

BNP Into The Labyrinth Of Political Chaos?

Fortnightly Magazine

# Business Outlook

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## Heatwave

**Bane For Consumers  
Boon For Businesses**

**Economic Growth Stutters**



**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

## Reign In Cooling Appliance Market

There is no doubt that the heat wave, which is now baking the country, is the result of climate change and we are the direct victims of it. But it came to pour water on a drowned mouse for the country's poor people. The government suspended classes in schools and colleges for a week from April 20 after temperature rose to 42.6°C in Jashore, a district in the coastal division of Khulna. On average, the temperature is hovering at 40 degrees Celsius after reaching season high 42.7 degrees Celsius in Chuadanga twice, which was much lower last year. When the poor have been facing a tough time for the high rate of inflation and paying extra bucks for all essentials, the heat wave has added to their costs. Those who are not used to using the fans for getting relief now have to look for buying the appliances. And the middle class or middle income group now has the desire to use air conditions to make the environment conducive. It's not unjust to have such a desire for the citizens whose GDP is growing. But there is no control of the government on the home appliance market across the country. Our report shows, like the previous year, the sales of ACs have increased 20 to 30 per cent in the past one month with the beginning of the summer. Local assembling companies that are dominating the market with around 85 per cent shares are making brisk businesses because of the high demand. There is no accurate market data on AC sales. Manufacturers and retailers estimate that 530,000 units were sold in 2023, increasing sharply from 330,000 units in 2022. They hoped that the sales in the current summer will continue to grow since the demand for ACs outside Dhaka, the country's capital, has grown with cent per cent electrification. However, the consumers have to pay at least Tk 2,000 higher for different types of air conditioners in the current summer. The price hike of ACs looked much higher going up by Tk 10,000 to Tk 15,000 per unit during the past one and a half years because of the dollar shortage. The households that cannot afford ACs have remained satisfied with fans. Still, they have to pay extra bucks to buy those. Fans are being retailed at Tk 9,500 from its previous price of Tk 7,000-Tk 8,000. A piece of fan previously costing Tk 3,000 is now selling for Tk 4,000-Tk 5,000, while fans previously worth Tk 4,000-Tk 5,000 are now selling for Tk 7,000-Tk 8,000. There might be some justified reasons for the price hike. But it is unjust to do business taking the advantage of the people's plight.

We want the government to have proper market monitoring to ensure that no manufacturer, trader or importer does brisk business cashing in on the situation. ■



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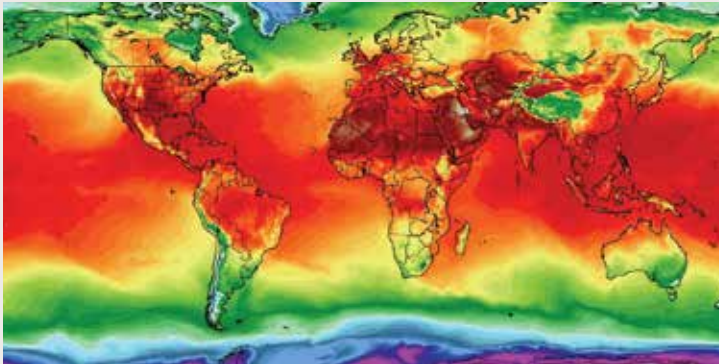
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## Chinese SBS Zipper To Invest \$20 Million In Economic Zone

Chinese company SBS Zipper Bangladesh Co Ltd is going to invest around \$20 million to set up a garments accessories manufacturing industry inside Bepza Economic Zone. The Chinese company will produce annually 271 million pieces of metal zipper, nylon and plastic zipper, slider, zipper parts, tapes, plastic button, button parts and mould, the Bangladesh Export Processing Zones Authority (Bepza) said in a press release. Some 2,063 Bangladeshi nationals will get employment opportunity in this manufacturing unit, according to the statement. Bepza economic zone is located inside the country's future industrial hub Bangbandhu Sheikh Mujib Shilpa Nagar in Mirsarai of Chattogram. Ali Reza Mazid, member for investment promotion of Bepza, and Weifang Shen, CEO of SBS Zipper Bangladesh Co Ltd, signed the agreement in the presence of Abul Kalam Mohammad



Ziaur Rahman, executive chairman of Bepza, at Bepza Complex in the city yesterday. Rahman thanked SBS Zipper for choosing Bepza economic zone as their investment destination and assured the company of providing all sorts of support round-the-clock to start their production and exports. ■

## NBR Exempts Tax On Interest From Offshore Bank Deposits

The National Board of Revenue (NBR) has exempted tax on interest or profits derived from offshore banking units by any depositor or non-resident loan granters. The income tax wing of National Board of Revenue (NBR) has exempted the tax by issuing a Statutory Regulatory Order (SRO) on April 22. In the SRO, the NBR said it has exempted the tax as per the Offshore Banking Law 2024. With the SRO, the interest amount of offshore bank deposits and loans would get exemptions from payment of taxes at a rate of 20%. A senior tax official said they have offered the waiver following the offshore banking law in a bid to boost the country's foreign currency reserve. ■



## 5 Bangladeshi firms showcase technical textile products



The Export Promotion Bureau (EPB) is leading Bangladesh's presence at the prestigious international trade fairs "Techtextil and Texprocess 2024" by gathering five companies to showcase the country's excellence in technical textiles and highlight Bangladesh's strong dedication to both the events. The companies are Akij Jute Mills, M & A Sourcing, Nex Zen Apparels, Sme Apparels, and Team Manufacturing BD. The fairs commenced on April 23 and will continue till 26 April in Frankfurt, Germany, according to a press release. Techtextil, renowned as the leading international trade fair for technical textiles and nonwovens, is being held alongside Texprocess, which exhibits the latest in garment and textile manufacturing machinery and services, all at the same venue. With over 1,600 exhibitors representing approximately 50 countries, these premier international trade fairs provide a platform for showcasing the latest advancements and innovations. ■



## Deposits Safe In Banks Being Merged

Money deposited by individuals and institutions with banks, which have decided to go for mergers, will remain completely safe and secure, Bangladesh Bank said in a statement on April 23. The assurance came about amidst the depositors rushing to the bank branches to withdraw their funds over apprehensions centring the mergers. The accountholders of the banks will be able to continue to maintain their respective accounts after the mergers, the central bank said in the statement sent to the media. Moreover, the merger process will be completed with the consent of the sponsor directors, boards of directors and general shareholders of the banks, it said. All associated activities will be carried out following the guidelines for merger or amalgamation of banks and non-bank financial institutions issued on April 4, it added. ■



## Journos Protest Against BB Entry Restrictions



Economic journalists are protesting against unannounced restrictions on their access to Bangladesh Bank premises to collect data as the central bank struggles to address a range of financial issues plaguing the country. For about a month journalists cannot enter the central bank as before, while some new dubious policies and the country's consistent financial problems make the information available at central bank potent tools to criticise state policies. From now on, journalists will only be able to visit BB spokesperson Mezbaul Haque using a special permit, the spokesperson told journalists on April 25. Journalists will also be able to visit other officials of the bank if the officials issue permits. But they will no longer be able to freely enter any department of the central bank as before, Mezbaul added. The central bank has imposed the restrictions at a time when the country's financial sector is reeling under the combined weight of various problems. ■

## Next Budget Will Focus On Controlling Inflation

Waseqa Ayesha Khan, state minister for finance, has said in the next national budget the government will emphasise controlling inflation and boosting remittance and exports. She said this while speaking as the chief guest at a pre-budget roundtable discussion, organised by the Institute of Cost and Management Accountants of Bangladesh (ICMAB), to recommend its proposals for the FY2024-25 national budget. The event was held in a hotel in the capital on April 23. The government is also working to create an investment-friendly environment ensuring uninterrupted electricity and power supply, she said. She also assured that the government will continue to focus on infrastructural, ICT and human resource development, and short- and long-term revenue strategy for sustainable economic growth. Other speakers at the event also highlighted the need for nuanced adjust-



ments in fiscal and monetary policies to address issues such as exchange rate stability, currency policy, and balancing export-import dynamics. The importance of encouraging household savings, broadening the tax base, enhancing reserve buffers, and controlling the prices of daily commodities were also focused. ■



# BNP Into The Labyrinth Of Political Chaos?

*SMS Hasan*

**T**he question -- whether the opposition BNP is losing or gaining in politics -- has been doing the rounds in the political circle. Now all are of the opinion that BNP has totally failed to manoeuvre the anti-government movement and the ruling Awami League has been in the driving seat with full control of the country's politics. The BNP totally failed to implement its plan regarding the oust-government movement while Awami League has been successful in achieving its target through the 2024 general election. Less than 15 percent of people went to the polling centres, but the Awami League defended such an election through "deals" with foreign forces. Finally, the foreign forces accepted

the election held without people's participation and also boycotted by major political parties. The BNP failed to launch any campaign to show the international community that it was a faulty election. After the election, it just pulled out from the political game leaving the ground to the ruling party. Possibly, such a thing never happened in recent history in any country. And Now the party has been paying the price for its wrong strategy and political failure. Many believe that the global geo-politics favoured the Awami League and its leader Sheikh Hasina took the full advantage of it while BNP could not understand the global trend of the geo-politics. Rather, it trusted and depended on the foreign forces without making any "deal"

with them. BNP's belief was a part of simplicity and in the political game, simplicity cannot yield any result. Politics is a game of thrones and a kind of aggressiveness can only give success to its players. But the BNP fully failed to show that aggressiveness, dedication and commitment. Now the party has been facing a great challenge in regard to the upazila elections, the first election to the local body after the general election was held. The BNP decided to boycott the elections in continuation of its boycott movement. It instructed its leaders and activists to refrain from participating in the elections. But many local leaders are not following the party directives. Rather, they are contesting the elections and BNP has already



expelled more than 70 leaders from the party. Such expulsion definitely will weaken the party. This is a great dilemma for BNP. Will the BNP afford this when a huge number of its leaders and activists are in jail in false cases. Definitely, it will be a big challenge for the BNP to keep united on the issue of elections. Another

leaders of BNP and its associate bodies who are contesting the post of chairman, vice chairman and female vice chairman in the first phase of the upazila polls in violation of the party's decision have been expelled from all party positions, including its primary membership. Of them, 28 are vying for the post of upazila chairman while

matter. In the meeting, senior leaders of Awami League handed over a bundle of leaflets to leaders of its associate bodies, which narrated why voting is important and why general voters should go to the polling booths in the upcoming countrywide elections. Some central leaders of Awami League anonymously said in the last couple of elections, there was a low voter turnout across the country, whether the election was local or national.

Realising this issue, the ruling party high command is trying to ensure a good voter turnout in the upazila elections. That's why this time, Awami League did not field any party candidate for this election and even discouraged party lawmakers' relatives from entering the electoral race to make the election more competitive.

Afzalur Rahman Babu, general secretary of Awami Swachchhasebak League, a volunteer wing of Awami League, said: "We received leaflets from the central leaders and will distribute them across the country to inspire voters to cast their votes in the Upazila Election."

Daisy Sarowar, president of Jubo Mohila League, a women's wing of Awami League, said: "Our leaders and activists from the central to ward levels have received instructions to distribute these leaflets nationwide so that voters can realise why they should go to the polling centres. We will showcase the development works of the Awami League government, led by our party President Sheikh Hasina, to attract voters in these local elections."

During the meeting with journalists, Awami League General Secretary Obaidul Qader urged the countrymen to exercise their constitutional rights in the upcoming upazila polls. He also mentioned that vested quarters are active in the country, demotivating general voters from casting their votes. Awami League Presidium Members Matia Chowd-



*BNP Senior Joint Secretary General Ruhul Kabir Rizvi*

challenge is to revive its anti-government movement. Before the January 7 election, it was a big success on the part of the BNP to unite all the opposition parties and bring them into a single platform to boycott the elections. But after October 28, indecisions and unplanned movement put its capacity and credibility into question. If and once a political party lost its credibility and failed to show capacity, it is really tough to sustain in politics. Only a dynamic leadership and dedication can save a party in such a great challenge.

### ***Upazila Elections: 73 BNP Leaders Expelled***

The BNP has expelled 73 grassroots leaders for taking part in the first phase of upcoming upazila elections violating the party's decision. The punitive action was taken against the party leaders as per its constitution, said a press release, signed by BNP Senior Joint General Secretary Ruhul Kabir Rizvi, on April 26. It said the 73

24 for the vice-chairman post and 21 for the position of female vice-chairman. A total of 152 upazilas across the country will go to polls in the first phase on May 8 as per the schedule announced by the Election Commission. The elections to a total of 492 upazilas will take place in four phases. The second phase will be held on May 23 while the third phase on May 29 and the fourth phase on June 5. The BNP high command earlier decided not to join any elections under the current government and the Election Commission.

