rally on January 10 on the occasion of Bangbandhu's Homecoming Day, he added.

AL presidium member Jahangir Kabir Nanak, joint general secretary Bahauddin Nasim were, among others, present at the press conference.

Fakhrul Condemns Police Action On Ganatantra Mancha Procession

BNP Secretary General Mirza Fakhrul Islam Alamgir condemned

rights of the people. "Today, another brutal manifestation took place through the barbaric attack of police on a peaceful protest procession of Ganatantra Mancha, injuring more than 50 leaders and activists including the Mancha leader Zonayed Saki and arresting a leader from the spot," said the BNP leader.

"I strongly condemn the police brutality and protest against it, demanding the immediate unconditional release of those arrested," he continued. "Despite being citizens of an independent country, we are now under the fearful misrule of an illegal government. Ordinary people find no refuge from the law enforcement



Obaidul Quader

Minister of Road Transport and Bridges of Bangladesh

the police action on the demonstration organized by the Ganatantra Mancha on February 24.

He came up with the remarks in a statement, condemning the police's baton charge on Ganatantra Mancha leader and chief coordinator of Ganasanghati Andolan Zonayed Saki and other leaders and activists during a procession towards the Secretariat on Wednesday. "After the January 7 dummy election, the authoritarian Awami League government is carrying out more severe repression and brutal cruelty on the opposition parties, undermining the voting rights and democratic

agencies' tyranny. "However, we believe that the illegal Awami League Government will face swift retribution from the power of the people," he added. Fakhrul hoped for the swift recovery of the injured leaders and activists, including Zonayed Saki. Earlier on Wednesday, police charged with batons to disperse a demonstration of the Ganatantra Mancha towards the Secretariat protesting the price hike, bank 'looting' and money laundering.

Several leaders and activists of Ganasanghati Andolan including Saki were injured in the police action. ■

Gender Gap In Banking Narrows Slightly



Female representation in management still low

Business Outlook Report

The gender gap in the banking industry of Bangladesh narrowed in the second half of 2023, with the number of female bankers in the country rising by 2.2 percent during the period, official figures show.

As per a recent report by the Bangladesh Bank, there were 33,346 active female bankers during the July-December period of last year, representing 16.32 percent of the total workforce in the banking industry.

Compiled by the sustainable finance department of the central bank, the report showed that 43 private commercial banks employed about 22,248, or 66.72 percent, of these female workers. Meanwhile, six state-owned commercial banks employed a

majority of the rest, accounting for about 8,206, or 24.60 percent, of the female workforce in the banking industry.

However, female representation in upper management remains inadequate, with only 13.51 percent of banks' board members and 9.36 percent of their senior employees being women. Nine foreign commercial banks had the highest concentration of female workers, with 24.18 percent of their overall staff being women. However, they employed just 981 female workers collectively.

Citing how gender equality is key for the development of any economy, the report said reducing the ratio of men to women in the banking sector was crucial for expanding financial inclusion. To encourage more women to join the bank-

ing sector, various banks have taken steps to promote female participation. This includes providing six months maternity leave, conducting awareness training, and offering transportation facilities for female staff.

However, the data paints a disappointing picture about a lack of childcare centres, as only five financial institutions have such facilities for their employees' children. Against this backdrop, the central bank urged more banks to follow suit.

The report highlighted that gender equality is not only a social responsibility, but also a business opportunity. It could enhance banks' performance, reputation and sustainability. ■

Saudi Extends Voluntary Oil Cut Of 1m Barrels A Day



Business Outlook Report

Saudi Arabia announced on March 3 that it would extend oil supply cuts through June as part of a bid to prop up prices. An energy ministry source announced Riyadh "will extend its voluntary cut of one million barrels per day, which was implemented in July 2023, until the end of the second quarter of 2024," the official Saudi Press Agency (SPA) reported.

"Afterwards, in order to support market stability, these additional cut volumes will be returned gradually subject to market conditions." The

decision was taken "in coordination with some OPEC+ participating countries", the SPA story said, referring to the 23-member bloc that Riyadh co-leads with Moscow. The extension was announced on the same day Russia said it would cut its production by almost half a million barrels in the second quarter of 2024.

Riyadh first announced its voluntary cut after an OPEC+ meeting in June 2023. It followed a decision in April 2023 by several OPEC+ members to slash production voluntarily by more than one million barrels per day

(bpd) -- a surprise move that briefly buttressed prices but failed to bring about lasting recovery. In October 2022, OPEC+ agreed to reduce output by two million barrels per day, a move that fuelled tensions with US President Joe Biden's administration, which said it amounted to siding with Russia in the war in Ukraine.

Sunday's announcement means Saudi Arabia's production will stay at roughly nine million bpd, well below its capacity of 12 million bpd. Crown Prince Mohammed bin Salman, Saudi Arabia's de facto ruler, is depending

on oil revenue to finance an ambitious economic and social reform agenda known as Vision 2030 that is intended to position the Gulf kingdom for a prosperous post-oil future. Saudi Arabia has pledged to achieve net zero carbon emissions by 2060 -- drawing intense scepticism from environmental activists.

Energy giant Aramco, the jewel of the Saudi economy, has pledged to achieve "operational net-zero" carbon emissions by 2050, which does not include the emissions from customers burning its products. ■



47% Factories Fail To Implement Corrective Measures

Business Outlook Report

About 47 percent of the factories that were deemed at risk of industrial accidents by the Bangladesh Investment Development Authority (Bida) have yet to implement necessary corrective measures within the stipulated deadline of December 2023, officials of the government agency said.

Of the 106 at-risk factories identified by Bida in May last year, 17 high-risk ones were instructed to implement a corrective action plan (CAP) within three months. Meanwhile, the remaining 89 factories with lower risk were told to ensure safer working environments by the

end of the year. "Four of the 17 high-risk factories have been shut down while one was relocated from Naryanganj to Manikganj," said Abhijit Chowdhury, national coordinator of the factory inspection initiative. Besides, nine of the high-risk factories have already completed necessary corrections while three others are on the cusp of the same, he added.

Bida identified the at-risk factories as part of a nationwide initiative to prevent industrial accidents after more than 50 people died in a fire at the factory of Hashem Foods Ltd on July 8, 2021. Chowdhury said the Department of Inspection for Factories and Establishments had

outlined the CAP in separate letters to the 106 factories, asking them to adopt fire safety measures and comply with other regulations. "When we started monitoring the factories in September last year, we told them to implement the CAP and prepare a progress report in this regard by December," he added.

Chowdhury also said the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has been cooperating with Bida in monitoring the implementation of the CAP. For example, the FBCCI supported the initiative by appointing three consultants who are experts in fire and infrastructural safety, among other technical fields,

to help conduct inspections. "During the monitoring and inspection process, we tried to create awareness among factory owners regarding the necessity of fire-safety measures and the required equipment," he added. Referring to Bida's findings following the factory inspections, Chowdhury said there is a demand to form a single platform where entrepreneurs can avail all necessary clearance certificates, including trade license renewal.

Factory owners also urged authorities to introduce a single organisation for ensuring safety measures at their units to avoid the time-consuming process of being inspected by different government agencies. "We already held two meetings regarding the findings and are preparing a recommendation to submit to higher-ups of the government," he added. Regarding the recent fire at Bailey Road, he

said restaurant and building inspections are not covered under Bida's initiative. Therefore, the organisation has no liability in this regard. The nationwide factory inspection initiative was started by the Prime Minister's Office through the formation of a 24-member national committee headed by Salman F Rahman, the prime minister's adviser on private industry and investment.

In the first phase of the initiative, 5,206 factories in Dhaka, Chattogram, Narayanganj and Gazipur were inspected by Bida officials between November 2021 and March 2022. In the second phase from April to June last year, Bida inspected 5,001 factories across 17 districts, including Manikganj, Munshiganj, Mymensingh, Narsingdi, Kishoreganj, Khulna and Jashore. "This time too the focus has been areas with the highest concentrations of factories,

where the work is labour intensive and deals with chemicals, plastic and food processing," Chowdhury said. He informed that the final report on the second phase would be handed over to the national committee for factory inspections after the government issues a gazette for the formation of a new committee. This is because the current national committee is set to be reshuffled by the newly-elected government.

Regarding the combined findings of both inspections, he said 56 percent of the factories were at risk of fire while the remaining 44 percent suffered from power, infrastructural and environmental risks.

Also, Bida will conduct the third phase of factory inspections in 15 industry-dense districts through 58 teams across the country, Chowdhury added. ■

Fire At S Alam Sugar Mill Won't Have Impact On Sugar Price



State Minister for Commerce Ahasanul Islam Titu on March 6 said the fire incident at S Alam group's sugar mill will have no impact on sugar supply and its prices.

The state minister said this while talking to reporters after attending a workshop on the Competition

Act, 2012 as the chief guest. The programme was held in a hotel in the capital.

He said that the government officials concerned in Chattogram have completed a primary assessment of the quantity of sugar damaged in the fire and informed the commerce ministry that it will

be between 20,000 to 30,000 tonnes. "There is a requirement of sugar of around 3 lakh tonnes in Ramadan, while the quantity of sugar gutted the factory fire is below 10 percent of the demand. This incident will not affect the market price of sugar," he added.

Titu said that the government will fix the prices of different essential items including dates, so that prices of different commodities which have high demand during the Ramadan remain stable, he said.

With Pradip Ranjan Chakraborty, Chairman of Bangladesh Competition Commission (BCC) in the chair, Tapan Kanti Ghosh, Senior Secretary of commerce ministry, Elizabeth Gachuri, economic affairs officer of United Nations Conference on Trade and Development (UNCTAD), among others, spoke at the event. ■

Bangladesh Needs An Appropriate National Wage Policy



Business Outlook Report

Bangladesh must formulate and implement an appropriate national wage policy on forecasting and comprehending inflation, as well as competitive pricing and wages, experts said at a program on March 5.

Tuomo Poutiainen, country director of International Labour Organization (ILO) for Bangladesh, said the country should also figure out, discuss, and establish a proper national wage system. Moreover, he also said that the ILO has been attempting to include additional textile factories in its Better Work initia-

tive by applying the international level of compliance in 457 firms. He advocated for advancing social discourse and safeguarding workers through the modernization of insurance protection programs.