### ***Upazila Elections: AL's Focus On Voter Turnout***

The ruling party, Awami League, is focused on ensuring a good voter turnout in the upcoming upazila parishad elections. On April 23 afternoon, Awami League General Secretary Obaidul Quader sat with the party's central leaders and top leaders of its associate bodies, where he instructed everyone regarding the



hury, Kazi Zafrullah, Abdur Razzqau and Kamrul Islam, as well as Joint General Secretaries Mahbubul Alam Hanif and AFM Bahauddin Nasim, among others, were present at the meeting. Abdus Sobhan Golap, publicity and publication secretary of Awami League, presided over the meeting.

### **EC: No Chance Of Violence**

The Election Commission (EC) has said it does not see any threat of violence centring on the upcoming upazila parishad polls. Responding to a question from journalists, Election Commission Secretary Md Jahangir Alam said according to the reports of intelligence agencies, there will be no violence this year and the polls will be competitive. Many are participating without their party symbols. Additionally, multiple candidates from a single party have opted to boycott the election, yet some of their supporters are still actively participating in the polls. He mentioned that the deployment of law enforcement personnel, including Border Guard Bangladesh, will exceed that of the national election for the upcoming upazila polls. Mentioning that any citizen can legally participate in the election, the EC secretary said the Awami League has forbidden many family members of their public representatives from participating in the polls. "It's not a law, it's a party decision. Legally, any citizen can be a candidate," he added. Meanwhile, the Election Commission has decided to postpone the upazila parishad elections in Thanchi, Rowangchhari and Ruma upazilas of Bandarban due to ongoing joint law enforcement operations. The commission will reschedule the elections for these three upazilas at a more convenient time.

### **Upazila Polls: AL's Action Against Violators Of Party Decision**

Several relatives of Awami League lawmakers are set to partake in the initial phase of the upcoming upazila parishad elections violating the

party's directives, but Obaidul Quader, hinting at disciplinary action, has said he remains hopeful that they will pull out of the race before it is too late.

Even though the deadline for withdrawing candidacy, as set by the Election Commission, had passed, there was still room for action as candidates could rescind their nominations right up until the day before the election, Quader, also the road transport and bridges minister, said at a press conference at the Awami League's Dhanmondi office on April 24 morning. Implying measures against the lawmakers disobeying the party's decision, the minister said:



*Election Commissioner Ahsan Habib addressing reporters after a view exchange meeting in Barisal on April 27, 2024*

"We have provisions for disciplinary action in our party... we made some decisions before the national parliament election."

In the last national election, many incumbent Awami League MPs had not received the party's endorsement, and some ministers had been dropped from the Cabinet, he said. "So our party makes proper and timely decisions."

### **Quader: BNP Sees Darkness In Daylight**

Awami League General Secretary Obaidul Quader on April 26 said BNP always sees darkness in the

daylight and that's why they could not see the development of the country. "Although Pakistan admires the development of Bangladesh, the opposition could not see the development as they [BNP] see darkness in the daylight", he said.

Quader made the comment while addressing a press briefing organised at the Awami League President Sheikh Hasina's political office at Dhanmondi. Calling the BNP leaders to take real lessons from a recent speech made by Pakistani Prime Minister Shehbaz Sharif, the Awami League general secretary said the Pakistani premier feels ashamed when he sees the progress and height

of Bangladesh. "Once East Pakistan, now Bangladesh, was a burden to them ...but now it has made a lot of progress and I feel ashamed to see such development", said Quader quoting the Pakistani PM as saying,

BNP usually makes propaganda, so there are a lot of real true lessons for BNP to take from the statement made by the Pakistani Prime Minister, he added. Pakistani Prime Minister Shehbaz Sharif lauded the economic development of Bangladesh in his address at a view-exchange meeting with the representatives of the business community at the residence of the chief minister of

Sindh province in Karachi on April 25. "They feel ashamed now to see the economic growth of Bangladesh while 'East Pakistan' was thought a burden for Pakistan. But they [East Pakistan now Bangladesh] have made surprising progress in industrial growth," said Shehbaz Sharif in his address.

Highlighting the current conflicting situation across the world, the Awami League general secretary said: "We are watching with concern that the Russia-Ukraine and Israel-Palestine-Hamas conflicts have overheated the global situation." The Israeli prime minister has launched an aggressive attack ignoring global

present at the press conference.

### **Rizvi: AL Govt Is Afraid Of BNP, Lacks Popular Support**

BNP Senior Joint Secretary General Ruhul Kabir Rizvi on April 19 said the government is depriving many leaders of the party of fresh air and daylight by throwing them into the jails.

Rizvi said it in a sit-in program in front of the National Press Club organised by Zia Projanmo Dal (ZPD) demanding the release of BNP chairperson Begum Khaleda Zia and other imprisoned leaders. The jails have turned into permanent residences for many BNP leaders and activists as without any reason they have been

as imprisonment, making 'Ayana Ghar for torture, use law enforcement agencies to kill opponents and use party cadres to thrash the oppositions," said the BNP leader. The Awami League government imprisoned 25 to 26 thousand BNP leaders and activists before the January 7 dummy election, he claimed.

A large number of BNP men still remain in prison while a few walked out after serving 3-4 months jail terms, he said. Rizvi said does the government has any honest answer as to why so many BNP members are being put in jail. The prime minister is doing this only to retain her illegally gained state power, he alleged.

### **Islami Andolan Calls Nationwide Protest Rallies For May 3**

Islami Andolan Bangladesh (IAB) will stage rallies across Bangladesh on May 3 protesting the lynching of two brothers by a mob in Panchpalli village of Dumain union in Madhukhali, Faridpur. Party's senior nayebe-ameer Syed Muhammad Faizul Karim said this at a rally held in the Baitul Mukarram National Mosque area of the capital on April 26. From the rally, they will give a warning signal to the government, said Faizul Karim. "Even then, if the government does not pay attention, we will be forced to give more tough programs later," he said. The protest organised by Islami Andolan Bangladesh Dhaka Metropolitan North and South was presided over by the organisation's Dhaka Metropolitan North President Principal Hafez Maulana Sheikh Fazle Bari Masood. A protest procession defying the heatwave passed through Baitul Mukarram North Gate, Paltan intersection, Bijoy Nagar and came back to Paltan intersection and ended with a short speech.

Two construction workers, both siblings, were killed by a mob on suspicion that the duo set fire to a Hindu temple in Dumain Union under Faridpur's Madhukhali upazila recently. Five more workers sustained severe injuries in the mob attack. Two of them were hospitalised. ■



*Islami Andolan Bangladesh brings out a procession in Paltan area recently protesting the lynching of two brothers by a mob in Faridpur*

opinion, he added. Under the circumstances, Quader said: "Our leader Sheikh Hasina has taken a strict position against the war. She called upon the world leaders to stand against all kinds of aggression and to say 'no' to wars," he said.

Awami League Joint General Secretary AFM Bahauddin Nasim, organising secretaries BM Mozammel Huq, Mirza Azam, Afzal Hossen, and Sujit Roy Nandi, Health Affairs Secretary Dr Rokeya Sultana, Cultural Affairs Secretary Ashim Kumar Ukil, Deputy Office secretary Sayem Khan and executive member Shahabuddin Farazi, among others,

imprisoned for months, he said. "Top BNP leaders like the secretary general, standing committee members, vice-chairman, joint secretary general have suffered prison terms for three-four months before their release recently," he alleged.

Sheikh Hasina's policy to imprison BNP leaders and activists is not finished yet, he charged. The PM, he said, is afraid of the BNP and knows that there is no popular support for her. A government lacking support of the people turns autocratic, Rizvi said adding, it suppresses the people when they raise their voice for rights. "They resort to all means of suppression such





# Bank interest Rate Spread Exceeds 5% After 9 Years

*Business Outlook Report*

**T**he weighted average interest rate spread in the local banking sector exceeded 5% in February after 2015, driven by rising lending rates. According to Bangladesh Bank data, the overall interest rate spread rose to 5.04% in February 2024 compared with 4.66% in December 2023, and significantly up from 2.93% in June 2023.

The spread was highest after February 2015 when it was at 5.04%. The introduction of a lending rate cap at 9% from April 1, 2020 led to a sharp decline in the interest rate spread at that time. However, the spread began to increase after the central bank removed the 9% lending

rate cap in July the following year. Currently, some banks are charging close to 13% for loans, while deposit rates have been increasing gradually, albeit slower than lending rates, contributing to the spread reaching 5%. They said that lending rates typically rose before deposit rates. Banks assess deposit rates in competitors before raising the rate, they said.

They said that an increased interest rate spread contributed to attaining higher operating profits by banks. In February, banks offered an average interest rate of 5.01% for deposits and charged an average of 10.05% for loans, resulting in a spread of 5.04%. In comparison, in February 2023 banks offered an

average deposit rate of 4.31% and charged 7.27% for loans, resulting in a spread of 2.96%. The Bangladesh Bank scrapped the limitation of keeping spread below 4% in November 2023 as lending rate is now connected with Smart. To ensure sustainable business operations, banks must maintain a certain profit margin.

Bankers attribute the recent increase in lending and deposit rates to the central bank's shift from a monetary targeting framework to an interest rate targeting framework to curb inflationary pressures. Under the new framework, the lending rate for banks is determined by adding a 3.5% corridor to the six-month

moving average interest rate (Smart) of the 182-day treasury bill. This shift has led to an increase in policy rates, prompting banks to raise lending and deposit rates to make financing more expensive.

While lending rates have been raised, there has been no systematic increase in deposit rates, which has resulted in deposit rates remaining significantly below the country's inflation rate, which has been above 9 per cent for the past six months. The inflation rate was 9.66% in February against a deposit rate of 5.01%. Therefore, many people were reluctant in keeping their money in banks, which adversely affected deposit growth in the banking sector. ■

# IFC, BB To Boost Digital Payment Adoption



## Business Outlook Report

**I**n a development aimed at advancing digital finance in Bangladesh, the International Finance Corporation (IFC) and Bangladesh Bank have formalized a new agreement.

With the sponsorship of the Australian government, this agreement aims to support Bangladesh Bank in creating conducive environment for the widespread adoption of digital payments within the country.

Through targeted efforts, the IFC-Bangladesh Bank partnership intends to overcome prevailing challenges and pave the way for a more seamless digital payment landscape in Bangladesh. The

Bangladesh economy has reached an inflection point in digital finance with the adoption of mobile financial services and digitalization of banking facilities in the country.

The adoption and acceptance of digital payments particularly in small businesses is the next critical step for a drive toward a cashless economy.

The project aims to support Bangladesh Bank in issuing new policy to drive digital payment adoption, conduct country-wide outreach programs, and to increase digital payment adoption by 25% by 2027. Martin Holtmann, country manager for Bangladesh,

Nepal and Bhutan at IFC, said: "Access to innovative, efficient, affordable, and sustainable financial products is crucial for inclusive growth. This project will successfully harness the power of digitalization to overcome barriers and unlock the full potential of the payment industry creating a foundation for deepening digital financial products beyond payments such as saving, lending, investment and beyond. We are committed to fostering financial inclusion and catalyzing the transition towards a digitally enabled economy in Bangladesh." Md Mezbaul Haque, executive director and spokesperson of Bangladesh Bank, said: "To align our

national vision Cashless Bangladesh we want to create an ecosystem where every need for a payment can be done digitally without touching cash. To achieve this goal, we must facilitate digital payments, especially Bangla QR and Taka pay to the doorsteps of every citizen. Bangladesh Bank has a long history of working with IFC, and this project is a continuation of our cooperation."

Deputy High Commissioner Clinton Pobke of the Australian High Commission Dhaka said: "The IFC-Bangladesh Cashless Digital Bangladesh project is an important step in Bangladesh Bank's ambitious agenda to roll out faster, more convenient and secure digital payment technologies. Understanding the prevailing market conditions that hinder the development and adoption of e-payment products presents a huge challenge for regulators seeking to foster innovation, as we know full well from Australia's own experience with digital transformation. Australia is very proud to support the Bangladesh Bank and IFC in this journey through our Bangladesh Economic Engagement Program (BEEP) Fund." ■





# 11 Years After Rana Plaza: From Unsafe Industry To Green Revolution

## *Business Outlook Report*

**A**fter one of the worst industrial accidents on record, the multi-billion-dollar ready-made garment (RMG) industry took a good hard look at itself and has implemented commendable changes in the past eleven years.

This April 24 marks the 11th anniversary of the fashion industry's worst tragedy: the collapse of the Rana Plaza building, killing 1,138 people. The catastrophic death and injury toll was caused by a deadly mix of fashion brands ignoring dangerous factory conditions.

Most of the RMG factories were non-compliant during this time.

Currently, Bangladesh is home to 215 Leadership in Energy and Environmental Design (LEED) certified green factories, the US Green Building Council (USGBC), and over 550 are waiting for certification. After implementing several changes, the RMG industry has seen a year-on-year rise in export earnings. According to the Export Promotion Bureau (EPB), and the manufacturers, RMG exports from Bangladesh have more than tripled, from \$14.6 billion in FY2010–2011 to \$46.99 billion in 2022–23

### *A Journey Towards Safety*

The RMG industry saw a massive shift in workplace safety in the last

eleven years. Accord on Fire and Building Safety in Bangladesh, and the Alliance for Bangladesh Worker Safety, are the two bodies that have assisted factory units to transform their fire, structural and electrical safety measures.

BGMEA President SM Mannan Kochi said that the Tazreen Fashion fire (November 24, 2012) and the Rana Plaza collapse were a lesson for the country. "We invested crores of taka to make a factory compliant geared towards stopping further industrial accidents," he added.

A recent McKinsey report dubbed Bangladesh's RMG sector as a

frontrunner in transparency regarding factory safety and value-chain responsibility, thanks to initiatives launched in the aftermath of the Rana Plaza disasters. McKinsey also highlighted the fact that more than 1,500 Bangladeshi companies are certified by the Global Organic Textile Standard, which is the second highest number in any country in the world.

A recent survey report unveiled by Hong Kong-based supply chain compliance solutions provider, QIMA, ranked Bangladesh second in "Ethical Manufacturing" with a score of 7.7 only behind Taiwan which scored an 8. BGMEA immediate past president Faruque Hassan said that now it can be said that every RMG factory is following the safety guideline, and workers are working without fear. "In the last couple of years, there has not been any fire or building collapse in the RMG sector, except for a few isolated incidents," he added. BGMEA Director Mohiuddin Rubel said that almost 100% of factories in the country have been inspected and remediated. Fatullah Apparels, a knitwear manufacturing factory in Narayanganj was unsafe even after the accident. But currently it's the world's top knitwear factory certified by the USGBC.

The factory's Chief Executive Officer (CEO) Fazlee Shamim Ehsan said: "After the Rana Plaza collapse, the global community criticized us. But now they want to know how we made this great improvement. "After the incident, we planned to ensure factory safety and earn a reputation. We have finally achieved it."

### **A Green Revolution**

Before the Rana Plaza accident, there were only two green factories in the country. But now, Bangladesh has by far the highest number of green garment factories in the world. Among 215 Leed-certified

green factories, 81 are platinum, 120 are gold, 10 are silver, and four are certified factories. Moreover, nine of the top 10 Leed-certified RMG factories are located in Bangladesh, including the top two. Another 550 factories are in the pipeline. BGMEA has been awarded the 2021 USGBC Leadership Award by USGBC for green initiatives in the local apparel industry.

Currently, the country has over 2,500 readymade garments in operation and all are following compliance guidelines, and fire and structural security issues making Bangladesh's RMG factories one of the safest in the world. In 2013,



Razia Begum was working at an apparel factory in Ashulia. She said fire incidents were common in RMG factories six to seven years ago and workers had to work amid fear.

She also said workers had no rights at the time while factories did not follow the labour law and the wage board. "Now the situation has changed, especially in terms of workplace safety. We feel safe at work now."

### **Safety Committee**

The Accord and Alliance increased workers' knowledge of their safety

and most garment manufacturers established a safety committee following the requirements for compliance. "The biggest paradigm shift since Rana Plaza has been the safety culture that has been developed through public-private partnerships in the factories," said Mohiuddin Rubel.

"After the tragic building collapse, the government, ILO, local and international labour federations and brands took unprecedented initiatives through the formation of National Action Plan, Accord and Alliance," he added. Strict And Safer Subcontracting Guidelines The Rana Plaza collapse demon-

strated how important the subcontracting issue was. The Ministry of Commerce has since released guidelines for managing subcontracts. The requirements state that the factories must have an inter-bonding arrangement and be current members of the BGMEA or BKMEA.

If subcontracting is necessary, the original manufacturer will notify the buyer in advance and offer the contact information for the subcontract manufacturers, according to Mohiuddin Rubel. The rules further stated that only compliant factories would be qualified to



perform the work of subcontractors. Earlier, Fazlee Shamim Ehsan, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) said that the membership criteria have changed a lot since Rana Plaza and they have almost succeeded in bringing the existing members under compliance.

The guideline for new members is zero tolerance and they are not giving memberships unless it is a 100% compliant factory.

### **RMG Sustainability Council**

To carry forward the progress made by the unilateral safety regimes and to establish national monitoring, the RMG Sustainability Council (RSC) was established. It has taken over the monitoring regime as of June 1, 2020, bringing the Bangladesh RMG safety monitoring regimes under one umbrella.

RSC is governed by an equal number of representatives from brands, manufacturers and trade unions. All policies and procedures developed by the Accord, including consensus-based decision-making and standards for all health-safety protocols, have carried over to the RSC.

### **Minimum Wage**

The government announced the new minimum wage for the ready-made garment (RMG) workers at Tk12,500 on November 7, effective from December 1 of the last year. Of the new wages, 63% of it will be basic pay. The new minimum wage will be effective from January, with their December wages. Moreover, Bangladesh also amended its labour law twice – in 2013 and 2018 – to safeguard workers' rights and to ensure safety at the workplace, and another amendment on the card.

### **Underlying Challenges**

Rights activists, brands, and foreign partners said that workers are still deprived of their rights though

Bangladesh has improved workplace safety.

They said standard wages have not yet been established, there are barriers to joining trade unions, the Export Processing Zone (EPZ)



labour law does not allow the formation of trade unions, and worker harassment still exists.

Rana Plaza It is considered the deadliest accidental structural failure in modern human history, the deadliest garment factory disaster in history, and the deadliest industrial accident in the history of Bangladesh.

Joly Talukder, general secretary of the Bangladesh Garment Workers Trade Union Centre, said that 11 years have already passed and the Rana Plaza case trial is still going on.

Even Sohel Rana, the owner of Rana Plaza, got bail recently, though the apex court later stayed it, she said.

“The rest of the culprits have already got bail. Where is justice? It is alarming for us all.”

According to Blast, although 11 years have passed since the collapse,

a single case out of 20 is yet to be settled.

Salauddin Swapan, a labour leader and member of Industrial Bangladesh Council (IBC) the factories have undergone a lot of environ-

mental improvements since the Rana Plaza tragedy, but it is disappointing that those responsible for the incident have not been brought to justice in the last eleven years.

Moreover, in the tripartite RSC, the workers do not have bargaining power so many of their demands are not being met, he added.

“As much as the safety committees were active during the Accord and Alliance, it has somehow faded under the RSC. Moreover, commodity prices are skyrocketing, and in this situation, not reforming the minimum wage is also a big challenge,” he added.

Another drawback is that despite many recent incidents of fires, most factories catering to the domestic market are reluctant to comply with safety regulations as eyes are fixed on the export-oriented RMG industry since the Rana Plaza incident. ■

# Bangladesh Fails To Hook Higher Share Of Global RMG Demand Rise



## *Business Outlook Report*

**B**angladesh has failed to capture a larger share of increased global demand for apparel in 2024 as China is outpacing Bangladesh in terms of receiving export orders, according to a Quality Inspection Management report.

QIMA, a leading provider of supply chain compliance solutions, in its

second quarter, 2024 barometer titled ‘Q1 Procurement Uptick: a Beacon of Hope for Western Retail?’ said that after a year of sluggish demand, the first quarter of 2024 witnessed a rise in sourcing volumes across the board, both in overseas supplier regions and nearshoring markets.

It showed that global demand for textile and apparel inspections and

audits from garment manufacturing countries, including Bangladesh, increased over 20 per cent in the Q1 of 2024 while China was experiencing resurgence in popularity among apparel brands, its competitors in Asia and beyond were keeping pace.

According to the report, both United States- and European Union-based brands stepped up their

procurement in Bangladesh, instilling optimism that the country’s export sector would perform better this year compared with 2023, when a political crisis halted a significant portion of Bangladesh’s manufacturing.

Citing a recent initiative of the government, QIMA expressed its doubt whether the optimism would pan out remains to be seen, as the industry has some



concerns about the Bangladeshi government's policy move to reduce cash incentives for garment exports.

The recent data also reflected that Bangladesh's apparel exports have been witnessing deepest drop among its competitors, including China and Vietnam, in the US and the EU markets. In 2023, QIMA data showed that

China's manufacturing capacities remained robust among buyers in other parts of Asia, as well as in Latin and South America, with double-digit growth in inspection and audit demand across the board,' the report said.

This barometer report, informed by QIMA's data on product inspections and factory audits, as well as its recent survey of more than

president Fazlul Hoque agreed with the findings of QIMA and said that Bangladesh was getting little benefits from the recent surge in global demand for the apparel due to the increasing production cost.

He said that China had desperately decreased the prices of products to gain the lion share of the increased demand for

ment of Commerce's Office of Textiles and Apparel reveals that Bangladesh significantly lagged behind its competitors in apparel exports to the US market during the January-February period of 2024.

According to OTEXA data, Bangladesh's apparel exports to the US in January-February 2024 declined by 19.24 per cent,



much of China's growth was driven by emerging regions' demand, Q1 '24 saw the appetite for made-in-China bouncing back in the West. Demand for China inspections and audits among US-based buyers grew by 12 per cent year on year, while among European brands, the growth was even faster.

Especially from buyers based in Germany the growth was 35 per cent, France 30 per cent, and the Netherlands 33 per cent, the QIMA data showed. 'Meanwhile, interest in

800 businesses, offers an early glimpse into the state of the sourcing landscape in 2024 and expectations for the upcoming months. According to the survey, two-thirds of respondents globally reported plans to maintain or increase business volumes with Chinese suppliers in 2024.

It showed that 59 per cent of buyers in the US and 68 per cent of those based in the EU expressed similar intentions. Former Bangladesh Knitwear Manufacturers and Exporters Association

apparel on the global market. 'It is fact: Bangladesh is losing its competitiveness on the global market due to the increased production cost and our competitors, including China and Vietnam, grabbing more export orders,' BKMEA executive president Mohammad Hatem said.

He said that the excessive hike in prices of gas and electricity and recent increase of workers' wages affected the competitiveness of the sector. Recent data from the US Depart-

contrasting with China's export growth of 0.48 per cent and Vietnam's increase of 0.14 per cent in the same period.

Similarly, Eurostat, the statistical office of the European Union, showed that Bangladesh's apparel exports in January-February 2024 saw a decline of 26.74 per cent, in the 27-nation economic bloc, while the exports of China decreased by 13.12 per cent and Vietnam declined by 10.77 per cent in the period. ■



# IMF Calls For Smaller Budget Amid Low Revenue Receipts

## *Business Outlook Report*

**A**s Bangladesh continues to underperform in revenue collections, the visiting mission of the International Monetary Fund (IMF) has suggested the government formulate a smaller-than-usual national budget to minimise the deficit.

The recommendation came as an eight-member delegation, led by Chris Papageorgiou, began the

second review of the multi-lateral lender's \$4.7 billion loan programme on April 24. The release of the third tranche of the credit support in June will rely on the positive outcome of the visit.

The mission will hold several meetings with several key government institutions, including the finance division, the Bangladesh Bank, and the National Board of Revenue (NBR) till June 8. On April

24 the finance division presented its projection on the upcoming budget and the revised budget for the current fiscal year before the IMF team.

According to the projection, the size of the budget for 2024-25 will be Tk 7,96,900 crore, which is 4.6 percent bigger than the current budget. Usually, the budgetary allocation is swelled by 12 to 13 percent every year. The budget for 2023-24 is 12.35 percent

higher than the previous one.

The IMF mission suggested that the upcoming budget, which will be unveiled in the first week of June, should be smaller than the projection, citing a low revenue collection, according to a number of finance ministry officials who attended the meeting. In the current context, the budget deficit should be narrowed to contain inflation and meet the IMF



targets. More spending control measures are also required, IMF officials said. There is a scope to reduce the budget size by cutting expenditures on subsidies, they said. Finance ministry officials told the IMF that they were preparing the national budget in line with the government's political vision, the election manifesto, and the 8th Five-Year Plan. The targets of the loan programme will be monitored separately, they said.

They added the government has already cut the size of the budget for FY25 and spending measures would be tightened. The budget deficit has been targeted at 5.2 percent of GDP for FY24. It is projected at 4.6 percent for the next year. At the meeting, the IMF officials expressed their disappointment over the slow reform in the revenue sector and voiced concerns that Bangladesh may not be able to achieve the collection target set by the lender for FY24. The government will have to raise Tk 3,94,530 crore in tax revenue by the end of June.

The receipts may stand at Tk 3,80,000 crore in FY24. Collection by the NBR rose 15 percent year-on-year to Tk 259,866 crore in the July-March period of the current fiscal year. The government initially tasked the NBR with the goal of collecting Tk 430,000 crore in FY24 before revising it down to Tk 410,000 crore. For the 11th consecutive year, the state agency missed its tax target in

FY23 amidst economic slowdowns and ambitious goals set by the government. Finance ministry officials admit that although the government attained the IMF targets set for December and March, it may not be able to achieve the June target and fall behind slightly.

The IMF mission will hold

reserves have not improved since the loan programme was rolled out.

The government was given a target to keep a minimum net international reserves (NIR) of \$17.78 billion for December 2023. The country fell short of the target by \$58 million. The goal for June last year was \$23.74 billion. However,

the mission's meetings with the senior officials of the Bangladesh Bank, especially deputy governors, executive directors and directors of different departments.