He was speaking as a panel discussant at the 5th edition of Sustainable Apparel Forum (SAF), organized by the Bangladesh Apparel Exchange (BAE) in partnership with Better Work, ILO, and IFC in the capital. He also said that what has been achieved in the RMG industry should also happen in other industries. Bangladesh should

focus on creating similar opportunities, workplaces and the type of competitiveness so that Bangladesh can be proud, he added. Miran Ali, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said that the apparel industry has overcome structural, electrical, and fire safety issues.

"Bangladesh's readymade garment (RMG) sector has safer working conditions than many other countries," he said, adding that the distrust between manufacturers and trade unions must be removed

through proper discussion. Amirul Haque Amin, president of IndustriALL Bangladesh Council (IBC) said that the workers' protection is also needed to be protected when the companies are making profit.

"We are always responsible towards our workplace, though sometimes there are problems," he added. Fazlee Shamim Ehsan, vice-president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said that Bangladesh is the global champion in green garment factories and the sector was now on the

right path. However, not only the international clothing retailers and brands, but also end-consumers should also pay more for apparel items sourced from the country to show responsible business behavior, he also said.

He also urged the formation of a central trade union for sustainable business.

Hazera Khatun, joint secretary to the Ministry of Labour and Employment, said for improving product diversification and technologies for better outputs in the sector. Md Khorshid Alam, executive director of Bangladesh Export

Processing Zone Authority, Avijit Chowdhury, executive member of Bangladesh Investment Development Authority also spoke at the panel discussion.

Inauguration

In the opening plenary, Charles Whiteley, ambassador and head of delegation, delegation of the EU to Bangladesh, said that the RMG sector is facing significant challenges in decarbonization efforts, circular economy challenges, maintaining international labor standards, and navigating uncertain global supply chains. "While safety and labor states have improved dramatically since the

Rana Plaza collapse, there are still problems. So, more work needs to be done with an eye to accessing the GSP+ that should happen after 2029," he added.

Regarding due diligence, he said that member states of the EU already have due diligence provisions and that will ensure that there isn't regulatory fragmentation.

But in the context of harsh economic times, how much an ethical consumer is willing to pay further for better labor standards and better environmental compliance remains a question, he added. Salman F Rahman, private industry and investment

adviser to the prime minister, said that in the last 10 years, Bangladesh has made tremendous progress in improving the conditions.

A lot of companies are now investing in manmade fabric (MMF). The global market for MMF is much more than that for cotton. Now there is usage of recycled yarn as a lot of investment has been made in the recycling sector, he also said.

Bangladesh can be a global recycle hub both for the post and pre-production items, he added. Mostafiz Uddin, founder and CEO of BAE, made the welcome speech. ■

High Remittance, Currency Swap Boost Forex Reserves



The country's gross forex reserves increased by \$727 million in five days, reaching \$21.3 billion on Monday, thanks to currency swap with banks and an eight-month high remittance figure.

According to data from the Bangladesh Bank, gross reserves stood at \$20.57 billion as per BPM-6 on 28 February. The data also showed that the money market swapped currency equivalent to \$100 million on Monday. The central

bank has provided commercial banks with currency swap facilities since 15 February this year, which measure has since started contributing to the reserves.

The currency swap enabled the Bangladesh Bank to shore up its gross reserves as banks have been exchanging dollars from their nostro accounts (accounts held by domestic banks in foreign countries). The influx of dollars via the

currency swap will not contribute to the replenishment of net reserves, as these represent short-term obligations. Net reserves are determined by deducting short-term liabilities from gross reserves. The Bangladesh Bank provided over Tk6,500 crore till the end of February to banks within a mere three-day period, in exchange for nearly \$600 million, addressing their liquidity challenges.

The banks swiftly turned to the central bank to access funds at a favourable 2.7% interest rate, significantly lower than the 8% borrowing rate, through a repurchase agreement, also known as a repo. Bangladesh on Sunday saw the highest remittance inflow in the past eight months in February, amounting to \$2.16 billion. February's remittances marked a significant increase of 38.46% compared to the same month last year, as per Bangladesh Bank data.

In June 2023, the country saw a higher inflow of remittances amounting to \$2.19 billion. ■



Businesses Should Reduce Reliance On Subsidies

Business Outlook Report

The NBR chairman urged businesses in Rajshahi to reduce their reliance on subsidies as such a tendency contradicts the country's aspiration to become a developed nation by 2041. "The extensive reliance on subsidies is incompatible with Bangladesh's goal of becoming a developed nation," said Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue (NBR).

"As we progress towards our graduation to a developed nation by 2041, the international community expects us to move away from subsidies. So, the government will naturally remove the subsidies gradually," he added. Muneem, also a senior secretary of the Internal Resources Division, made these comments while addressing a daylong pre-budget discussion with the business community of Rajshahi at the auditorium of the Rajshahi Chamber of Commerce and Industry (RCCI) on March 8. In the discussion, the

business leaders argued subsidies are crucial for industrial growth in the region, which is less developed compared to the eastern part of Bangladesh. RCCI Vice President Sultan Mahmud proposed expanding the tax base instead of imposing new taxes in the next budget. In reply, the NBR chairman said: "A developed nation thrives on its capabilities, its ability to fight odds and survive. So, shift away from your mindset of seeking subsidies while taking up business ventures."

The number of return submissions doubled and the number of VAT registrations increased by 2.5 times in the last four years, Muneem said. Chaired by RCCI President Masudur Rahman Rinku, the discussion was attended by businessmen and chamber leaders from Rajshahi, Chapainawabganj, Naogaon and Bogura. Abdul Awal, an RCCI member, said many talented entrepreneurs are failing to proceed with their ventures for a lack of funds and information. Mozdar Shafiqul Islam, president of

the Rajshahi chapter of the National Association of Small and Cottage Industries of Bangladesh, demanded removal of taxes and VAT on products. Abdul Wahed, president of the Chapainawabganj chamber, demanded infrastructural development of Sonamasjid land port and the newly reintroduced Sultanganj riverport.

He also demanded establishment of a land port alongside Rohonpur railway port in Chapainawabganj to strengthen business connectivity with Nepal and Bhutan. A businessman of Chapainawabganj demanded removal of duties on fruit-bags for supporting mango cultivation. Mahfuzul Islam Raz, vice president of the Bogura chamber, said the district fetches around Tk 50 crore worth of foreign exchange by exporting crude oil, hair and caps.

He sought an easier procedure for payments of taxes and VAT. ■

Bangladesh Yet To Benefit From GI-Certified Products



21 products have earned GI status in one decade while another 10 are set to get the same

Business Outlook Report

Bangladesh is yet to derive any benefit from the products granted the status of geographical indication (GI) due to a lack of initiatives from stakeholders although the recognition enhances the reputation of goods, builds consumer confidence and brings in higher prices.

The country has already registered 21 products as GIs since the formulation of the Geographical

Indication (Registration and Protection) Act 2013. Besides, it has awarded the same status to 10 more products in just eight days since February 8 after the culture ministry of India shared the news that it had secured the GI rights to Tangail sari, sparking criticism around Bangladesh and raising questions about the country's failure to get GI recognition despite being a rightful claimant to the traditional handwoven attire.

Many consumers pay

close attention to origin of the products they buy. And when the source and authenticity matter, using GI can identify products as being the real deal, according to the World Intellectual Property Organization (WIPO).

Among other benefits, GI status helps fetch higher prices compared to similar products manufactured elsewhere, according to local experts. However, Bangladesh has not reaped any benefit from the GI-tagged products such

as Jamdani, Muslin of Dhaka and Hilsa as the label has not been used to promote them due to a collective failure of the stakeholders, including concerned ministries, departments, trade bodies and businesses, they said.

"The prices of GI-certified products are usually 20 to 30 percent higher in the global market compared to similar products without such labels," said Mohammad Ataul Karim, a PhD researcher in intellectual

property law at the University of Oxford. "Global customers are willing pay extra for GI products." GI marks a product's authenticity and origin and the sign is used to certify that a product possesses unique characteristics for factors such as origin, climate, culture, manufacturing method, or even raw materials. According to experts, stakeholders should design logo and packaging materials for the GI products first. Then they should enlist the products with buyers' association and other trade bodies and move to promote, brand and market them.

However, none of the steps has been initiated yet, said an official of the Department of Patents, Designs and Trademarks (DPDT), the authority under the industries ministry authorised to grant GI certification. The agency provided the certification to Jamdani, a fine muslin textile mostly used for making saris in Narayanganj for centuries, in 2015 following an application from the Bangladesh Small and Cottage Industries Corporation (BSCIC). This was the first such recognition in the country.

According to BSCIC officials, no Jamdani sari has been tagged with GI yet. The situation is similar for Rangpur's Shotonji, which was certified as GI in 2019. Akhil Ranjan Tarafder, general manager for marketing at the BSCIC,

said the BSCIC is designing the logo and packaging for GI of Shotonji in cooperation with the DPDT. "Besides, we have taken the initiative to train Jamdani sari producers to export GI-tagged products. We are working with the DPDT to this end."

Hilsa fish received GI recognition in 2017 while black tiger shrimp secured the status in 2022 following applications from the Department of Fisheries.



"So far, no traders have sold hilsa or black tiger shrimp with GI labels," said Md Zillur Rahman, additional director general of the Department of Fisheries.

Karim, also a consultant of the WIPO, said although the DPDT is responsible for registering GI products, it is the responsibility of the commerce and industries ministries as well as various other

stakeholders, including trade bodies, businesses and producers, to promote the products. Besides, he said, a lack of capacity for producers, the financial constraints they face, and sometimes substandard products are also to be blamed for the failure to reap benefit from GI products.

"Overall, we have not been able to deal with the GI issue properly." The Bangladesh Handloom Board won the GI recog-

products, four mango varieties -- Ashwina, Langra, Fazli and Khirsapat (also known as Himsagar) – obtained GI status in 2017. However, not a single GI-tagged mango has been exported from Bangladesh yet, said Shafiqul Islam, principal scientific officer of the Rajshahi Fruit Research Station.

Md Munim Hassan, director-general of the DPDT, said he could not comment on the promo-

tion for Muslin of Dhaka in 2020 but the commercial production of the GI-tagged fabric has not started yet, said an official of the state-run agency.

"Commercial benefits will be available once the private sector starts using the GI tag since there is a lot of demand for Muslin in the international market," he added. Among the agriculture

tion, branding and marketing of GI products. "Other stakeholders can talk about these." Zakia Sultana, senior secretary of the industries ministry, said the ministry is taking steps to register the products that have the potential to be recognised as GIs.

"After that, we will move to reap commercial and other benefits of the products." ■

Automatic Fuel Oil Price Adjustment



Apu Ahmed

The much-talked-about automatic fuel oil price adjustment has been made effective.