In March, inflation rose 9.81 percent following a 9.67 percent spike in February. The central bank has targeted to limit it to 7.5



a meeting with the NBR during the visit when it is expected to discuss in detail the revenue sector reform and collection. Since it approved the loan in January last year, the multilateral lender has released \$1.16 billion in two tranches.

In 2022, Bangladesh turned to the global lender after its foreign currency reserves plunged to a critically low level amid higher import bills, leading to a sharp depreciation of the taka and an unprecedented level of inflation, hurting the poor and derailing the economic growth trajectory. The

country had a reserve of \$19.56 billion at that time.

Yesterday's meeting also discussed the NIR targets for March and June. The country may not fulfil the targets as well since there is no sign that the forex reserve situation will see a significant improvement any time soon.

### ***IMF Asks Why Inflation Is Not Falling***

The IMF mission sought explanations from the central bank about why the monetary policy is yet to rein in higher inflation, said a number of central bankers. The query came at

percent in June. To curb the elevated level of consumer prices, the policy rate, the rate at which the central bank lends to financial institutions, has been increased to 8 percent since the tightening cycle began in May 2022.

The mission suggested the monetary policy committee explore whether there is any scope for additional monetary policy moves to control the runaway inflation. In response to the queries, central bank officials said the banking regulator has taken steps to bring down inflation and if needed, it will take further initiatives. ■



# Economic Growth Stutters

*Apu Ahmed*

**T**he economic engine of Bangladesh is sputtering with the gross domestic product (GDP) growth nearly halving in the second quarter of the current financial year compared to the previous one. The roadblocks that have triggered the slowdown include a shortage of dollars, high inflation, and sluggish activity in the industry and service sectors.

## *Quarterly GDP Projection*

The country's GDP growth was 6.01 per cent in the first quarter (July-September 2023) of 2023-2024 fiscal year. However, the growth dropped to 3.78 per cent in the second quarter (October-December). It is also the lowest since the third quarter of FY23 when the Bangladesh Bureau of Statistics (BBS) calculated the GDP growth at 2.3 per cent. The economic growth rate was 6.92 per cent in the last

quarter (April-June) of FY23. The BBS has been making the quarterly GDP growth update since February when it released the first quarterly GDP growth of FY24. It said it was making the quarterly GDP as per the decision by the government taken in 2020 and suggestions under the \$4.7 billion loan programme with the International Monetary Fund.

## *Sluggish Activities*

The sluggish activities in the industry and service sectors were the main reasons for the slump in overall economic activities in the second quarter amid the persistent dollar shortage as well as high inflation. The BBS update showed that the agricultural sector grew by 4.65 per cent in the second quarter of FY24 compared to 4.22 per cent in the same period of FY23. However, the industry sector growth recorded a 3.24 per cent growth in the second quarter compared to 10 per cent in

the corresponding period of FY23, while the service sector grew by 3.06 per cent against 6.62 per cent last year. Former World Bank Dhaka office chief economist Dr Zahid Hussain identified the dollar shortage, high inflation, and misallocation of credit as the reasons for the slowdown in economic growth.

## *Low Imports, High Inflation*

The country's imports dropped by 18.19 per cent to \$33.68 billion in the first half of FY24 compared to the corresponding period last year due to restrictions on imports amid a shortage of the greenback. The capital goods imports declined by 21.6 per cent over the same period, and the consumer goods imports dropped by 17.3 per cent in the first seven months of FY24 compared to the same period of FY23, according to Bangladesh Bank. The average inflation rate of over 9 per cent for the past 21 months had negative



impacts on demand, said Zahid Hussain. Besides, the misallocation of private sector credit amid BB's contractionary monetary policy reduced the scope for good entrepreneurs to get bank loans, he added. The slump in overall economic activities in the second quarter was revealed when the Asian Development Bank in an update on April 11 projected a 6.1 per cent growth in FY24. The World Bank projected a 5.6 per cent growth and the International Monetary Fund revised down the country's growth to 5.7 per cent in FY24.

### **GDP Revision**

The government's initial projection of 7.5 per cent GDP growth has already been revised down to 6.7 per cent, according to finance ministry officials. Economists, however, have doubts about achieving the revised target against the backdrop of a slump in economic activities. They also said there were no major improvements in overall economic activities in the past quarter between January and March. Instability in the major economic indicators has been persisting, said Policy Research Institute executive director Ahsan H Mansur. Stabilisation in the forex reserves and curbing inflation are essential to make the economy stable, he said. Earlier, the BBS said the actual growth in gross domestic product in 2022-23 decreased to 5.78 per cent from the provisional estimate of 6.03 per cent.

### **New Budget**

It has already been decided that the new budget will be a non-expansionary one due to the shortage of resources. Apart from the resource shortage, the government cannot take an expansionary budget because of conditions tagged by the IMF. One of the major conditions of the Washington-based multilateral lender is to keep the budget deficit below 5 per cent of the GDP during the programme period between January 2023 and May 2026. The

government agreed to take the IMF programme to tackle the shortage of foreign currency leading the country to face one of the worst macro-economic crises in the country's history. The current budget has also been incorporated under the IMF programme.

### **IMF Prescription**

The government needs to show more commitment towards the loan programme in the remaining period. The finance division has set the budget deficit at 4.7 per cent of the GDP for the upcoming national budget. Such a budget deficit means that the government will not need to borrow much from external and internal sources if it emphasises

part linked to government-sponsored development projects and private sector-led industrialisation.

### **Nothing New In IMF Suggestions**

Economists have been suggesting comprehensive expenses, both in private and public sectors, under the well-planned national budget for sustainable development as major countries across the world can no longer accept the growing gap between statistics and reality. The statistics cannot show continuing progress in the growth of GDP and the increasing difficulties in daily life. Although the GDP has been a measure of nations' success for a long time, there is an increasing recognition that these metrics fall



revenue to maintain fiscal management. The country's financial account deficit soared to \$7,354 million in July-January, the first seven months of the current financial year 2023-24 mainly due to the higher outflow of foreign currency against the inflow. The financial account deficit was \$2.14 billion in FY23, against a surplus of \$15.45 billion in FY22. The country's foreign exchange reserves, as per the IMF guidelines, dropped to \$20 billion as of March 11 from \$48 billion in August 2021 because of higher import bills with a substantial

short of capturing the overall well-being of citizens. However, such views by the economists did not divert the current government from the higher GDP-centric strategy by borrowing from local and foreign sources to fund the development projects, many of which are questionable in consideration of their economic returns, amid low revenue generation. The government cannot support such growth by spending as borrowing from local and foreign sources is costly and can be realised by the erratic and faltering GDP growth. ■



# System Loss In Gas Distribution Comes Down To 7.5pc From 22pc

*Business Outlook Report*

**S**ystem loss in the gas distribution segment has been brought down to 7.5 per cent now, from 22 per cent two years ago. State Minister for Power, Energy and Mineral Resources Nasrul Hamid disclosed this while visiting the headquarters of Titas Gas Transmission and Distribution Company Limited in the city on April 25, reports UNB.

“Now our target is to bring the system loss to a zero level in the next two years,” he said, giving a description of the recent moves of the Titas Gas Company. Titas has been the largest entity in the gas

distribution segment, having about 2.8 million retail consumers, out of a total of 4.8 million in the country.

The state minister said that in the last two years, a total of 865,000 illegal gas connections have been snapped. Of this, 336 are industrial connections, 475 are commercial connections, 97 are captive power plants, and 13 are CNG stations. “A total of 989 kilometres of illegal pipelines have been removed, and Tk 6.04 billion (604 crore) has been fined from the illegal consumers”, he added. Briefing reporters, Nasrul said the government has been intolerant in taking

action against illegal connections. He, however, admitted that some influential quarters, including local lawmakers, public representatives of different levels, have been the main impediments.

“But mind it, the minister of the energy and power ministry is the Prime Minister herself, and she has strong directives to remain uncompromising in this regard,” he said. Petrobangla chairman Zanendra Nath Sarker and Titas managing director Engr Md Haronur Rashid Mullah were present on the occasion. Nasrul informed that the Titas Gas Company has initiated a move to implement a

Tk 120 billion (12,000 crore) project in the areas under Dhaka and Narayanganj cities to replace the old pipelines to stop gas leakages. Apart from this, Titas Gas has been negotiating with different donor agencies, including Asian Development Bank, World Bank and JBIC of Japan, to install pre-paid gas metres to reduce system loss in gas consumption.

Petrobangla chairman Zanendra Nath said that all the distribution and transmission companies have installed metres to ensure accountability in gas trading among them. ■



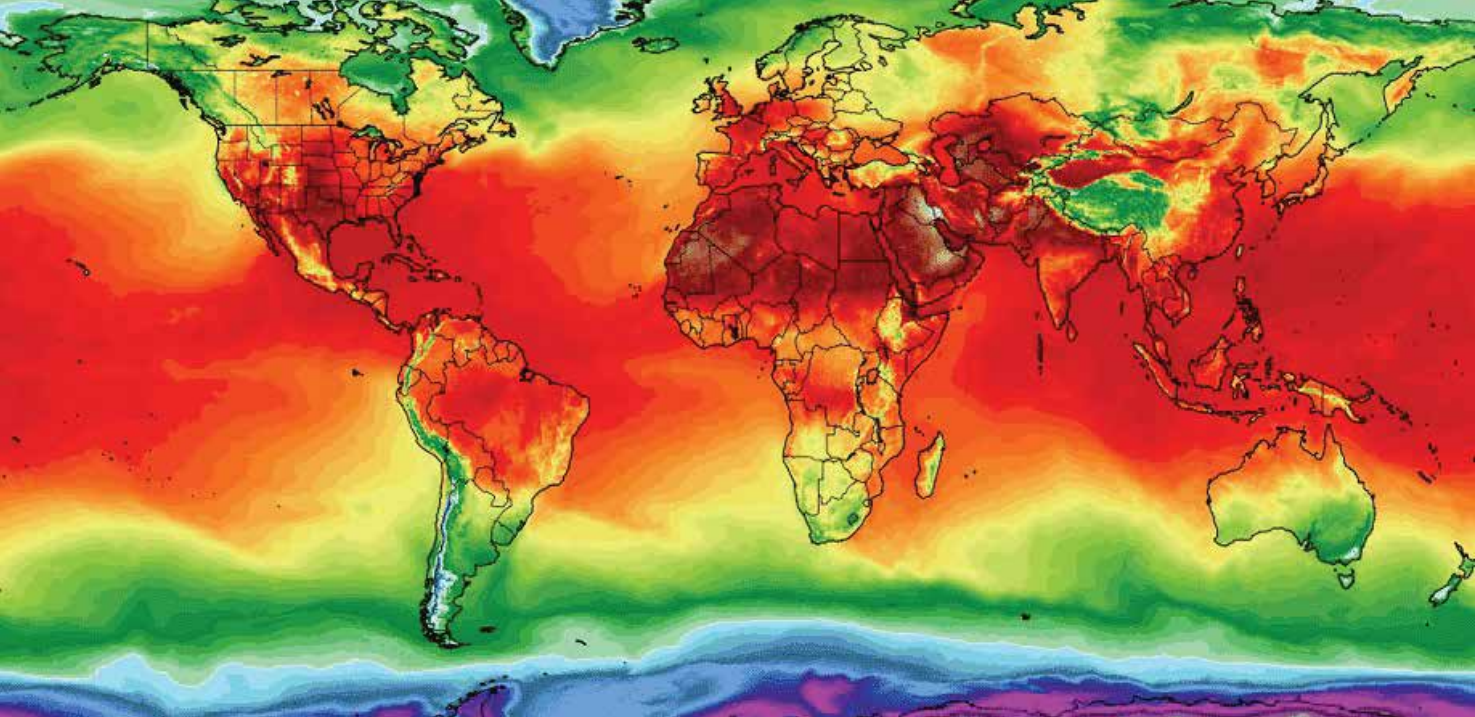


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# Heatwave: Bane For Consumers Boon For Businesses

*Apu Ahmed*

**B**angladesh is in the throes of an oppressive heatwave with the temperature reaching as high as 40.7 degrees Celsius this season. While some businesses have seen a boom in sales of cooling appliances and ice cream amid searing heat, people face a double whammy: soaring prices for air conditioners, fans and even green coconuts amid inflationary pressure, further squeezing household budgets.

## *Heatwave Turns Severe*

A growing number of consumers have rushed to buy cooling appliances such as air conditioners, air coolers and fans as the extreme heat is baking most parts of the country. The government suspended classes in schools and colleges for a week till April 28. The temperature rose to as high as 42.7°C in Chuadanga, a district in the coastal Khulna

division, twice. A hot air mass is blowing from India into Bangladesh through the Jashore-Chuadanga region, said weatherman Muhammad Abul Kalam Mallik while warning that the heat wave is likely to continue throughout April. A severe heat wave occurs when the day temperature stays between 40°C and 41.9°C. A very severe heat wave is when the temperature reaches 42°C or goes beyond, said the weathermen.