Beginning

On March 7, the government reduced diesel and kerosene prices by Tk 0.75 per litre to Tk 108.25. The price of petrol decreased by Tk 3 per litre to Tk 122 and that octane by Tk 4 per litre to Tk 126. The cut in prices of fuel oils by the power, energy and mineral resources ministry in an executive order marked the introduction of the automatic fuel price adjustment regime. A few days earlier, the same ministry issued the 'Fuel Pricing Guidelines' through a gazette notification. Under the guideline, prices of all petroleum fuels, including petrol, diesel, octane, kerosene, furnace oil, jet fuel, and marine fuels, will be set

automatically based on the international market prices.

Adjustment in Every Month

The ministry will exercise the calculation every month from now on. If prices go up next month consumers will have to pay higher prices for fuel oils and vice versa. In short, the prices of petroleum products will increase and decrease in line with the international market. Such a policy has been called the automated price adjustment formula and advocated by the International Monetary Fund for the past one decade globally. The IMF argued that subsidies provided by countries against petroleum products despite higher import prices in the international market did not benefit rich and poor equally. The IMF said the rich were getting more benefit than the poor from the subsidy paid against the

consumption of each litre of fuel oils. It has been argued for making the subsidy regime targeted and eliminating the generalized system of payments.

The generalized system according to the IMF reduces fiscal space as the payment of subsidies eats up a significant amount of budget and obstructs the much-needed expenditure on priority sectors such as education and health in many least developed and even developing countries. There is no doubt that the intention of the IMF providing balance of payment assistance to its member countries is not bad. But the idea of paying subsidies to target-based consumers is quite difficult.

The case of Bangladesh can be taken for example. The country is almost dependent on imports to meet the

demand for fuel oils such as diesel, octane, petrol and furnace oils. Diesel accounts for more than 75 per cent of the overall demand of petroleum products. Of the amount, around 70 per cent is linked to consumption by the transport sector and 16 per cent is by the agricultural sector. The rest of the diesel is consumed by the costly fuel-based power plants.

BPC Profit Making Spree

The government did not pay subsidies for diesel consumption directly over the past one decade. It provides subsidies through consumption of electricity by the agricultural sector, but balances with the payment to the overall energy and power sector. The consumption of diesel by the transport sector enjoys the generalized system of subsidy if Bangladesh Petroleum Corporation, the state-owned fuel oils importers and distributors, sells lower than the imported prices. But available data said the BPC makes profits from diesel and other items too. Available data suggested that since 2014-15 BPC has been making profits, except in 2021-22. The company incurred a loss of Tk 2,705 crore in FY22. The country spent \$8.9 billion on import of petroleum products in FY22, about 67.71 per cent more from \$5.3 billion worth import in FY21, according to the Bangladesh Bank. However, in FY 23, BPC made a net profit of Tk 4,586 crore. Since FY15, BPC has been made a profit-making entity as its overall profit stood at Tk 42,933 crores in the past 9 years. In FY15, BPC profited Tk 4,212 crores, Tk 7,753 crore in FY16, Tk 4,551 crore in FY 17, Tk 6,533 crores in FY18, Tk 3,846 crore in FY 19, Tk 5,065 crores in FY 20 and Tk 9,092 crores in FY 21.

Subsidy For Capacity Charges

The rationalization in payment of subsidies as suggested by the IMF can be said that it is not meant for diesel, but for power and fertilizer.

Almost everybody knows that most of the power subsidy is meant for capacity charge, a controversial provision attached to the special power indemnity ordinance to ensure profit for an even idle power plant. The gap between production and generation capacity becomes almost double. So, the capacity payment increases. But the capacity charge may stay at a tolerable level and also the overall power subsidy, if the government did not extend the tenure of costly rental power plants on several occasions. The award of contracts to the private sector was shady since most of them were given without any competitive bidding.

People's Expectation

People who are paying penalties for the flawed power generation policy



were hoping that the automatic price adjustment will favour the consumers since it will check the profit making spree by BPC. Besides, the rationale of paying capacity charge in the name of subsidy will be addressed. But they are disappointed with the ways BPC calculates the price by considering at least 10 components including high profit margin for the distributing companies as well as high administrative cost. The lack of transparency in fixing the prices of fuel oils

remains despite the introduction of an automated price adjustment formula. Besides, conducting an international audit over the financial issues of the BPC remained pending.

Focus on IMF Loan

The introduction of the automatic fuel oil adjustment may enable the government to release loans from the IMF, but it will not be able to establish transparency in the overall power and energy sector. The introduction of automatic price adjustment formula is more about implementing the recommendation since it is linked to the availability of loans. Bangladesh agreed to implement conditions attached by the IMF with its \$4.7 billion loan programme until 2026. The country has already received close to \$ 1.5 billion as the

opening and the first tranche. The release of the second tranche due in May has no link with fuel oil related prices. But the third installment due in December is linked to the automatic price adjustment formula.

Cuts Insignificant

Experts said the recent downward adjustment in prices of fuel oils will hardly bring any benefit to people mainly farmers and commuters as the margin of cut is insignificant, 'The overall cut is insignificant

compared to the previous upward adjustment in petroleum products,' said general secretary of Bangladesh Agricultural Economist Association Mizanul Haque Kazal while talking to New Age on Saturday. On August 5, 2022, the prices of diesel and kerosene were raised by 42.5 per cent to Tk 114 per litre from Tk 80, while the price of petrol was raised by 51.16 per cent to Tk 130 a litre from Tk 86. The price of octane was raised by 51.68 per cent to Tk 135 per litre from Tk 89 on the pretext of a price hike of crude oils in the international market to over \$100 per barrel. The latest cut in diesel price features by only less than one per cent with crude oil price hovering around \$80 per barrel in the global market. Mizanul Haque noted that a margin of at least 10 per cent downward price adjustment would have a positive impact on the

agricultural sector. With the famers account for around 15 per cent of the country's overall diesel consumption, the latest review on the price of diesel would not reduce production cost of agricultural outputs, he added.

No Impacts On Transport Sector

The price spiral of food items has kept the overall average inflation at 9.59 per cent between February 2023 and January 2024 and sparked off criticisms that the government has failed to check inflation already hitting 14 years high. The country's transport sector consumes 65 per cent of diesel. A leader of Dhaka Sarak Paribahan Malik Samity said that the latest might reduce daily operational cost for consuming diesel by a bus in the capital by only Tk 50. Such a negligible margin is not suitable to review fares, said

Malik Samity office secretary Samdani Khandaker. Consumer Association of Bangladesh energy adviser Shamsul Alam said that the profit margin of the transport operators would increase with the latest price adjustment of fuels oils. He lamented that the consumers did not get the benefit of the price fall in the global market between 2014 and 2021 due to profit making spree by the Bangladesh Petroleum Corporation and investments mostly in the unproductive sector.

High Duty

Economists said that there were scopes for reducing the price of fuel oils in the local market. One of the options is to reduce the import duty since a consumer has to pay around 34 percent as duties against the consumption of a litre petroleum item. ■



Rampant NID Data Trade

Mobile banking institutions alert law enforcement

In a concerning development last year, personal information of individuals registered with the country's Smart National Identity Card (NID) system was reportedly available on several Telegram channels, with instances of buying and selling such data coming to light.

A quarter with vested interest has recently emerged, engaging in the illicit trade of customer data. To elevate the prominence

of such data trading, there have been attempts to associate the names of reputable mobile banking institutions.

Sources indicate that what began with the exploitation of Telegram bots has evolved into a more organized operation, with perpetrators setting up a dedicated website alongside Telegram channels to facilitate this illicit trade. These individuals are also actively advertising on social media

platforms, falsely claiming to hold customer information from reputable Mobile Financial Services (MFS), thus aiming to mislead and deceive customers through various tactics.

The modus operandi involves circulating specific links through Telegram channels that purportedly allow access to personal details of individuals by inputting their NID numbers and birthdates. Despite skepticism about the authenticity of such claims, due to the absence of verification mechanisms, the alleged data breaches have stirred concern among the public, already wary from previous incidents involving the national ID card database.

ICT experts emphasize the vulnerability of the populace to misinformation regarding new leaks, amidst conflicting statements and opportunities for fraudulent activities. They note that while opening an account in any financial institution requires national ID information and a photo, the allegedly leaked information on digital platforms is deemed non-exploitable for fraudulent purposes within Bangladesh. ■



supporting Bangladesh's energy security for the last 28 years

Chevron is the largest producer of natural gas in Bangladesh. We produce over 60% of the country's natural gas demand and over 80% of condensate in the country. We are proud to work with Petrobangla and the Government of Bangladesh to support the country's energy security.

Learn more at <https://bangladesh.chevron.com>





Price Hike: Compounding People's Plight

Apu Ahmed

Daily essentials that see a rise in demand during Ramadan had been increasing even before the holy fasting month began for the county's Muslim majority population.

Sugar, Gram, Pulse, Dates...

The hikes in prices of sugar, gram, pulse, beef, chicken, spices and fruits—among some of the most sought-after items—became unstoppable ahead of Ramadan. Their prices went beyond the reach of people who are struggling to increase their incomes amid the slowdown in economic activities over the past two years. The plights of people became compounded as the price hike of essentials became a normal phenomenon despite repeated assurance from policymakers to keep the market cool. The latest price hikes ahead of Ramadan was no different as it occurred despite

promises that essentials will be made available at cheaper rates before the Ramadan.

Promises Remain Promises

However, the promises have remained what they are—promises—as major national dailies highlighted the price hike of essentials regularly. According to reports, the price of beef continued to rise on the city markets in the last one month as traders claim the prices of cattle increased during this period. The price of beef increased by Tk 40–50 a kilogram on the city markets as the item was selling at Tk 770–800 a kg three days before the start of the holy month. The price of broiler chicken increased by Tk 10 a kilogram over the week and the item sold for Tk 220–230 a kilogram on the day. Locally bred hens sold for Tk 550–600 a kilogram while the Sonalika variety sold for Tk 320–330 a kilogram. The price of

mutton also remained high with the item selling at Tk 1,000–1,100 a kilogram.

TCB Calculates Price Hikes

Compared to the past year, the prices of onions have risen by 157 per cent, potatoes by 54 per cent, garlic by 60 per cent, ginger by 82 per cent, according to data published by the Trading Corporation of Bangladesh. Onions are being sold at Tk 100–110 per kg, which was Tk 30–35 last year. Md Gofran, proprietor of a store in Karwan Bazar, said that except for soybean oil, the prices of nearly all items have increased this year. He is currently selling a litre of bottled soybean oil at Tk 160, which was Tk 170 last year. Gofran said sugar was being sold at Tk 145 per kg, which was Tk 115 last year. Lentils are selling at Tk 110–140, up from last year's Tk 95–130. Chickpeas are being sold at Tk 110 while last year the price was

Tk 90.

Dates Prices Gone Over the Roof

The prices of fruits, especially dates, have increased substantially in the

‘Why dates, apples and grapes will be required to break fasting?’ the industries minister questioned while talking to reporters after meeting with deputy commissioners in the



local market despite a cut in import duty. Dates holding a special place among practicing Muslim witnessed a sharp rise in its prices as it was selling in the wholesale market at prices almost double then the previous months. The surge, according to traders, is attributed to high import duties levied on the fruit on the basis of inflated assessment values. The Bangladesh Fresh Fruits Importers Association in a press briefing in the capital alleged that the customs department's assessment value was used to calculate import duties. They also alleged that the Customs was assessing the value of dates almost times higher than original price. The traders noted cutting import duty from 25 per cent to 15 per cent for the import of dates had not impacted the local market.

Minister for Alternative

As dates are linked with religious sentiments, its prices are also sensitive. Industries minister Nurul Majid Mahmud Humayun said that fasting in the month of Ramdan should be broken with local fruits like jujubes and guavas instead of foreign fruits—dates and apples.

capital during the DCs' four-day annual conference. ‘Have local fruits like jujube and guavas during the iftar,’ he said. Referring to prime minister Sheikh Hasina's decision of not holding the iftar parties at the government level, the industries minister asked all to see the government's problems like the individuals



see their own problems.

Inflation Impose Extra Levy

The industry minister indicated the lingering dollar crisis which is

eventually hindering import of many essential items and making their shortfall in the import-dependent country like us. So, despite many efforts by the government, the price hikes of essentials are hardly checked. Inflation has become one of the major points of discussion since the price hikes for essentials remained unabated for almost two years hurting the majority population facing growing income inequality. For them, price hike is an extra tax they are paying for no mistake they have made. In February, headline inflation eased to 9.76 per cent from 9.86 per cent in January, but the average 12-month inflation between March 2023 and February 2024 hit 9.66, the highest in 14 years.

Inflation Becomes Entrenched

In 2009-10, the average inflation was double digit. But the price hike was not as entrenched as it is now. In the country's history, almost double-digit inflation for two years in a row is almost rare. Inflation always fuels the profit expectations of traders, so it is quite necessary to make timely intervention to check inflation. The government failed to

take timely initiative to tame inflation keeping in mind the proverb that a stitch in time saves nine. ■

Petrobangla Invites Offshore Bidding For Oil, Gas Exploration



Business Outlook Report

Petrobangla, the oil, gas and mineral corporation, has floated the offshore bidding, inviting international oil and gas companies to explore in the Bangladesh maritime area in the Bay of Bengal.

The tender, named “Oil and Natural Gas Exploration Under Bangladesh Offshore Bidding Round 2024”, was published in local newspapers and websites of concerned government entities including Bangladeshi missions abroad on March 10 giving six months time until September 9, 2024 for submission of the bids. As per the floated tender, a total of 24 offshore blocks — of which nine are shallow blocks — and 15 deep sea blocks are available for the bidding round. The nine shallow sea blocks are SS-01, 02, 03,

05, 06, 07, 08, 10 and 11) and 15 deep sea blocks are DS-08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22. The bidder, singly or in association with other companies, can bid for one or more blocks. Contracts will be signed with the successful bidders in line with the Bangladesh Offshore Model Production Sharing Contract 2023, said the tender.

The features of the proposed contract include full repatriation of profit, no signature bonus or royalty, uncapped attractive gas price linked with international marker, oil price to be determined on the basis of the fair market value prevailing in South and Southeast Asia. It entails no duty for equipment and machinery imported for petroleum operations while contractor's corporate income

tax liability will be borne by Petrobangla, and bank guarantee for performance of the minimum exploration program. There will be provision for assignment of interest and share-transfer and 100 percent cost recovery with a yearly cap of 75 percent. The contractor must have a mandatory work program consisting of 2D seismic survey and mandatory purchase of available

2D multi-client seismic data against bidded blocks to get relief from mandatory work obligations proportionately. They will have minimum work obligation in each of the exploration periods while biddable work program commitment over and above the mandatory program. There will be petroleum profit sharing on the basis of R-factor with biddable upper and lower

limits and option to sell contractor's share of natural gas in the domestic market to a third party, at a negotiated price, subject to Petrobangla's right of first refusal.

The bidder must ensure carried stake of 10 percent for state-owned Bangladesh Petroleum Exploration and Production Company Limited

tion Package will be available at a cost of US\$ 300 or equivalent Bangladeshi taka to the interested bidders/companies.

To enable companies to assess the geological prospects of the blocks on offer, Promotional and Data Packages are available on payment basis. Promotional Packages contain

es are available at different prices. Companies interested in bidding and purchase of Promotional and Data Sales Packages may contact the Director, Production Sharing Contract, Bangladesh Oil, Gas & Mineral Corporation (Petrobangla) Petrocentre, 3 Karan Bazar, Dhaka-1215, said the bidding tender.

55 Companies Invited In The Biding

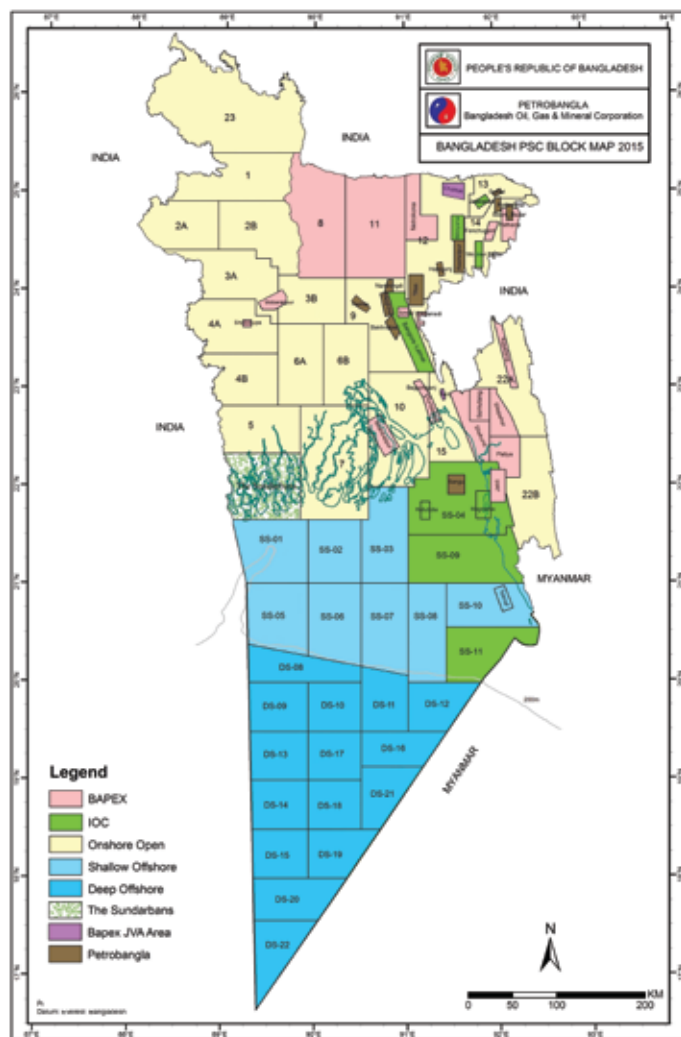
About the bidding round Prime Minister's Energy Advisor Dr Tawfiq-e-Elahi Chowdhury said at a press conference at Petrobangla headquarters in Dhaka on March 11 that the international bidding for offshore oil and gas exploration will draw a huge response.

"This round, we have introduced some new aspects like linking gas price with Brent and per year cost recovery at the highest 75 percent to make the bidding more attractive," he told reporters. The Energy and Mineral Resources Division organised a press conference to brief about the "Oil and Natural Gas Exploration Under Bangladesh Offshore Bidding Round 2024", for which Petrobangla invited international oil and gas companies (IOCs).

State Minister for Power, Energy and Mineral Resources Nasrul Hamid, Energy Secretary Md Nurul Alam and Petrobangla chairman Zanendra Nath Sarker also addressed the event. Tawfiq Elahi Chowdhury informed that so far, the bidding invitation was sent to 55 IOCs who have contacted the government as potential bidders.

He, however, averted a question on the geopolitics that might appear to be a factor in the participation of the IOCs in the bidding round.

Nasrul Hamid said it's an open bidding and any company eligible can bid for any block. He said a pre-bid meeting will be arranged after Ramadan for the interested bidders. ■



(BAPEX) for both shallow and deep sea blocks.

The bidders' qualification criteria include — individual or in case of joint venture at least one member — offshore daily production of at least 15,000 barrel of oil or 150 mmsc of gas. Bidders must have at least one global experience (other than home country) in the oil and gas exploration and production. The Informa-

Bidding Document, sample seismic sections, gravity, magnetic, geological maps. Companies are required to purchase the Promotional Package in order to qualify for bidding, said the tender.