## *Demand For ACs High*

Like the previous year, the sales of ACs have increased 20-30 per cent in the past one month with the beginning of summer. Local assembling companies which are dominating the market with around 85 per cent shares are making brisk businesses because of the high demand. There is no accurate market data on AC sales. Manufacturers and retailers estimate that

530,000 units were sold in 2023, increasing sharply from 330,000 units in 2022. They hoped that the sales in the current summer will continue to grow since the demand for ACs outside Dhaka, the country's capital, has grown with cent per cent electrification. Although the rate of power outages is much higher outside the capital, many households there have shown interest in air conditioners with the growing purchasing power. Another reason that leads them to buy ACs is the growing urbanisation. People in many growing urban towns imitate apartment-like urbanisation in Dhaka discarding traditional homes surrounded by trees and water bodies.

## *Price Goes High*

However, consumers have to pay at least Tk 2,000 higher price for different types of air conditioners in the current summer. The price hike



of ACs looked much higher going up by Tk 10,000 to Tk 15,000 per unit during the past one and a half years because of the dollar shortage. The manufacturers said the local assemblers still rely on imports for main circuits and compressors.



Other components like plastic frames and copper cables are produced in Bangladesh. Parts such as internal wires are also sourced from local cable manufacturers. Around 20 local and multinational companies manufacturing and assembling ACs have been competing to capture the local growing market, a concern since ACs push up the power consumption. In a typical home, air conditioning uses more electricity than anything else. A study carried out by the Power Division in the last year showed air-conditioners consume 1,600 Megawatts of power, about 20.9 per cent of the total use of the country. Because of pressures from influential quarters, government policymakers cannot implement the policy of discouraging the use of Acs.

### **Fan Price Too High**

The households that cannot afford ACs have remained satisfied with fans. Still, they have to pay extra bucks to buy those. Fans are being retailed at Tk 9,500 from its previous

price of Tk 7,000-Tk 8,000. A piece of fan previously costing Tk 3,000 is now selling for Tk 4,000-Tk 5,000, while fans previously worth Tk 4,000-Tk 5,000 are now selling for Tk 7,000-Tk 8,000. The price of a 12-inch rechargeable fan is Tk

4,000, while a 14-inch one sells for Tk 5,000-Tk 5,500. The price of a bigger rechargeable fan is Tk 8,000-Tk 9,000. The months of April, May and June are the peak season for fan sales as temperatures start to rise from March. Nearly 70



per cent to 80 per cent of a year's sales come during this period, industry people say. They estimate that 50

lakh fans are sold in the country each year and 20-25 companies currently produce them.

### **Bonanza for Ice Cream Makers**

The hot summer is also enjoyed by the ice cream manufacturers as the season accounts for a major share of Tk 2,000 crore in annual sales. Driven by rural consumers and the widespread use of refrigerators at shops in rural areas, the demand for ice cream is increasing. The heatwave is an added advantage for the manufacturers to make brisk businesses. The market had been growing by at least 10 per cent annually until the coronavirus pandemic dealt a blow in 2020 and 2021. However, the manufacturers recovered from the slump in sales in the post-Covid period due to the high demand in summer even though the people have been under pressure for inflation running over nine per cent in the past 21 months. Taufika Foods and Lovello Ice-cream PLC – a listed food and accessories sector company, posted 73 per cent higher profits in the third quarter of FY24 compared to the same period of FY23. The company's financial report for January-March 2024 stated that the

company made a net profit of Tk 6.03 crore during the period, compared to Tk 3.48 crore during

the same period of the previous year.

### **Sunscreen, Umbrella, Green Coconut**

The demand for sunscreen amid the blistering heat grows since advertisements for the item in the electronic media go up in this particular season. The high demand for umbrellas pushes up their prices. However, the price hike of green coconut, one of the most sought-after items in the current heatwave, is disappointing many. The price of green coconut has soared by Tk30-Tk60 per piece while a small-sized green coconut is being sold at Tk 100 in the capital. The medium and large-sized green coconut is selling at Tk 150-Tk 200 per piece. Consumers Association of Bangladesh calculated that a green coconut sold on average at Tk 22 in 2009. In 2020, the price increased to

Tk 74 per piece. Currently, the average price hovers around Tk 100 per piece against the production shortfall to 510,360 tonnes on 38,221 hectares of land in FY22 from 688,691 tonnes on 46,960 hectares of land in FY17 as per the estimate by the Department of Agricultural Extension.

### **Heatwaves Not New**

Heatwaves generated in the western part of India due to lack of rain in the winter season entering Bangladesh through West Bengal since March have been common for centuries. In the early 19th century, Darjeeling was identified as a potential summer retreat for British officials, soldiers and their families during East India Company rule in the Indian subcontinent comprising modern-day Bangladesh, India and Pakistan. Weathermen, green activ-

ists and health rights campaigners have been saying deforestation and unplanned development are reasons for more feelings of heat in the summer. Such heatwaves may be helpful for some particular businesses but not for the overall socio-economic development. Bangladesh lags far behind as deforestation is increasing at an alarming rate of 3.3 per cent -- far above the global average. This is of significant concern for the country given that less than 10 per cent of the area is forested whereas 25 per cent is the minimum requirement for maintaining a healthy ecosystem. The loss of forest cover has increased heatwaves, landslides and flooding over the years, resulting in the deprivation of livelihood, people sinking into poverty and the creation of the 'new poor'. ■

## **Poultry Farmers Incur Loss Tk 200cr In 10 Days Heat Wave**



The marginal farmers are facing significant losses, with an estimated cost of Tk 200 crore in the last 10 days, due to the ongoing severe heat wave sweeping across the country.

The dire situation is leading to the deaths of over one lakh chickens on a daily basis which may push up both chicken and egg prices, according to the Bangladesh Poultry Association (BPA). On one

hand, the farmers are grappling with a shortage of poultry chicks while on the other hand, they are compelled to buy these chicks at double prices than usual, ranging from Tk 80 to Tk 90.

Amid the situation, poultry and egg production have seen a decline from four to 10 percent. This trend indicates that there will likely be a shortage of chicken and eggs in the market shortly if the heat wave

continues, said the BPA in a press statement on April 25. More than one million broilers, layers and sonali chickens died across the country in the last 10 to 12 days of which 80 percent were broilers, 10-15 percent layers and 05 percent were sonali chickens. As a result, the total loss in the sector stood at Tk 200 crore in the last 10 days, said the press statement. If the prevailing heat wave continues for several more days, the poultry farmers will be forced to close their farms resulting in substantial decline in the poultry and egg production in the country.

Taking advantage, the corporate egg traders and organised syndicates are already engaged in devising strategies to hike chicken and egg prices from June. The BPA leaders called upon the government to take initiatives against the clique otherwise the chicken and egg prices could skyrocket by August. ■



# BD-Japan FTA To Impact Indian Exports To Bangladesh



## Business Outlook Report

**A**n Indian think-tank Consumer Unity & Trust Society (Cuts International) has warned India about the possible impact of the proposed Bangladesh-Japan Free Trade Agreement (FTA) on its trade with Bangladesh.

The report -- a quarterly analysis by Cuts Dossier on Preferential Trade Agreements and India released recently -- recommended that India "exercise caution and closely monitor the progress of the Bangladesh-Japan EPA negotiations." Cuts International anticipated that India's exports to Bangladesh could be adversely affected if Bangladesh offers zero duty

on all products to Japan under the FTA, which is scheduled to be signed by December this year. Several products in sectors such as automobiles, metals, electricals and textiles may be largely impacted by the Bangladesh-Japan FTA, according to the Cuts International analysis of possible scenarios.

As Bangladesh seeks to expand its trade relations with Japan, the Cuts report recommended that India assess the potential impact on its own trade interests and competitiveness in the region. The report suggested that India may need to consider strengthening its existing trade ties with Bangladesh, diversifying its export markets, enhancing its competitiveness and explor-

ing partnership opportunities to navigate the changing trade dynamics effectively. The report said while India has a Preferential Trade Agreement (PTA) with Bangladesh and there is the Agreement on South Asian Free Trade Area (SAFTA), addressing these concerns is crucial to maintaining India's export performance in this market and neutralizing the shocks posed by future FTAs that Bangladesh may engage in.

Bangladesh is not a big competitor for India in terms of access to the Japanese market, as India already enjoys a tariff advantage in Japan due to its Comprehensive Economic Partnership Agreement (Cepa), according to Cuts International

analysis. However, the report warns that India should assess the possible impact of Bangladesh's fast-growing textile and apparel sector, including footwear, which is gaining a comparative advantage over time.

However, the Cuts International analysis using its Smart methodology suggests that India is unlikely to experience significant market share loss for textile and apparel products in Japan. The analysis also suggested that any reduction in India's exports of certain textiles, apparel, and footwear to Japan would likely be negligible. While Bangladesh's current export value to Japan remains lower than India's, the gap is narrowing due to Bangladesh's export growth.

Bangladesh's exports to Japan reached \$1.70 billion in 2022, compared to below \$1 billion in 2013. Bangladesh's exports to Japan are dominated by various types of readymade garments and footwear for both men and women, contributing 55% of its total exports to Japan. India's exports to Japan began a steady rise in 2016 after a three-year downturn in 2013-2015.

This growth continued after the Covid-19 pandemic. However, the overall value of India's exports to Japan has declined, falling from nearly \$8 billion in 2013 to \$5.70 billion in 2022. ■



Premier Bank has signed a remittance disbursement agreement with the mobile financial service provider Nagad Limited recently for the distribution of wage earners' foreign remittance directly to the beneficiaries' e-wallet. Additional Managing Director of Premier Bank Shamsuddin Chowdhury and Executive Director of Nagad Limited Maruful Islam Jhalak exchanged the signed documents of the agreement. ■



BEPZA Member (Investment Promotion) Ali Reza Mazid and Chairman of BSK Bangladesh Ltd Jeroen Herms signed an agreement in presence of BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman at the BEPZA Complex in Dhaka. ■



In presence of GSM Jafarullah, Managing Director of Bangladesh Hi-Tech Park Authority, Henry Hilton, Managing Director of ADN Telecom, and Md Mahfuzul Kabir, Deputy Director of Bangladesh Hi-Tech Park Authority, signed the agreement on behalf of their respective organizations. ■



The audit committee of the board of directors of Modhumoti Bank convened its 44th meeting. Shaikh Salahuddin, MP, chairman of the audit committee and vice-chairman of the board, presided over the meeting. A Mannan Khan, Mojibul Islam Panna, Independent Director Advocate Syed Rezaur Rahman, and Md Shafiu Azam, managing director and CEO of the bank, were also present. ■



Mutual Trust Bank's (MTB) Digital Banking Division Head Khalid Hossin received the prestigious "Ingenious Leader of Technology in Customer Experience" award at the South Asian BFSI Tech Summit & Awards in Kathmandu, Nepal. ■



Eastern Bank Limited (EBL), in collaboration with Mastercard, has launched Bangladesh's first-ever prepaid card dedicated to medical tourism. Vikas Varma, South Asia's chief operating officer for Mastercard, and Syed Mohammad Kamal, Bangladesh country manager, joined Ahmed Shaheen, EBL's additional managing director, at the bank's head office in Dhaka for the official launch of the new dual-currency prepaid card. ■





Unilever Bangladesh (UBL), the country's leading Fast Moving Consumer Goods (FMCG) company, is collaborating with the Institute of Business Administration (IBA), University of Dhaka, on two new areas under its industry-academia partnership. The research will aim to develop a methodology that addresses challenges faced by recyclers, while also emphasizing producers and consumers' accountability and responsibility in plastic waste management. ■



The Chittagong Port Authority (CPA) observed the 137th Chattogram Port Day, marking the 137th founding anniversary of the Chittagong seaport, one of the oldest natural ports in the subcontinent and also the prime one in the country. On the occasion, CPA Chairman Rear Admiral Mohammad Sohail hoisted the national flag on the Bandar Bhaban premises in Chattogram. ■



A 17-member delegation of Anhui Provincial People's Congress from China led by Wei Xiaoming, Vice Chairman of the Anhui Provincial People's Congress, visited Bangladesh China Chamber of Commerce & Industry (BCCCI) office in Dhaka and discussed trade and investment potentials in Bangladesh by China's Anhui province. ■



Jatiya Sangsad Speaker Dr Shirin Sharmin Chaudhury handed over the 'Green Factory Award-2023' to Walton Hi-Tech's Additional Managing Director Eva Rezwana Nilu. Walton's Senior Executive Director Sharif Harunur Rashid was also present. ■



National Analytical Research and Services (INARS) of BCSIR has achieved Water Quality parameter International Certificate ISO/IEC - 17025:2017 for testing water worldwide Bangladesh Accreditation Board (BAB) Director General (Additional Secretary) Md. Anwarul Alam handed over the Accreditation Certificate to BCSIR Chairman Prof. Dr. Aftab Ali Shaikh at his office. The ISO/IEC 17025:2017 for 100 tests parameters will enrich the Water Chemical Testing System. ■



LafargeHolcim Bangladesh Limited (LHBL) has been awarded the 'Green Factory Award 2023' by the government. The Ministry of Labour and Employment presented the award in recognition of LHBL's efforts towards implementing eco-friendly technologies and maintaining a safe workplace at its Sunamganj Plant. ■



# Oil Prices Rise On Surprise US Crude Stock Drop, Middle East Tensions

## *Business Outlook Report*

**O**il prices extended gains on April 25 after industry data showed a surprise drop in US crude stocks last week, a positive sign for demand, though markets were also keeping a close eye on hostilities in the Middle East, according to Reuters. Brent crude futures rose 26 cents, or 0.29 percent, to \$88.68 a barrel and US West Texas Intermediate crude futures climbed 26 cents, or 0.31 percent, to \$83.62 a barrel at 9:34 a.m. Saudi time.

US crude inventories fell 3.237 million barrels in the week ended April 19, according to market sources citing American Petroleum Institute figures. In contrast, six analysts polled by Reuters had expected a rise of 800,000 barrels. Traders will be watching for the official US data on oil and product

stockpiles due at 5:30 p.m. Saudi time for confirmation of the big drawdown. US business activity cooled in April to a four-month low, with S&P Global saying on April 23 that its flash Composite PMI Output Index, which tracks the manufacturing and services sectors, fell to 50.9 this month from 52.1 in March. “This could help convince policy makers that rate cuts are required to support the economy,” ANZ analysts said in a note.

US interest rate cuts could bolster economic growth and, in turn, demand for oil from the world’s top consumer of the fuel. Analysts were still bullish that any latest developments in conflicts in the Middle East will still support markets, though the impact on oil supplies remains limited for now. “Overall, crude oil prices are well supported around

current levels by on-going Middle East risk premium. On the upside, risk of possible renewed OPEC production increase from Jun will help limit any significant upside,” said head of markets strategy for United Overseas Bank in Singapore Heng Koon How. “We maintain our forecast for Brent to consolidate at USD 90/bbl by end of this year,” Heng added. Israeli strikes intensified across Gaza on April 24, in some of the heaviest shelling in weeks.

“Recent reports suggest that both Iran and Israel consider the current operations concluded against one another, with no follow-up action required for now,” ING analysts said in a note. “The US and Europe are preparing for new sanctions against Iran – although these may not have a material impact on oil supply in the immediate term,” they added. ■



# Farmers Expand Oilseed Production As Import Costs Rise



## *Business Outlook Report*

**B**angladesh's expenditure on importing edible oil and oilseeds is increasing to meet growing demand for cooking oil for growing population and income. For example, the nation spent a total of Tk 41,250 crore to import edible oil and oilseeds in fiscal year (FY) 2022-23, which had been double from Tk 20,493 crore three years ago.

In first seven months of the current fiscal, the import cost for edible oil and oilseeds declined 15 percent year-on-year, data of Bangladesh Bank showed. Still, the import

cost was Tk 22,600 crore during the period. This is because of increased prices of essential commodities in the international market following the start of the Russia-Ukraine war and significant depreciation of the local currency, taka, against the US dollar.

The spiralling import cost has ultimately driven the price of edible oil, creating an opportunity for growers to profit from cultivation of oilseeds. Farmers have responded too. Over the last two years, cultivation of oilseed, chiefly mustard, has expanded in Bangladesh as, according to a report by the US Department of Agricul-

ture (USDA), mustard oil has become very competitive since 2022, when the price of soybean oil reached a record high. Simultaneously, the acreage of sunflower to produce sunflower oil, a relatively expensive cooking ingredient, has grown.

And farmers in southern coastal districts are expanding their sunflower acreage to reap the benefit of higher prices. Take the case of Kazi Anichur Rahman, a farmer in Gasani village of Patuakhali's Dashmania upazila. He has been cultivating the oilseed since 2022 to reduce the vulnerability of edible oil in the market.

And his cultivation area of sunflower is 20 acres of land this season. "After meeting the requirement for my five-member family, I can sell the remainder in the market," said Rahman, who got seeds from the local agriculture office as an incentive.

The farmer said yield of the oilseed crop is good and expected to bag at least 30 maunds (one maund equals about 40 kilogrammes) of sunflower seeds. With an expected price of Tk 3,000 to Tk 3,200 per maund, Rahman expects to make a good profit. Data of the Department of Agricultural

Extension (DAE) showed that farmers have cultivated sunflowers on 2,100 hectares of the 10,679 hectares being used for oilseed cultivation this year.

The total oilseed area, including groundnut and mustard, was around 8,000 hectares the previous year. The acreage of oilseeds in Barguna, another coastal district, has expanded as well this year. DAE said farmers sowed the oilseed

Bureau of Statistics, which releases the final estimate of crops, said there has been growth in acreage and production of oilseeds in the three years ending with FY22.

It estimated that the total yield of oilseeds stands at about 10.34 lakh tonnes. The latest growth comes as the government is encouraging farmers to produce oilseeds to reduce import dependence. Official estimates of the

ed from Indonesia, Malaysia and Argentina and Brazil. The government had earlier taken a Tk 278 crore project to increase the production of mustard, sunflower, groundnut.

The scheme to be implemented in the 2020-25 period aims to increase the acreage and yield of oilseed by up to 20 percent after implementation, and thereby reduce imports. In its report on Bangladesh's oil and oilseeds market, the

higher price of soybean oil, release of high-yielding varieties of mustard and the scope to grow oilseeds between Aman and Boro rice crops because of release of short-duration varieties of rice have encouraged farmers to widen mustard cultivation.

Md Nazrul Islam, deputy director of the Patuakhali DAE, said edible oil prices are gradually increasing. "For this, we are encour-



on 13.55 lakh hectares for the current fiscal year 2023-24, which was 27 percent higher from a year ago, when overall production was 16 lakh tonnes.

In FY22, Bangladesh's oilseed acreage was 8.60 lakh hectares. That year, total production of oilseed, including the main crop mustard, was 12.3 lakh tonnes, according to a provisional estimate by the DAE. The Bangladesh

country's edible oil requirement vary by roughly 10 lakh tonnes.

The Bangladesh Trade and Tariff Commission estimates an edible oil requirement of 20 lakh tonnes. Meanwhile, the USDA said the total demand for edible oil in Bangladesh is about 30 lakh tonnes. Bangladesh is accounts for more than two-thirds of the requirement for edible oil import-

USDA said due to government initiatives, mustard cultivation has increased substantially.

"This rise in mustard oil production has led to a decrease in the demand for soybean oil in the local market. With lower prices of palm oil, many consumers have switched from consuming soybean oil to palm oil," it added. Agriculture officials and farmers said alongside the

aging farmers to produce more oilseeds," he added. Badrul Alam, additional deputy director of the Barguna DAE, said they are encouraging farmers by giving fertilisers and seeds as incentive to increase the cultivation of oilseeds.

"Farmers are also showing interest in the cultivation of oilseeds," he added. ■





# CPA Expects Tk 88,000 Crore Investment For Terminal Project

*Business Outlook Report*

**T**he Chattogram Port Authority expects about Tk 88,000 crore in foreign investment for the implementation of the Bay Terminal project, which will increase the port's capacity by six times. The construction work of a total of six terminals, including Matarbari and Laldia container terminals, would start within this year.

Rear admiral Mohammad Sohail, chairman of the Chattogram Port Authority, said this while speaking as chief guest in a press conference organised on the occasion of the 137th founding anniversary of the Chattogram Port. He said that global port operators are scheduled to enter into investment contracts this year.

The PSA Singapore will invest Tk 16,500 crore and Dubai based DP World will invest Tk 16,500 crore in Bay Terminals 1 and 2 respectively. Both terminals are designed for container handling. Abu Dhabi Port also invested in the project and proposed nearly Tk 11,000 crore for Terminal 3. Another group of investors will visit Bangladesh and will sit for a meeting with the Port Authority.

Initially their proposed to work in joint venture with Chattogram Port and the Terminal will be used for multipurpose works, he added. 'Terminal 4 has been designed for gas and oil and the East Coast Group proposed near Tk 38,500 crore for it. The terminal will be the larger than three others,' he opted. The mainte-

nance and breakwater cost will be Tk 5,500 crore, he added. Terming next five year very important for the Port Authority and Bangladesh, the chairman said that after the opening of the terminals, the economic growth of the country will be high and more job opportunities will be created for people.

The chairman also stated that a Danish Shipping and logistic company named AP Moller Maersk has shown their interest to invest for constructing the Laldia container Terminal. He envisioned that by 2050, with the completion of ongoing projects such as Bay Terminal and Matarbari Deep Seaport, all seaports in Bangladesh, including Mongla and Payra, are expected to handle 17 million TEU containers. ■

# EU's New Supply Chain Law To Improve Labour Conditions In BD



## Business Outlook Report

**T**he new supply chain law approved by the European Parliament is expected to improve labour and environmental standards at the garment factories in Bangladesh since more than 64 percent of the country's apparel exports are destined for the world's largest trade bloc. The European Parliament on April 24 adopted the Corporate Sustainability Due Diligence Directive (CSDDD), which is expected to establish a corporate due diligence standard on sustainability for businesses operating in the EU. It aims to enhance the protection of the environment and human rights in the EU and globally. The law now needs final approval from EU member states and the EU ministerial vote is expected to take place in May. The Parliament's vote came on the 11th anniversary of the tragic collapse of the Rana Plaza

building, which killed 1,138 garment workers and injured more than 2,000 others. The new law, which will come into effect gradually up to 2030, may cause a significant shift in production, compliance, and responsible business behaviour by both supplying companies and importing companies. This is because, for the first time, importers will have to bear the responsibility for any violation of compliance standards in the supply chain. For instance, international clothing retailers and brands that used to source garments from the factories housed inside Rana Plaza were not held responsible for the deaths of the workers. Only the manufacturers were held responsible. The global buyers were not legally bound to pay compensation to victims. Rather, they took part in the process willingly. However, the passage of the CSDDD ensures that the EU will take

proper steps and hold both supplying companies and importing companies responsible.

### *What Does The Law Mean For Bangladesh?*

In some cases, Bangladesh is ready to comply with the CSDDD. However, there are areas where the country needs to improve to meet the standards. For example, Bangladesh is a global champion in green factories, with 215 such units already operational and another 500 in the pipeline, which indicates the country has done a commendable job in protecting the environment. However, Bangladesh will have to ratify 32 United Nations conventions, including four core conventions on human rights, labour rights, good governance and environmental protection. Bangladesh has ratified all of the core conventions of the International Labor Organ-



isation as per the commitment made in the National Action Plan. Another area where the country is still lagging is in terms of reducing carbon emissions, with nearly 95 percent of the country's exporters dependent on fossil fuels. They will have to switch to renewable sources of energy as per the CSDD.

European buyers of Fakir Apparels Ltd, a garment factory in Narayanganj, have already asked the supplier to move towards renewable energy and reduce carbon emissions by 50 percent by 2030. "We are getting ready to switch to renewables, but it requires a lot of investments," said Bakhtiar Uddin

Bangladesh Apparels Workers Federation, said Bangladesh has improved labour rights by ratifying the core ILO conventions. However, the lax implementation in the areas of decent working conditions, collective bargaining, and living wages could pose a challenge since they are at the heart of the new law, he said.

He suggested a gradual implementation of the law to ensure that all parties, including suppliers, importers and workers are satisfied and the industry is not damaged. "Owing to Bangladesh's higher production capacity and the readiness for the law, we may not face a

implementation of the new law may bring positive changes to the global supply chain, but the new law needs to be implemented equally for all countries, they say. In a press release, Aruna Kashyap, associate director on corporate accountability at Human Rights Watch, said: "The 11th anniversary of the Rana Plaza disaster is a somber reminder of why a due diligence law is long overdue."

"The European Parliament's vote sends a strong message that the EU should no longer let large corporations get away with human rights and environmental abuses." However, the new law is a



Ahmed, chief operating officer of Fakir Apparels. Fakir Apparels, which supplies 95 percent of its products worth \$160 million to Europe annually, is also preparing to use recycled yarn and new technologies to comply with the law, he said.

In Bangladesh, labour rights are still being questioned as living wages have not been introduced and workers are still facing challenges in forming unions in factories because of stringent conditions in the labour law. Md Towhidur Rahman, president of the

loss of work orders due to the new law," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association. He, however, warns that if buyers do not pay ethical prices to suppliers, it will be a one-sided and ineffective law, as it will increase the cost of business.

According to experts, the protection of the environment as well as human and labour rights is necessary. Likewise, it is also important to safeguard both exporters and importers. The strict

watered-down version. The Belgian government, which holds the rotating presidency of the EU Council, thrashed out a compromise that limits the number of companies expected to comply. The new agreement applies to companies with more than 1,000 employees, up from 500, and a net turnover of 450 million euros – triple the amount previously agreed.