The purchase price of the Promotional Package is US\$ 10,000 or equivalent Bangladeshi taka. Purchase of Data Sales Package is optional. Several Data Sales Packag-



Mohammed Rabiul Hossain, Managing Director & CEO of Uttara Bank PLC, has recently handed over loan cheques among the underprivileged 'Jhum' farmers of hilly areas. Md Ashraf-uz-Zaman, Deputy Managing Director, Mohammad Liton Pasa Khan, Deputy General Manager & Zonal Head (Chattogram Zone) of the bank, and local dignitaries were present at the event. ■



South Asia Insurance Company Limited brought out a colorful rally in front of the head office of the company at Shantinagar Bazar area in the city recently on the occasion of National Insurance Day-2024. ■



Pubali Bank has been awarded the 'Remittance Award' by the non-profit private research institute Centre for Non-Resident Bangladeshis in recognition of its contribution to remittance collection in 2023. The research institute organised a 'Branding Bangladesh' ceremony at a city hotel, where Pubali Bank received the award. ■



The 76th meeting of the board of directors of Modhumoti Bank was held virtually. Humayun Kabir, chairman of the board, Shaikh Salahuddin, MP, vice-chairman, Barrister Sheikh Fazle Noor Taposh, chairman of executive committee, members Mohammad Ismail Hossain, Salahuddin Alamgir, Tanjima Binthe Mostafa, Humayun Kabir Bablu, Sultana Jahan, A Mannan Khan, Ferdousi Islam, Manwar Hossain, Mojibul Islam Panna, Syeda Sharmin Hossain and Md Shafiul Azam, managing director & CEO of the bank, attended the meeting. ■



Social Islami Bank recently launched a month-long campaign on cash waqf, hajj and zakat at its head office, ahead of Ramadan. Zafar Alam, managing director and CEO, inaugurated the campaign as the chief guest, while Mohammad Forkanullah, deputy managing director, presided over the programme. ■



Eastern Bank Limited (EBL) has launched a dedicated Korea Business Desk at its head office in Gulshan, Dhaka. The desk was inaugurated by Park Young-sik, the Ambassador of the Republic of Korea to Bangladesh, during a seminar co-sponsored by EBL at a city hotel. ■



BRAC Bank has opened 12 new TARA Agent Banking outlets, led by women, in nine districts across the country, marking a significant milestone in the bank's commitment to promoting financial inclusion and women's empowerment in the banking sector under its digital financial inclusion project with Bill and Melinda Gates Foundation. ■



InterContinental Dhaka, the iconic and city's only luxury hotel, has been recognised as the 2023 Top Performer for creating efficiency in guest loyalty in the India, Middle East and Africa region at the recent IHG Impact Awards ceremony held in the United Arab Emirates. ■



Sonali Bank PLC celebrated International Women's Day at its head office in the city. CEO and Managing Director of the bank Md Afzal Karim attended the programme as the chief guest. All women executives and employees of the head office were present on the occasion. ■



Mutual Trust Bank (MTB), as the lead bank, along with 33 scheduled banks has recently organised 'School Banking Conference 2024' at Madaripur. Shajahan Khan, MP of Madaripur-2, attended the programme as chief guest. ■



Rupali Bank PLC celebrated the International Women's Day with various programmes, including a cultural show, at its head office in Dhaka. Chairman of the bank Kazi Sanaul Haque and Managing Director and CEO Mohammad Jahangir inaugurated the programme by cutting a cake. ■



A special event was organised by Investment Corporation Bangladesh (ICB) at its head office in the city recently on the occasion of the International Women's Day-2024. Managing Director of ICB Md Abul Hossain, Chief Executive Officers of the subsidiaries of ICB, General Managers along with other women employees of the corporation celebrated the day with a cake-cutting ceremony. ■



Fakir Fashions, Omera Petroleum launch largest industrial LPG project in Bangladesh

Business Outlook Report

Omera Petroleum Limited, a pioneer in the energy sector of Bangladesh, recently launched its groundbreaking Industrial LPG supply to Fakir Fashions Limited (FFL), located in Bhulta, Narayanganj. According to Omera, this collaboration marks a significant milestone in the industrial energy landscape of the country, promising enhanced efficiency and sustainability.

Fakir Fashions Limited, renowned as the leading apparel manufacturer in Bangladesh, stands as a beacon of innovation and excellence in the industry. Contributing significantly to the economy, FFL brings in millions of dollars through its business dealings in foreign markets, while proudly representing the 'Made in Bangladesh' brand globally. Omera Petroleum Limited, leveraging its expertise and commitment to excellence, introduces

its Industrial LPG solution under the renowned brands Omera Priority and Omera Gas One. Omera has garnered the trust of industrialists across Bangladesh through its unwavering dedication to LPG supply security, customer-centric approach, and steadfast focus on Health, Safety, and Environmental Quality (HSEQ) standards.

The strategic partnership between Omera Petroleum Limited and Fakir Fashions Limited heralds a new era of efficiency and sustainability in industrial operations. By utilizing LPG to power their boilers and stenters, FFL anticipates a remarkable 30 percent improvement in efficiency compared to conventional diesel usage. This transition not only underscores FFL's commitment to environmental stewardship but also positions them as a trailblazer in adopting innovative energy solutions, said the Omera. The official inauguration of this transfor-

mative project was launched at a function attended by Fakir Kamruz-zaman Nahid, Managing Director of Fakir Fashions Limited, and Tanzeem Chowdhury, CEO of Omera Petroleum Limited. Their visionary leadership and commitment to sustainable development have laid the foundation for a brighter, greener future for Bangladesh's industrial landscape.

This landmark initiative exemplifies the power of collaboration and innovation in driving positive change. As Omera Petroleum Limited continues to spearhead advancements in the energy sector, and Fakir Fashions Limited remains dedicated to excellence in apparel manufacturing, the partnership between

these industry leaders promises to reshape the future of Bangladesh's industrial ecosystem, said a press release. ■

Stakeholders Fret Over Looming Forced Mergers



Business Outlook Report

Bangladesh Bank will force mergers if weak banks themselves fail to decide what to do, under the new Bank Companies Act 2023. The central bank asserted its firm position regarding the merger policy guidelines, but stakeholders -- including owners, employees, shareholders and customers -- remain perplexed as to what will actually happen in future.

Fear arose after two separate meetings with managing directors (MD), chief executive officers (CEOs) and then owners of commercial banks on January 31 and March 4, where Bangladesh Bank Governor Abdur Rouf Talukder shared the plan.

Talking to different stakeholders regarding bank mergers, employees feared losing their jobs, while other shareholders were concerned about share price volatility, depositors feared losing their deposits, and directors feared losing their positions due to newly-enforced and reduced number of directorships.

BB's Plan

According to meeting sources, the governor instructed banks to take preparation for the merger and choose which bank they prefer to merge with.

Governor Talukder said earlier that 40 out of 61 banks in the country were in good condition, while the

remaining 8-10 banks may be merged. He advised MDs and CEOs of both good and weak banks to start discussions among themselves with a view to merger. Executive Director and Spokesperson of the Bangladesh Bank Mezbaul Haque said: "We decided to merge banks for the wellbeing of the banking sector. After reviewing the overall issue, we will develop a concrete merger policy."

He also said that they will be able to identify weak banks by the end of this month. "After that, a decision will be taken as to which banks need to be merged. Then the process will start in the light of the policies made considering the overall issues. We

have before us examples from different countries of the world. In most cases, banks were merged through the owners' own initiative. In some cases, the regulatory body decided. We also want the owners to decide. We will decide if the need arises," the spokesperson added.

Bank Company Act 2023

Concerns surrounding forced merger of banks, which began in 2023, have been dispelled by the central bank, who reiterated that any such move will only make the banks stronger.

According to the Bank Company Act 2023, Bangladesh Bank will be

Pubali Bank, said the central bank governor at the recent meeting assured them that the mergers will be guided according to international practices. "A weak bank can never be merged with a strong one. For instance, our bank is in a good position among private banks. There is no scope to impose a weak bank on us."

However, according to sources, the governor assured them that directors will not be affected by mergers as their financial losses will be compensated. Bangladesh Association of Banks (BAB) chairman Nazrul Islam Mazumder earlier said: "The governor answered our queries

those banks will have several branches in the same area, which will no longer be needed after the merger.

This will reduce the additional cost. At the same time, they also think that any rumour before the bank merger may affect a listed bank's share price.

Why The Fuss

Currently 61 commercial banks are operating in Bangladesh. On March 4, the governor said that most banks were performing well. Bangladesh Bank data analysis revealed that the country's banking sector experienced a steep rise in default loans by



able to initiate forced mergers of any bank if the board of directors and management are found to be involved in activities that go against the depositors' interest.

The amended Bank Company Act states that the central bank will be able to take multiple measures to consolidate or reorganize any banking company if the regulator finds that the banking company failed to implement the recovery action plan.

Stakeholders Apprehensive

Manzurur Rahman, Chairman of

well. We understand that no one will be harmed by this. Weak banks will become stronger and good banks will become even better." "Considering various examples of banks merging in different countries, we will accept the move in national interest," he added.

Although the Bangladesh Bank governor has given hope to the directors, the biggest worry came from bank employees. According to bankers and economists, bank mergers will naturally result in some branch closures, since maybe now

Tk25,000 crore in 2023. At the end of December last year, the total default loan in the banking sector stood at Tk145,000 crore, accounting for 9% of the total loans that stood at Tk1,617,000 crore.

Only 11 banks accounted for 93% of the staggering Tk24,419 crore in loans defaulted as of June last year.

Bangladesh Bank data shows that the capital shortfall for 14 banks reached Tk37,506 crore at the end of September last year. ■



'One Step Closer' To Recovering Stolen Funds

Lending rate goes past 13% despite lowering of margin

Business Outlook Report

The New York State Supreme Court's recent ruling in favour of the Bangladesh Bank has brought the country "one step closer" to recovering the stolen funds from the people responsible, according to the central bank.

On February 5, 2016, hackers stole \$101 million from the BB's account with the Federal Reserve Bank of New York using fake orders through the SWIFT payments system. Of the amount, \$81 million was transferred to four accounts of Rizal Commercial Banking Corporation (RCBC) in Manila of the Philippines and \$20 million to Sri Lanka's "Shalika Foundation" through Pan Asia Banking Corporation. The BB filed a lawsuit

with the US District Court in Manhattan in 2019, accusing RCBC of being involved in a massive conspiracy to steal the money. The original complaint in the New York state court was filed on May 27, 2020. On February 29 this year, the First Appellate Department of the New York State Supreme Court ruled in BB's favour, the central bank said in a press release.

The decision confirmed that New York would be the venue for litigation against RCBC and its employees and casino junket operator Kam Sin (Kim) Wong's theft of the BB fund, it said. The decision also affirmed the trial court's decision that RCBC, along with its two most senior executives -- Lorenzo Tan and Raul Victor B Tan -- and

Kim Wong could be held liable in New York courts for their involvement in the theft. "Bangladesh Bank is considering its further response to the First Department decision, including but not limited to its own appeals or responses to any appeal by the remaining RCBC defendants and Kim Wong, and looks forward to pressing forward in the ongoing discovery process in the trial court," said the BB.

The court also ruled that the BB may pursue the defendants for the money they controlled whilst they knew full well that they were the bank's stolen funds. Still, they allowed the money to be laundered through foreign exchanges and the RCBC Treasury, rather than

responding to the BB's stop payment request and returning the funds. "This decision supports the Bangladesh Bank's decision to pursue these alleged co-conspirators in New York, and the Bangladesh Bank welcomes the opportunity to demonstrate that RCBC was involved from the very beginning," the press release said.

The Sri Lankan bank that received that payment order flagged it because it misspelled the word "Foundation" as "Fundation" and the money had been returned to Bangladesh.

A portion of the funds that ended up in Manila has also been recovered. ■

Bangladesh's Growing Prowess In RMG Makes Chinese Investors Upbeat



Business Outlook Report

Chinese textile and garment entrepreneurs are bullish about Bangladesh as the country cements its position as a top supplier of apparel items, evidenced from a healthy flow of orders from international clothing retailers and brands.

On the back of higher demand for fabrics, yarns, chemicals, dyes, and capital machinery used in the textile and garment sectors, China has turned into the largest supplier for Bangladesh. Bangladesh imports nearly \$20 billion worth of goods, including fabrics, from China, said industry people. The reliance on the second-biggest economy in the

world is growing since local weavers can only meet 40 percent of the requirement for woven fabrics. The remaining 60 percent is met through imports, mainly from China and India. Owing to a brighter outlook of Bangladesh and the rising cost of production in China amid a dearth of skilled workers, Chinese investors are flocking to the country and investing in the textile and garment sectors.

At the same time, Chinese fabric sellers are targeting export-oriented garment factories which have been receiving an increased volume of orders from global retailers and brands. A good number of Chinese

textile and garment manufacturers are taking part in the 21st Dhaka International Yarn and Fabric Show 2024 and the 6th Denim Bangladesh 2024 International Expo at the International Convention City in the capital's Bashundhara.

CEMS Global and CCPIT-TEXT of China have jointly organised the exhibitions, where 410 companies from 15 countries have set up 550 booths to showcase textile and garment items. The event will continue until March 9. "2023 was not good for business given higher inflation in Europe and the US. Now, a lot of orders are coming to Bangladesh and orders are expected

to increase further in the near future," said Yong Zhang, general manager of Jinlite, an outerwear manufacturer, which has a factory in the Mongla Export Processing Zone.

Zhang set up the factory in 2018 with a 100 percent Chinese investment to meet demand for outerwear, rainwear, activewear and jackets in Europe and the US. Currently, the factory exports garment items worth more than \$20 million annually.

Melody Zhou, sales manager at Top One Down & Feather Co Ltd, said their factory is witnessing a spike in demand for high-end jackets made from duck feathers. She was the first to introduce the products in Bangladesh and the

response from customers has been high. "Bangladesh has a lot of garment factories and the business opportunity is high." Aileen, a Chinese entrepreneur who has been selling viscose in Bangladesh, for the last nine years, agrees.

"Sales are good and the demand is rising." At the inauguration of the showcase, Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said Bangladesh has the highest number of green garment factories in the world and this has brightened the image of the sector and the country and given a boost to buyers' confidence.

"2024 will turn out as a good year for us as retailers and brands are

coming up with a higher volume of orders." Bangladesh, the second-largest apparel supplier globally, is already the biggest denim exporter in Europe and the US, which highlights the sector's strength.

Amin Helaly, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, said Bangladesh imports more than \$10 billion worth of fabrics from China per year. "So, an opportunity has been created for Chinese investors to invest in the textile and garment sector in the country."

Lokman Hossain Miah, executive chairman of the Bangladesh Investment Development Authority, also spoke at the inauguration. ■

Massive Reforms Needed In Tax Laws



Business Outlook Report

Massive reforms are required in tax and VAT laws to mobilise domestic resources and achieve the government's target to become a developed country by 2041, according to experts.

"We need friendly policies and acts for tax return submissions to help to mobilise domestic

resources," said Md Amin Helaly, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI).

He was addressing a dialogue on "Strengthening domestic revenue mobilisation for a developed Bangladesh", jointly organised by Policy Exchange Bangladesh (PEB) and the International Growth Centre at The Westin

Dhaka on March 7. He said that the country's GDP grew from \$90 billion to \$470 billion over the past 15 years, but tax collection increased by only 40 percent.

Helaly added that at least two million people join jobs every year, questioning why the number of regular taxpayers was not increasing. According to him, there are a lot of businesses in rural

areas that deal with crores of taka but are not under the tax net. "There are also a number of big building owners in rural areas who do not pay taxes. There are some weaknesses in policy design so they are not coming under tax net," he said. Shamsul Alam, former state minister for planning, said Bangladesh's tax-GDP ratio of 8 percent is the lowest in the South Asian region. "We need at least 20 percent tax-GDP ratio to become a developed country," he noted. He said only 1.3 percent of the GDP came from individual taxpayers despite the per capita income having doubled in the past decade. Alam suggested full automation of the tax filing process and to eliminate unnecessary questions from tax forms to avoid hassle.

Snehashish Barua, managing partner of SMAC, said there are only 3.7 million regular taxpayers despite there being around 10 million TIN holders. ■

New Computer Tool Developed To Track Livestock Disease Threats



Business Outlook Report

A groundbreaking computer model named EPINEST has been introduced by a UK-led international team of One Health researchers, offering a pioneering framework for monitoring viruses and bacteria as they traverse livestock systems "from farm to fork."

EPINEST, short for EPIdemic Network Simulation in poultry Transportation systems, marks the first modeling tool designed to track infectious disease threats associated with global food systems comprehensively. Developed and tested by the GCRF

One Health Poultry-Hub, EPINEST enables decision-makers to gain deeper insights into infectious disease risks and deploy targeted interventions effectively. A press release issued by One Health Poultry Hub, an impact-driven research project working in Bangladesh, confirmed the matter on March 6.

The new model's versatility allows it to track various pathogens, including avian influenza viruses (AIVs), bacteria causing food poisoning such as *Campylobacter* and *Salmonella*, and bacteria carrying antimicrobial resistance (AMR) genes, throughout poultry production

and distribution networks (PDNs), the release said. With the intensification of livestock farming and the complexity of food systems, there's a growing concern about emerging pathogens and zoonotic disease outbreaks. EPINEST addresses these challenges by realistically simulating the movement of pathogens through diverse livestock networks, aiding in the identification of potential risks and the development of effective mitigation strategies.

EPINEST's agent-based modeling system integrates empirical data on farm sizes, trading

practices, and pathogen sequencing to create simulations representing different disease scenarios. By mapping the spread of diseases like avian influenza across farms and markets, researchers can quantify the impact of interventions and explore novel strategies to mitigate disease risk.

Francesco Pinotti, an investigator from the University of Oxford and a member of the GCRF One Health Poultry Hub, highlighted the significance of EPINEST in understanding pathogen spread and evolution within poultry systems. He emphasised its potential to support decision-making and enhance the safety and sustainability of poultry production globally, the release added.

The EPINEST model, detailed in a publication titled 'EPINEST, an agent-based model to simulate epidemic dynamics in large-scale poultry production and distribution networks' in *PLOS Computational Biology*, underscores a significant advancement in One Health research and underscores the importance of interdisciplinary collaboration in addressing global health challenges. ■

Profitability In Farming On The Decline



Business Outlook Report

Farmers are registering reduced profitability from paddy cultivation due to tightening of the rural labour market and declining real prices for the cereal grain, according to a joint study by two international research organisations. The study found that real agricultural wages have been rising gradually as people are moving out to non-farm sectors.

Between 2011 and 2018, the real agricultural wage soared 30 percent whereas real prices of paddy fell 29 percent, as per research of the International Food Policy Research Institute (IFPRI) and CGIAR. CGIAR is a global research partnership working to provide a food-secure future, reduce poverty, and enhance human health through nutrition. "Wage rates and paddy prices are moving in opposite directions," said IFPRI Research Fellow Ben Belton while presenting the

preliminary findings of the study at a workshop on March 5. IFPRI and CGIAR, with support from the Bill and Melinda Gates Foundation, organised the event at the Six Seasons Hotel in Dhaka. Co-authored by IFPRI Research Fellow Mehrab Bakhtiar, the study on agricultural mechanisation found that profitability of paddy cultivation has been declining since 2011. For example, the margin from cultivation of rice during Boro season was Tk 9,717 per acre in 2011, but fell to nearly one-third -- Tk 3,080 per acre -- in 2015.

In 2018, the margin turned negative, according to the findings of the study. The researchers also found that most farm machineries are rented, with land preparation, irrigation, spraying, and threshing having become highly mechanised in Bangladesh. Researchers found that the rental market is key for small

farmers to access to agricultural machinery. As of 2018, some 98 percent of land is prepared by machines. In the same year, Rice farmers used pumps to irrigate 87 percent of their Boro land. The extent of using machines for threshing Boro paddy has reached 87 percent as the machines provide convenience and speed while enabling farmers to avoid drudgery. However, there was an extremely low rate of mechanised planting and harvesting, according to the research.

It showed that 0.1 percent of Boro seedlings were transplanted by seed transplanters and 0.9 percent of the grains were harvested by machines in 2018, indicating the need for mechanisation in these labour-intensive areas. "Mechanising harvesting and planting has the potential to reduce labour constraints, improve productivity, free-up labour and

reduce costs," the study said. The study also said there is limited scope for productivity gains and cost-saving from the high level of mechanisation in irrigation, land preparation, and threshing.

In another study presented at the workshop on the financial behaviour of midstream actors in the rice and potato value chains, it was found that the extent of value addition by large rice processors is higher than smaller processors and traders. In the case of both rice and potato, transactions are overwhelmingly conducted through cash. Many intermediary

actors have limited access to digital financial accounts, it said, adding that digital technologies can enhance traceability, a process that helps trace the history, application or the location of an item or activity by means of recorded identifications.

It can also help understand the exact margin required by processors to make a profit. "Well-crafted regulations can foster digital traceability," it said. "Digital transactions can also potentially make transactions and the value chain more efficient." At the event, Akhter Ahmed, country representative of IFPRI in Bangla-

desh, said a recent IFPRI study found that agriculture-led growth is three times more effective in alleviating poverty than growth in other sectors of the economy.

He said farm mechanisation could play a critical role in improving farmers' profitability, particularly amid rising rural labour wages.

Md Mahmudur Rahman, joint secretary of the agriculture ministry, said the government focuses on thorough programme evaluations and evidence-based policymaking. ■

Transform Customs To Handle Large Volume Of Exports



Business Outlook Report

Bangladesh Customs will have to be transformed with state-of-the-art technology to streamline its services suitable for handling a huge volume of cargo at a time when the country's export earnings are expected to cross \$ 100 billion, experts said at a dialogue on March 6.