Environmental groups estimate the changes will exclude 70 percent of the companies the law was meant to cover. ■

# Operation Of Patenga Container Terminal To Face Delay



*Saudi port operator has sought two more months*

## **Business Outlook Report**

**T**he beginning of partial operation of the newly built Patenga Container Terminal (PCT) is going to face delay as some required procedures, including the import of equipment and securing of legal clearances, are yet to be completed.

Sources say Saudi port operator Red Sea Gateway Terminal International (RSGTI) has sought two more months to begin the partial operation of the terminal. Constructed in July 2021, the PCT was formally inaugurated in November last year. The Chittagong Port Authority (CPA) signed a concession agreement with

RSGTI on December 6 to equip and operate the terminal for 22 years under a public-private partnership (PPP) model through a government-to-government arrangement. As per the deal, the firm was supposed to start the partial operation by April after installing small container handling equipment like mobile cranes, forklifts and reach stackers.

As per the agreement, it will need two years to install major handling equipment like quayside gantry cranes (QGCs) to start the full operation. In the first two to two and a half years before the installation of QGCs, only geared vessels – ships with

cranes – will be accommodated at the terminal, while containers will be lifted with cranes available on ships. According to sources, more than 20 containers full of equipment, including forklifts, reach stackers and others imported by the Saudi firm, have already arrived at the port.

CPA Secretary Md Omar Faruk said that the firm had brought some equipment while more equipment is in the process of import. The firm has sought an extension of the time until the first week of June to start the partial operation as it will need time to bring the rest of the equipment and secure legal clearances from

various authorities, he said. The firm, being a foreign operator, needs to obtain a set of clearances according to the PPP terms. They include a bonded warehouse licence and the 10-year tax exemption from the National Board of Revenue, said a senior CPA official, who is working on the project.

At first, the PCT and its backup yard need to be declared as a warehouse or bonded warehouse facility by the NBR to qualify for the bonded warehouse licence, he said. On April 17, the NBR declared the PCT and the yard as the bonded warehouse facility. RSGTI has already applied for the bonded licence, he said. ■



# Heat-Waves Impact On Small Businesses And Daily Earners



## *Business Outlook Report*

**A**fter parking his motorcycle and removing his helmet, a young biker opened a red umbrella and stood on the footpath. He purchased the umbrella for Tk 400 on April 23 at a 'no-bargain price' since the demand for umbrellas has soared ever since a heatwave began sweeping over the country nearly three weeks ago.

"The salesman said he would only show me umbrellas if I bought one at a fixed price. I had no choice but to accept because I need to save myself from heat when I get off my bike," the slim young man, named Suman Ali, said. He was waiting for passengers to inquire in person or call for a ride through an app at the capital's Sankar area. The 28-year-old from Naogaon

started his bike at 9:00pm, when the sun was beginning to blaze and temperatures were rising. Until noon, by which time the temperature had soared to 38 degrees Celsius, he could earn just Tk 500. He said he could earn far more on a normal day, when average temperatures remain around 33.6 degrees Celsius.

"Because of excessive heat, people are not coming out of their homes unless there is an emergency. Also, the number of riders is higher than the number of customers. So, overall fares have declined," said Ali. He said he normally earns around Tk 2,000 between the hours of 9:00am and 6:00pm every day. But over the past week, his average income has been slashed by nearly half. "It is also very tough to drive in such heat. At signals

or amid traffic jams, you have to bear the heat radiating from cars around you and the pitched roads," he said. Another rider, who parked his bike just behind Ali's, echoed those sentiments. He also attributed the decline in daily income to the ongoing heatwave, which has caused the usually jam-packed roads to become almost empty.

Such riders are among a section of workers suffering from losses in income due to high temperatures and humidity. Over the last seven days, heatwaves have made the temperature in the capital four to five degrees Celsius higher than the corresponding days in the last 30 years. Apart from health risks, this has also affected the incomes of a wide range of workers, from rickshaw pullers, restaurant

workers, and street vendors to stores inside the city's numerous markets. The heatwave and consequent decline in passengers wiped out the income of rickshaw-puller Md Anarul, the breadwinner for a family of four. They reside in a rented house in Dhaka's Adabor.

From 8:30am to noon yesterday, he could earn Tk 370. He had only two hours to go until he would have to return the rickshaw to the owner and pay Tk 150 as daily rent. "On one

country. Nearly a kilometre away, Md Akbar, a hawker selling t-shirts at Dhanmondi Hawkers' Market, was waiting for customers. He could not sell anything in the first one and a half hours since opening the shop, the young seller said.

Behind him, Mirpur Road, which remains congested on normal days, saw little flow of vehicles and rickshaws. "In general, sales remain subdued after the Eid holidays. The heatwave has driven sales down

especially students, had reduced their orders. Zahedul Islam, head of public affairs and public relations at foodpanda Bangladesh, said they witnessed a surge in orders as people are opting to order in rather than face the heat.

"There has been a substantial increase in orders in April, 2024 compared to the corresponding month of the previous year, with 'tehari' and 'kacchi biryani' emerging as the most-ordered items," he said. However, Md Helal Uddin, president of the Bangladesh



hand, you have to toil hard and sweat when you are out on the street. On the other hand, you don't have people asking for rides. Schools and colleges are suspended. I have been earning less for around a week," he said. But the hardships do not end there.

"You have to buy coils to fight mosquitoes and bear high temperatures at night too," Anarul said while waiting for passengers near the Jigatola intersection in Dhanmondi in the afternoon. Yesterday, the mercury hit 38 degrees Celsius in Dhaka, the business and economic centre of the

further. No one is going out unless it is an emergency," said Mohammad Aiman, a salesman at a garment store at Dhanmondi Hawkers Market.

"We used to see customers in the evening hours after the heat subsides," said Jaminur Islam, a footwear seller at City's Elephant Road. However, Mohammad Ashraf, who works as a food-delivery rider, said his income has not declined since the flow of online orders has remained intact. He said that he does not refuse any orders although it is hard to stay on the street due to the heat, but added that many,

Shop Owners Association, said turnout at restaurants had declined.

"In fact, there is no business because of the ongoing heatwave. Usually, sales remain dull after Eid ul Fitr, but the heatwave has caused sales to decline further. However, our costs have not dropped. We have to keep the fans and air conditioners on. Our electricity bill will rise." Amid the downturn, the Bangladesh Meteorological Department yesterday said the prevailing heatwave may continue until April 26. ■



# Corruption Major Hurdle For Women Entrepreneurs



## Business Outlook Report

**C**orruption is a big obstacle for women entrepreneurs in Bangladesh, which is why they are lagging behind men in many categories of employment, according to a leading chamber for women.

"Corruption is everywhere. Without money, nothing can be done. From bank loans to trade licences, the problem is everywhere," said Selima Ahmad, president of the Bangladesh Women Chamber of Commerce and Industry (BWCCI).

She made this comment at the closing session of a three-day event, styled "Women's Entrepreneur-

ship and Intellectual Property in Bangladesh: Challenges and the Way Forward", at FARS Hotel and Resorts in Dhaka on April 22.

The event was organised by World Intellectual Property Organization (WIPO), in cooperation with the Ministry of Foreign Affairs, Ministry of Industries and the Department of Patents, Designs and Trademarks.

This event is based on a national project that has equipped 25 women entrepreneurs across various sectors with skills in intellectual property, focusing on trademarks and broader business topics such as market access and finance. Selima

said the number of women entrepreneurs in Bangladesh is still very low compared to developed countries.

She informed that while the number of women entrepreneurs in the country has been rising for the past few years, it is still not 25 percent of the total number of businesspeople. "If the number of women entrepreneurs in the country does not reach 25 percent, then we will not be able to transform into a developed country," Selima added.

"Women entrepreneurs need to be skilled," she said, while suggesting that a proactive and strategic approach would help increase the inclusion of

women entrepreneurs. Rubaba Dowla, country managing director of Oracle Bangladesh, said the country is set to graduate from its least developed status and become a developing nation by 2026.

Whenever any developing country goes through a transition, several elements support it as pillars. "Among them, intellectual property rights is one area through which we can increase innovation. Besides, we can make access to knowledge better," she added.

Barrister Sharmin Akter, an advocate of the Supreme Court, said the SME Policy 2019 is designed to support women entrepreneurs with proper training and knowledge dissemination. "But it is not enough to have policies and laws as implementation is very important," she said.

"It is very important for our women entrepreneurs to know about their rights and how to protect them," Akter added.

The session was moderated by Alexandra Bhattacharya, manager for the office of the deputy director general of the regional and national development sector of the WIPO. ■

## WEEKLY SELECTED ECONOMIC INDICATORS

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

	24 April 2023	30 June 2023	31 March 2024 <sup>R</sup>	24 April 2024
1. Foreign Exchange Reserve (in million US\$)	31086.51	31203.00	25231.70	25382.91
	24 April 2023	26 June 2023	31 March 2024	24 April 2024
2. Interbank Taka-US\$ Exchange Rate (average)	107.0000	108.3576	110.0000	110.0000
	24 April 2023	26 June 2023	31 March 2024	24 April 2024
3. Call Money Rate	6.06	6.18	9.00	8.89
	24 April 2023	26 June 2023	24 April 2024	Percentage change
				From June, 2023
				From June, 2022
4. Broad/Overall Share Price Index	6252.16	6344.09	5686.69	-10.36
a) Dhaka Stock Exchange (DSE) <sup>®</sup>	18416.54	18702.20	16244.52	-13.14
b) Chittagong Stock Exchange (CSE)	March, 2023	July-Mar., FY23	March, 2024 <sup>P</sup>	July-Mar., FY24 <sup>P</sup>
	2022.47	16035.08	1996.85	17074.24
5. a) Wage Earners' Remittances (in million US\$)	8.75	4.82	-1.27	6.48
b) Annual Percentage Change	February, 2023	July-Feb, FY23	February, 2024 <sup>P</sup>	July-Feb, FY24 <sup>P</sup>
	4624.00	52190.00	5247.00	44108.00
a) Import (C&F) (in million US\$)	-44.46	-11.20	13.47	-15.49
b) Annual Percentage Change	February, 2023	July-Feb, FY23	February, 2024 <sup>P</sup>	July-Feb, FY24 <sup>P</sup>
	4282.00	48309.00	4863.00	40889.00
a) Import (f.o.b) (in million US\$)	-44.40	-11.16	13.57	-15.36
b) Annual Percentage Change	March, 2023	July-Mar., FY23	March, 2024 <sup>P</sup>	July-Mar., FY24 <sup>P</sup>
	4643.94	41721.62	5102.57	43554.78
7. a) Export (EPB) (in million US\$)*	-2.49	8.07	9.88	4.39
b) Annual Percentage Change	July-February, FY23	July-February, FY24 <sup>P</sup>	July-February, FY24 <sup>P</sup>	FY23
	-3455.0	4762.0	4762.0	-2665.0
8. Current Account Balance (in million US\$)	February, 2023	July-Feb, FY23	February, 2024 <sup>P</sup>	July-Feb, FY24 <sup>P</sup>
	23729.63	196039.85	28305.99	226586.56
a) Tax Revenue (NBR) (Tk. in crore)	1.72	8.92	19.29	15.58
b) Annual Percentage Change	February, 2023	July-Feb, FY23	February, 2024 <sup>P</sup>	July-Feb, FY24 <sup>P</sup>
	-440.08	-3509.51	-1541.44	-8891.77
Investment in National Savings Certificates (Tk. in crore)	360500.62	360500.62	358501.66	358501.66
a) Net sale				
b) Total Outstanding				
	February, 2023	June, 2023 <sup>R</sup>	February, 2024 <sup>P</sup>	Percentage change
				Feb'24 over Feb'23
				Feb'24 over Jun'22
				FY23
10. a) Reserve Money (RM) (Tk. in crore)	350346.90	383585.20	352858.30	0.72
b) Broad Money (M2) (Tk. in crore)	1763032.30	1887167.90	1919805.50	8.89
				Feb'24 over Jun'22
				FY23
				10.49
				10.48