Stressing the need for modernization of the customs, they suggested customs-to-customs and

customs-to-other agencies' collaboration, and setting up an effective single window for streamlining the services. The meeting was told that Bangladesh has set a target of \$111 billion in export earnings by 2027.

Business Initiative Leading Development (Build) in association with the National Board of Revenue (NBR) organized the dialogue in the capital, aimed at analyzing the new provisions of the Customs

Act 2023. The law has been prepared to include international best practices such as the WCO-revised Kyoto Convention, the World Customs Organization (WCO) safe framework of standards, and the WTO Trade Facilitation Agreement (TFA).

The new law contains 269 clauses which was 286 in the Customs Act 1969. SM Humayun Kabir, NBR Member responsible for Customs Audit, Modernization and International

Trade, said that the change is a permanent issue while the mind set of all concerned will be changed with frequent dialogues like the one held on Wednesday. Build CEO Ferdaus Ara Begum informed that the customs should be developed into a modern agency that would be capable of handling a huge quantity of exports and imports to be required for the exports. NBR First Secretary Raich Uddin Khan said the new provisions added to the new law includes electronic declaration, risk management, non-intrusive inspection (NII), post-clearance audit, advance ruling, National Enquiry Point, advanced passenger information, etc.

Fariduddin, former NBR Member of Customs Policy, placed a broad outline of what more should be done for meeting the private sector needs in the changed situation of business. ■

Norway To Send Ships To Bangladesh For Recycling



Business Outlook Report

Former climate and environment minister of Norway Erik Solheim visited the Kabir Steel Ship Recycling Facilities in the Sonaichhari area of Sitakunda in Chattogram on Mar 3.

Solheim expressed his support for sending Norwegian ships to Bangladesh for responsible recycling.

"The development of Bangladesh's Ship Recycling Industry over the last 14 years is absolutely amazing. Upon my return, I intend to advocate for our ship owners to consider Bangladesh as a viable option," he said after

visiting Kabir Steel Ship Recycling Facilities in Chattogram's Sitakunda upazila.

Erik Solheim further said: "A decade ago, in 2010, I found the ship recycling industry here to be a hazardous and disorganized mess. This visit, however, reveals a remarkable transformation. This industry has become a world leader in ship recycling with its focus on safety and aesthetics."

The former Norwegian minister said: "As Norway is a big shipping nation, we wanted to help bring about these changes, and we have been doing so." Norwegian Ambas-

sador to Bangladesh Espen Rikter-Svendsen echoed Solheim's sentiments, highlighting the positive changes observed in Sitakunda and pledging to send Norwegian ships to Bangladesh for responsible recycling in the future.

Rikter-Svendsen also said: "I have visited Sitakunda frequently over the past three years, and each visit reveals striking improvements. The positive changes are evident throughout the town. Specifically, at Kabir Steel, I have observed significant advancements."

"We've provided technical support to the

IMO project, assisting yard owners and the government," he added.

CEO of KSRM Group Mehrul Karim said the ship recycling yard has all the latest equipment to dismantle ships in accordance with the Hong Kong Convention.

"Our commitment to sustainability is evident. We've developed world-class facilities that have earned us three prestigious 'Green Certificates' from independent organizations. Notably, we're the first ship recycling yard globally to utilize an electro-hydraulic shearing machine to cut steel plates into small pieces," he added.

Mehrul said: "The transformation of the yard took about Tk30 crore in fresh investments."

Managing Director of Kabir Ship Recycling Facilities Mohammad Karim Uddin and media adviser of KSRM Group Mizanul Islam were also present.

Kabir Ship Recycling Facilities, a concern of the KSRM Group, obtained the ClassNK green certificate as the third yard in the ship recycling industry of Bangladesh in 2023. ■

WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit
(Policy Support Wing)
07 March 2024

1.		06 March 2023	30 June 2023	29 February 2024	06 March 2024	
					26339.48	21152.68 (BPM6)
2.	Foreign Exchange Reserve (in million US\$)	32221.10	31203.00	25972.67	06 March 2024	
		06 March 2023	26 June 2023	29 February 2024	110.0000	
3.	Interbank Taka-USD Exchange Rate (average)	106.1498	108.3576	110.0000	06 March 2024	
		06 March 2023	26 June 2023	29 February 2024	8.81	
3.	Call Money Rate	6.06	6.18	9.41		
	Weighted Average Rate (in Percent)					
4.	Broad/Overall Share Price Index	06 March 2023	26 June 2023	06 March 2024	Percentage change	
					From June, 2023	From June, 2022
a)	Dhaka Stock Exchange (DSE) [®]	6259.48	6344.09	6166.14	-2.80	-1.84
b)	Chittagong Stock Exchange (CSE)	18430.81	18702.20	17645.33	-5.65	-1.58
5.	a) Wage Earners' Remittances (in million US\$)	February, 2023	July-Feb., FY23	February, 2024 ^P	July-Feb., FY24 ^P	FY23
	b) Annual Percentage Change	1560.48	14012.61	2166.04	15078.87	21610.73
		4.42	4.27	38.81	7.61	2.75
6.	a) Import (C&F) (in million US\$)	December, 2022	July-Dec., FY23	December, 2023 ^P	July-Dec., FY24 ^P	FY23
	b) Annual Percentage Change	6043.00	41195.00	5233.00	32996.00	75061.60
		-28.38	-2.20	-13.40	-19.90	-15.81
7.	a) Import(f.o.b) (in million US\$)	December, 2022	July-Dec., FY23	December, 2023 ^P	July-Dec., FY24 ^P	FY23
	b) Annual Percentage Change	5593.00	38132.00	4856.00	30580.00	69495.00
		-28.34	-2.15	-13.18	-19.80	-15.76
8.	a) Export (EPB) (in million US\$)*	February, 2023	July-Feb., FY23	February, 2024 ^P	July-Feb., FY24 ^P	FY23
	b) Annual Percentage Change	4630.18	37077.68	5187.50	38452.21	55558.77
		7.81	9.56	12.04	3.71	6.67
8.	Current Account Balance (in million US\$)	July-December, FY23		July-December, FY24 ^P	FY23	
		-4922.0		1927.0	-2665.0	
9.	a) Tax Revenue (NBR) (Tk. in crore)	January, 2023	July-Jan, FY23	January, 2024 ^P	July-Jan, FY24 ^P	FY23
	b) Annual Percentage Change	26878.74	172310.22	32675.44	198305.19	331454.89
		4.91	9.99	21.57	15.09	9.89
10.	Investment in National Savings Certificates (Tk. in crore)	December, 2022	July-Dec, FY23	December, 2023 ^P	July-Dec, FY24 ^P	FY23
	a) Net sale	-1490.94	-3106.85	-2204.32	-6063.23	-3295.94
	b) Total Outstanding	360903.28	360903.28	361330.20	361330.20	360714.19
11.	a) Reserve Money (RM) (Tk. in crore)	January, 2023	June, 2023 ^R	January, 2024 ^P	Percentage change	
					Jan'24 over Jan'23	Jan'23 over Jun'22
	b) Broad Money (M2) (Tk. in crore)	352790.30	383585.20	347365.70	-1.54	1.62
		1751440.50	1887167.90	1902880.40	-9.44	10.49
					0.83	2.54
						10.48

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	1773179.30 303589.20 43564.00 1426026.10	1926770.70 387349.80 45164.70 1494256.20	1983428.30 367743.60 47741.50 1567943.20	11.86 21.13 9.59 9.95	2.94 -5.06 5.71 4.93	6.07 7.16 17.11 5.53	15.25 36.72 21.41 10.58
13.		Percentage change						
		July-January, FY23		July-January, FY24 ^P		July-January, FY24		
		Opening	Settlement	Opening	Settlement	Opening	Settlement	Settlement
	a) Consumer Goods	4790.07	4750.31	3979.88	3791.06	-16.91	-20.19	-11.37
	b) Capital Machinery	1511.20	2309.95	1537.48	1696.59	1.74	-26.55	-36.65
	c) Intermediate Goods	3051.10	3303.29	2611.87	2969.92	-14.40	-10.09	-23.67
	d) Petroleum	5899.07	5978.99	5387.52	5729.73	-8.67	-4.17	15.93
	e) Industrial Raw Materials	14215.77	17551.69	13470.74	12646.47	-5.24	-27.95	-13.94
	f) Others	10985.26	12952.43	12270.18	12811.40	11.70	-1.09	-4.96
	Total	40452.47	46846.66	39257.67	39645.17	-2.95	-15.37	-12.38
	Rate of Inflation on the basis of Consumer Price Index for National (Base: 2005-06=100)	June, 2022	September, 2022	December, 2022	March, 2023	June, 2023 [#]	September, 2023 [#]	January, 2024 [#]
	a) Twelve Month Average Basis	6.15	6.96	7.70	8.39	9.02	9.29	9.59
	b) Point to Point Basis	7.56	9.10	8.71	9.33	9.74	9.63	9.86
14.	Corresponding Period	June, 2021	September, 2021	December, 2021	March, 2022	June, 2022	September, 2022	January, 2023
	a) Twelve Month Average Basis	5.56	5.50	5.55	5.75	6.15	6.96	7.92
	b) Point to Point Basis	5.64	5.59	6.05	6.22	7.56	9.10	8.57
	Classified Loan	June, 2021	December, 2021	June, 2022	September, 2022	December, 2022	March, 2023	September, 2023
15.	a) Percentage Share of Classified Loan to Total Outstanding	8.18	7.93	8.96	9.36	8.16	8.80	9.93
	b) Percentage Share of Net Classified Loan	-0.47	-0.43	0.49	0.90	-0.08	0.30	1.22
	Agricultural and Non-farm Rural Credit (Tk. in crore)	December, 22	January, 23	July-Jan, FY23	December, 23	January, 23 ^P	July-Jan, FY24 ^P	FY21
16.	a) Disbursement **	3892.42	2014.22	18684.32	3046.05	2827.68	21153.85	28834.21
	b) Recovery	3558.65	2016.74	18446.50	3361.09	2531.05	20310.59	27463.41
	c) Outstanding	50997.35	51225.71	51225.71	55395.32	55634.92	55634.92	49802.28
	SME Loan (Tk. in crore)	Oct-Dec, FY22	Jan-Mar, FY22	Apr-Jun, FY22	Jul-Sept, FY23	Oct-Dec, FY23	Jan-Mar, FY23	FY23
17.	a) Disbursement	57118.60	51716.69	56484.26	51676.81	60611.61	49068.40	224103.87
	b) Outstanding	252082.09	259704.21	271448.58	273906.60	282896.54	283236.32	295842.02
	Industrial Term Loan (Tk. in crore)	Jul-Sep, FY22	Oct-Dec FY22	Jan-Mar, FY22	Apr-Jun, FY22	Jul-Sept, FY23	Oct-Dec, FY23	FY22
18.	a) Disbursement	14834.23	18772.59	17340.49	21413.63	18562.45	29574.55	72360.94
	b) Recovery	12979.47	18477.42	16572.97	16832.73	20610.17	50593.69	64862.59
	c) Outstanding	303329.12	308918.45	310572.40	320410.22	328742.50	360051.14	320410.22
	GDP Growth Rate (in percent, Base: 2005-06=100)	FY15	FY16	FY17 ^N	FY18 ^N	FY19 ^N	FY20 ^N	FY21 ^N
19.		6.55	7.11	6.59	7.32	7.88	3.45	7.10
							6.94	5.78

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



RMG Manufacturers Seek Tax Reduction

Business Outlook Report

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on March 5 proposed to the National Board of Revenue to reduce tax deduction at source to 0.50% for the next five years on export of readymade clothes from the existing 1%. The organization made this proposal in a pre-budget discussion for the forthcoming FY25 at the revenue authority's Agargaon headquarters in the capital.

The apparel makers also demanded waiving 7.5% value added tax (VAT) on sourcing of raw materials for the production of recycled fibres and another 15% VAT on the purchase of those fibres by spinning mills. They also asked to adopt a Harmonized System (HS) for imports. The HS is a standardized numerical method for classifying traded products. It is used by customs authorities around the

world to identify products when assessing duties and taxes and for gathering statistics. The BGMEA proposed reduction of income tax on cash incentives with the aim of increasing capacity of the apparel industry to 5% from the existing 10%. The BGMEA also urged the NBR to consider other incomes and expenditures, such as gain on asset disposal, as disallowable and impose corporate tax instead of company tax.

The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) proposed refund of remaining amount from advance income tax deducted at source after filing tax returns. The BKMEA asked the NBR in a written statement to reduce income tax on cash incentives against export to 3% from the existing 10%. The Bangladesh Textile Mills association proposed to the revenue authority in a written statement to provide VAT

exemption at local level and also on that of supply at spinning mills and production at local level. 'Recycled fibre can be used as an alternative to virgin cotton. Using recycled fibre can save up to \$1 billion import cost,' the BTMA said in the written proposal. NBR Chairman Abu Hena Md Rahmatul Muneem welcomed the recycling initiative. "We must provide support for recycling industries, namely garment scrap and plastic, which helps to clean the environment," he said.

However, the NBR chairman was apprehensive about benefits being misused. Muneem explained that they frequently provide duty benefits to industries after careful consideration.

"But a section of dishonest businesses abuses such privileges due to a lack of strong mechanisms to detect them," he said. ■

IMF Team To Help NBR Assess Tax Expenditures



Business Outlook Report

A tax policy mission of the International Monetary Fund (IMF) on March 4 began to work with the National Board of Revenue (NBR) to train taxmen to assess tax expenditures so that the government can eliminate less effective tax exemptions, broaden the tax base and increase revenue collection.

The development comes

following a report of the review mission of the Washington-based lender. The report reviewed Bangladesh's performance against the criteria set as part of a \$4.7 billion loan it approved for Bangladesh in January last year.

The IMF suggested the government raise tax revenues and rationalise expenditures as Bangladesh's tax-to-GDP ratio is one of the lowest in the

world. The low tax revenue collection has constrained critical spending for longer-term economic development of the country, the IMF said earlier.

It recommended the government take tax revenue measures that yield an additional 0.5 percent of the GDP in FY2024. As such, the government promised the IMF that it would eliminate less effective tax

exemptions and simplify the tax rate structure to broaden the tax base and enhance voluntary taxpayer compliance. It also sought the IMF's technical assistance in analysing existing tax expenditures.

The NBR earlier shared with the IMF that it would assess tax expenditure such as rebates, discounts, exemptions and reduced rates of taxes for corporate income tax,

personal income tax and value added tax (VAT) as part of the budget for fiscal year (FY) 2024-25 and publish those before June 2024. The NBR also said it would use the analysis to identify measures to rationalise tax expenditures, which will be adopted in the budgets for FY25 and FY26.

As such, the tax administration has formed a team to be trained to estimate tax expenditures such as rebates, discounts, exemptions and reduced rates of taxes for the next two years, including a projection for the next tax year, fiscal 2024-25.

The team, led by an additional tax commissioner, started training at a workshop conducted by an IMF tax policy mission. It will submit reports within April 30, accord-

ing to a decision by the NBR. At the same time, IMF training will assist the authorities assess tax and VAT expenditures and identify revenue-raising measures for FY25 and FY26.

In its first review report, the IMF said Bangladesh would publish an initial tax expenditure report covering personal and corporate income taxes and VAT with the FY25 budget and update it in following years in order to increase revenue collection to cover priority spending.

As part of the exercise to assess tax expenditure, the government, while placing the budget for FY24, said the total estimated amount of direct tax expenditure for the FY21 was Tk 125,813 crore. Of the amount, the

amount of tax subsidies given to corporates accounted for Tk 85,314 crore while Tk 40,499 crore was given at the individual level.

Overall, direct tax expenditure was 3.56 percent of total Gross Domestic Product for FY21. The NBR said the total amount of projected direct tax expenditure for FY24 will be Tk 178,241 crore.

"At the workshop with tax officials yesterday, the IMF mission inquired about the ways tax benefits or exemptions were provided to taxpayers, and the sectors that have been given such benefits. They also wanted to know whether we do a cost-benefit analysis before offering tax subsidies," said a senior official of the NBR. "They also

wanted to know why we could not collect more taxes although there is potential," he added. At the workshop, the NBR presented its short-term and medium-term priorities for increased income tax collection. This includes expansion of the tax base, improvement in taxpayer services and plugging leaks.

The tax administration added that modernisation of tax infrastructure and increased inter-agency cooperation were other priorities.

However, it said the absence of evidence-based strategic action plans and integrated organisation-wide automation were major challenges to accelerating revenue collection alongside the narrow tax base and broad exemptions. ■

Policy Support Sought For Women Jewellery Entrepreneurs



The government should provide policy support to motivate women entrepreneurs to join the country's jewellery industry so that the sector flourishes and women empowerment efforts are bolstered, industry leaders have said. They also emphasised proper training and a safe working environment for women to help them engage in the industry while addressing a discussion of

the Bangladesh Jeweller's Association (BAJUS). The discussion titled "Role of Women Entrepreneurs in Development of Jewellery Industry" was held at the BAJUS headquarters at Bashundhara City Shopping Complex in the capital on March 8, marking International Women's Day. At the event, BAJUS former president Dilip Kumar Roy said the country will move forward when

men and women work together. "Women should be encouraged to work and an appropriate working environment should be created for them. Only then, women will move forward and the country as well," he said. BAJUS leaders also mentioned that women entrepreneurs should come forward to reduce gender disparity in the jewellery industry. They said there is a lack of gender equality in this sector and this equality should be implemented gradually. Women should be encouraged to join the sector. Farida Hossain, chairman of BAJUS Standing Committee on Women Affairs, presided over the session, while Member Secretary Selima Akhter, and members Mehjabin Morshed and Sonaly Sobnom spoke on the occasion. BAJUS media communication specialist Rashed Rahman Amit moderated the discussion. ■



Trade With Myanmar Thru Teknaf Comes To A Halt

Business Outlook Report

The bilateral trade between Bangladesh and Myanmar through the Teknaf land port came to a complete halt on March 3 due to the escalation of the fighting in Rakhine state between the government forces in the Southeast Asian nation and the rebel Arakan Army. This may send the prices of essentials, including onions and gingers, higher ahead of Ramadan in Bangladesh since a portion of the items are imported from Myanmar to meet domestic demand, local business people warn.

No vessels from Myanmar have docked at the port since Sunday, said Jasim Uddin Chowdhury, general manager of the privately run land port. The last vessels, which carried dry fish, coconut, and ginger, arrived on March 2, he added. Water vessels are used to import items from Myanmar through the port. The

trade with the neighbouring country is carried out under a bilateral agreement using bank drafts instead of letters of credit. The import from Myanmar had been decreasing since November after the Arakan Army launched attacks against the Myanmar military forces in Rakhine, which borders with Naikhongchhari upazila in Bandarban and Ukhiya and Teknaf upazilas in Cox's Bazar, Jasim said.

Before that, 15 to 22 vessels with goods such as chilled fish, pickles, dried fish, rice, dried coconuts, onions, gingers, and wood from the country used to dock at the port every day, he said. Since November, the number of vessels had dropped to five to seven. The imports have remained suspended now, he added. Shawkot Ali, owner of Chowdhury Traders, a Teknaf port-based importer, said the price of some essentials, including onions and

gingers, might rise ahead of Ramadan since the import of the items from Myanmar has almost stopped. He said the businessmen who import goods from Myanmar are now in a difficult situation as the two banks in Maungdaw and Sittwe that receive foreign demand drafts from Sonali Bank and AB Bank of Bangladesh don't have access to the telecommunication network.

Sittwe is the capital of Rakhine while Maungdaw is a town in the state. "We are importing goods under the demand drafts opened in January. When the demand drafts are all used up, there will be no way to import goods from the country," Ali said.

Owing to inadequate local production, Bangladesh has to rely on imports to meet the demand for onions and gingers, among other vegetables and spices. ■

**Specialized in EPC and
projects**

**ଋତ୍ବିକଆଫରୋଜ
ସୋଲାର**

**Solar powered
pump solution**

**Solar
Streetlight
solution**

**Solar telecom
solution**

**Roof top solar
power system**

**Solar home
system(SHS)**

ଋତ୍ବିକଆଫରୋଜ ରିନିଉଏବଲ ଏନାର୍ଜି ଲିମିଟେଡ

WORRIED ABOUT GAS SUPPLY TO YOUR INDUSTRY?

Omera
PRIORITY

**INDUSTRIAL LPG SOLUTIONS
TO SUPPORT YOUR
ENERGY NEEDS**



HOTLINE

16797



OMERA SUPPLIES LPG FOR

Boilers	Garments Industry
Industrial Dryers	Ceramic Industry
Furnaces	Metal Casting Industry
Kilns of Ceramic	Metal & Aluminium Industry
	Food Industry etc.

OMERA PRIORITY OFFERS

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