	Percentage change													
	July-February, FY23				July-February, FY24 <sup>P</sup>				July-February, FY24				FY23	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Settlement	Settlement
<b>Total Domestic Credit</b> (Tk. in crore)	1787185.60	5312.33	1926770.70	4313.31	2004108.70	4313.31	12.14	4.01	6.91	15.25				
a) Net Credit to the Govt. Sector	309866.60	2481.20	387349.80	1851.85	379502.40	1851.85	22.47	-2.03	9.37	36.72				
b) Credit to the Other Public Sector	43249.70	3627.48	45164.70	3307.57	47669.90	3307.57	10.22	5.55	16.27	21.41				
c) Credit to the Private Sector	1434069.30	6613.48	1494256.20	6117.08	1576936.40	6117.08	9.96	5.53	6.13	10.58				
		19165.35		14362.54		14362.54								
		14289.47		14063.01		14063.01								
		51489.31		44476.12		44476.12								
		December, 2022		March, 2023		June, 2023 <sup>#</sup>		September, 2023 <sup>#</sup>		December, 2023 <sup>#</sup>		January, 2024 <sup>#</sup>		February, 2024 <sup>#</sup>
<b>Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)</b>	June, 2022		March, 2023		June, 2023 <sup>#</sup>		September, 2023 <sup>#</sup>		December, 2023 <sup>#</sup>		January, 2024 <sup>#</sup>		February, 2024 <sup>#</sup>	March, 2024 <sup>#</sup>
a) Twelve Month Average Basis	6.15	7.70	8.39	9.02	9.29	9.02	9.48	9.59	9.66	9.69				
b) Point to Point Basis	7.56	8.71	9.33	9.74	9.63	9.74	9.41	9.86	9.67	9.81				
<b>Corresponding Period</b>	June, 2021	December, 2021	March, 2022	June, 2022	September, 2022	June, 2022	December, 2022	September, 2022	December, 2022	February, 2023	January, 2023	February, 2023	March, 2023	
a) Twelve Month Average Basis	5.56	5.55	5.75	6.15	6.96	6.15	7.70	7.92	8.14	8.39				
b) Point to Point Basis	5.64	6.05	6.22	7.56	9.10	7.56	8.71	8.57	8.78	9.33				
	June, 2021	December, 2021	June, 2022	September, 2022	December, 2022	September, 2022	March, 2023	June, 2023	September, 2023	December, 2023				
<b>Classified Loan</b>														
a) Percentage Share of Classified Loan to Total Outstanding	8.18	7.93	8.96	9.36	8.16	9.36	8.80	10.11	9.93	9.00				
b) Percentage Share of Net Classified Loan	-0.47	-0.43	0.49	0.90	-0.08	0.90	0.30	1.58	1.22	0.59				
<b>Agricultural and Non-farm Rural Credit (Tk. in crore)</b>	January, 23	February, 23	July-February, FY23	January, 24 <sup>P</sup>	February, 24 <sup>P</sup>	January, 24 <sup>P</sup>	July-February, FY24 <sup>P</sup>	February, 24 <sup>P</sup>	FY23	FY22				
a) Disbursement **	2014.22	2382.19	21066.51	2827.68	2536.90	2827.68	23690.75	32829.89	28834.21	25511.35				
b) Recovery	2016.74	2539.03	20985.53	2531.05	2351.12	2531.05	22661.71	33010.09	27463.41	27123.90				
c) Outstanding	51225.71	51234.84	51234.84	55634.92	55860.89	55634.92	55860.89	52704.45	49802.28	45939.80				
<b>SME Loan (Tk. in crore)</b>	April-Jun, FY22	July-Sept, FY23	Oct-Dec, FY23	Jan-Mar, FY23	April-Jun, FY23 <sup>P</sup>	Jan-Mar, FY23	July-Sept, FY23 <sup>P</sup>	Oct-Dec, FY23 <sup>P</sup>	FY23	FY22				
a) Disbursement	56484.26	51676.81	60611.61	49068.40	62747.05	49068.40	52654.90	64841.99	224103.87	207395.04				
b) Outstanding	271448.58	273906.60	282896.54	283236.32	295842.02	283236.32	298339.27	304241.45	295842.02	282896.54				
<b>Industrial Term Loan (Tk. in crore)</b>	Oct-Dec, FY22	Jan-Mar, FY22	April-Jun, FY22	July-Sept, FY23	Oct-Dec, FY23	July-Sept, FY23	Jan-Mar, FY23 <sup>P</sup>	April-Jun, FY23 <sup>P</sup>	FY23	FY22				
a) Disbursement	18772.59	17340.49	21413.63	18562.45	29574.55	18562.45	20907.66	26127.36	95172.03	72360.96				
b) Recovery	18477.42	16572.97	16832.73	20610.17	50593.69	20610.17	17899.35	17290.02	106393.23	64862.58				
c) Outstanding	308918.45	310572.40	320410.22	328742.50	360051.14	328742.50	383075.76	395317.82	395317.82	320410.22				
	FY15	FY16	FY17 <sup>N</sup>	FY18 <sup>N</sup>	FY19 <sup>N</sup>	FY18 <sup>N</sup>	FY20 <sup>N</sup>	FY21 <sup>N</sup>	FY22 <sup>N</sup>	FY23 <sup>N</sup>				
<b>GDP Growth Rate</b> (in percent, Base: 2005-06=100)	6.55	7.11	6.59	7.32	7.88	7.32	3.45	6.94	7.10	5.78				

**Bangladesh Bank**  
Foreign Exchange Operation Department  
(Import Monitoring Section)

**Weekly basis commodity Statement of LCs Opened and Settled 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 Mide 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
<b>Grand Total</b>		<b>1138.93</b>	<b>1096.19</b>	<b>951.28</b>	<b>1388.85</b>	<b>775.92</b>	<b>1076.34</b>	<b>944.39</b>	<b>1436.97</b>	<b>326.30</b>	<b>379.63</b>	<b>4136.82</b>	<b>5377.98</b>

Data downloaded: on 31.08.22



# Dollar Deposits By Banks Drop



## *Business Outlook Report*

**T**he Bangladesh Bank has received about \$1.48 billion from banks under its currency swap arrangement which began on February 15. Currency swap is an agreement between two parties (in this case, the Bangladesh Bank and the commercial banks) to exchange a specified amount of one currency for another currency at an agreed-upon exchange rate on a specified date.

Deposits of dollars under currency swap dropped to the current level from \$1.75 billion in March 24 as some banks reclaimed dollars to meet high greenback demands on the market. Therefore, the country's foreign exchange reserves, according to the International Monetary Fund's BPM6, dropped to \$19.8 billion on April 17 from \$20.78 billion in February, BB officials said.

The net foreign reserve dropped below \$15 billion. The banks received about Tk 16,380 crore in total by depositing \$1.48 billion, mostly for a thirty-day tenure. On February 15, the BB approved currency swap arrangement between the central bank and the commercial banks. With the new swap arrangement, commercial banks allowed exchange the taka for the dollar, or vice versa, with the Bangladesh Bank.

They can reclaim their respective dollar amounts after repaying the taka to the central bank and settling the interest rates with the BB. The central bank said that under this arrangement, a minimum of \$5 million or its equivalent in takas could be swapped. The swap will be for a minimum of seven to a maximum of 90 days. According to the circular, if the commercial banks

have surplus dollars, they can deposit them in the Bangladesh Bank and receive the equivalent amount in the taka. Likewise, they can deposit takas in the central bank and receive the equivalent amount in dollars or other approved foreign currencies, the circular said. To avail the currency swap facility, interested banks will have to enter into an agreement with the central bank.

According to that agreement, on the day when commercial banks deposit dollars in the Bangladesh Bank, they will receive the equivalent amount in the taka based on the exchange rate of the dollar on the day. Similarly, after a specified period, they will be able to deposit takas and receive the equivalent amount in dollars, with paying or receiving an interest margin. However, for Sharia-based banks, there would be no interest margin. ■

# Digital Adoption

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# Bangladesh Lags Behind in Business



## *Business Outlook Report*

**L**ess than half of the companies in Bangladesh use computers, according to a World Bank's survey that revealed the country's weak position in digital adoption for business compared to peer economies and neighboring nations.

According to the Digital Progress and Trends Report 2023, only 46 percent of the firms in Bangladesh used computers between 2019 and 2022 while 50 percent had access to the internet. Almost 100 percent of the firms in

Brazil, Chile, Georgia, India, Korea, Poland, and Vietnam had a computer for business purposes and internet connection during this period. In contrast, only half of the firms in Bangladesh, Burkina Faso, and Ethiopia had computers.

The report said in addition to low internet speeds, firms in some low-and-middle-income countries also suffer frequent disruptions in internet service. It mentioned Bangladesh is a country where internet services are often disrupted, leading to loss of competi-

tiveness. "In Bangladesh, the internet service is predicted to crash seven times per month on average. Such frequent disruptions make it difficult to maintain business continuity and compete with other firms in the global digital economy," the report added.

The grim scenario raises questions about the effectiveness of the government spending thousands of crores of public money for the expansion of the country's optical fiber cable network for broadband internet. Besides, the government spent tens of

thousands of core taka for different projects to achieve its "Digital Bangladesh" vision. Bangladeshi firms also lagged in using cloud computing services during 2019–22, with only 7 percent of the local businesses using the facility.

Meanwhile, 34 percent of Bangladeshi companies have websites while 23 percent use social media for business. According to the report, 39 out of every 100 people in Bangladesh use the internet. This rate is higher than that of Pakistan and Afghanistan, however, it is lower compared to





neighboring and peer economies such as India, Sri Lanka, Myanmar, Bhutan and Nepal. Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services, said the government could not make digital devices and data connectivity cheap enough.

Mobile data could be cheaper if the tax and VAT structure were supportive for this. Also, Quality of the internet is very poor outside major cities, he added. Mashroor thinks the World Bank report reflects the actual reality of modern

technology usage in business. "One of the main reasons is Bangladesh's businesses are predominantly small-and-medium sized and most don't have any access to funds for investing in computer or network related expenditures," he said.

Also, there are not enough low-cost software solutions for these business entities, Mashroor added. Bangladesh is classified as a lower middle-income country in the report. On average, 56 percent of the population in such countries use the internet. The average rate in South Asia is 42 percent.

This indicates that Bangladesh falls behind the average rates of both lower middle-income countries and South Asia in terms of internet usage. According to the World Bank report, 32 percent of the country's population uses the internet on mobile phones.

The rate of smartphone usage among mobile phone users is approximately 51.77 percent. Bangladesh has the lowest smartphone usage rate in South Asia, with Afghanistan also surpassing the country with 55.79 percent. However, only 18 percent of the people in

Afghanistan use the internet. In other South Asian countries, the percentage of mobile phone users using smartphones is significantly higher: 83 percent in Maldives, 81 percent in Bhutan, 77 percent in India, 70 percent in Sri Lanka, 63 percent in Pakistan and 59 percent in Nepal.

According to the report, Bangladesh, Egypt, Ghana, India, the Kyrgyz Republic, Pakistan, Tunisia, Ukraine and Uzbekistan led the growth of IT services exports during 2019-22. ■



# Sustainability Disclosure Standards Needed To Access External Financing

## Business Outlook Report

**B**anks and financial institutions need to embrace global sustainability disclosure standards to access international financing and promote private sector development, said Mizanur Rahman, a commissioner of the Bangladesh Securities and Exchange Commission (BSEC).

He said the sustainability reporting guideline recently introduced by the Bangladesh Bank should be mandatory for banks and financial institutions to ensure accountability and transparency. This is because Bangladesh requires an audit system to meet global standards in order to secure international financing for private sector development, he said. Rahman made the comments while speaking at a webinar on "Updates in Corporate Reporting, Auditing, and Ethics Standards" organised by

the Institute of Chartered Accountants of Bangladesh (ICAB) on April 22. The BSEC commissioner suggested accounting professionals enhance their understanding of auditing to ensure the production of quality and standard corporate reports.

He, however, raised concerns about the risk to the auditing profession as the use of artificial intelligence in accounting and auditing is increasing. Regarding disputes at family-run businesses, Rahman said good governance and standard accounting practices can address these challenges. He said the local currency has depreciated by almost 50 percent against the US dollar over the past 24 months. Alongside inflation, this has created an unfavourable business environment. Therefore, there is a need for accounting professionals to address

these challenges through standard reporting and adherence to professional ethics, he said. Md Tazul Islam, a partner at Rahman Rahman Huq Chartered Accountants, suggested technologies be adopted for sustainability reporting. MBM Lutul Hadee, vice-president of the ICAB, emphasised the need for formulating ethically standard audit reports.

He also called for understanding the changing trend in the reporting system using artificial intelligence. The webinar was chaired by Muhammad Farooq, a council member and past president of the ICAB. SK Ashik Iqbal, a partner at Nurul Faruk Hasan & Co, made a keynote presentation at the event while AKM Azhar Haque, a director for audit and assurance at the firm, also spoke. ■



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Roof top solar power system

Solar home system(SHS)

# WORRIED ABOUT GAS SUPPLY TO YOUR INDUSTRY?

**Omera**  
**PRIORITY**

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



**HOTLINE**

**16797**

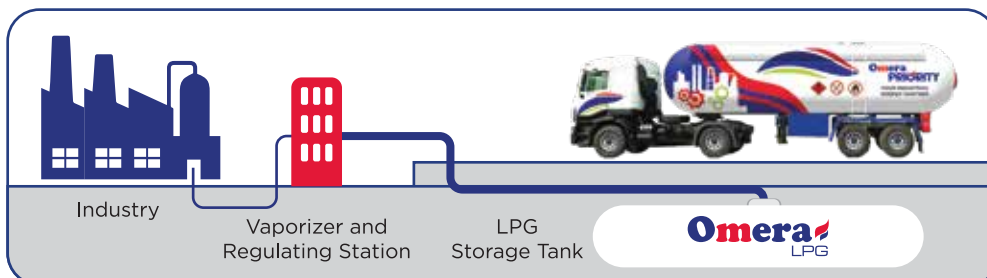


## OMERA SUPPLIES LPG FOR

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



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