

Politics: Nation Rallies Against India's Propaganda Campaign

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# Business Outlook

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**Edible Oil**

**Market Rigging**

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**A Nation Plundered: AL's 15-Year Reign Of Corruption**

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# Business Outlook

From the Editor

## Govt Must Act Now To Curb Commodity Prices

The price of edible oil has been raised following an artificial crisis in the market, exposing a concerning reality. The edible oil market appears to be a prime example of manipulation by importers and wholesalers with the government bowing down to their demand, making the consumers victims of this unholy game. Similarly, the prices of other commodities have also risen in recent days, following the fall of Sheikh Hasina's autocratic and fascist regime. Our report identifies a clear connection between the rise in commodity prices and the mass uprising that led to the downfall of the autocracy. Therefore, the discontent over commodity prices should not be viewed in isolation from the mass uprising that ensued. The disparities in purchasing power widened over the past 15 years, primarily due to the GDP growth-centric policies implemented by the Awami League (AL) government. While GDP growth was high, it was suspected to have been manipulated, resulting in a growth that was uneven and primarily benefited a small section of the population. According to economists, it was the cronies and oligarchs of the AL who mainly reaped the rewards of this growth. In 2020, Bangladesh's per capita income surpassed that of India, as per the International Monetary Fund's calculations. However, the benefits arising from the country's economic progress, reflected in the per capita income, have not been distributed equally. Economists argue that a limited segment of society is the primary beneficiary. Disparities in the distribution of national income have created unequal opportunities between the rich and the poor, particularly in areas such as access to bank loans, quality education and healthcare. The Household Income and Expenditure Survey (HIES) of 2022, conducted by the Bangladesh Bureau of Statistics, revealed that income inequality had worsened, with the Gini Coefficient rising to 0.4999, compared to 0.482 in 2016 and 0.458 in 2010. A smaller Gini Coefficient signifies a more equal distribution of wealth. The HIES also found that the wealth of the top 5 per cent of the population had grown to 30.04 per cent in 2022, up from 27.89 per cent in 2016, while the wealth of the bottom 5 per cent had only increased marginally.

There may be academic debate surrounding these issues, but the most pressing concern should be the government's decisive action to contain the price hikes of essential commodities and prevent the common people from being held hostage by the oligarchs created by the autocracy. Strengthening the role of the state marketing agency, Trading Corporation of Bangladesh (TCB), to establish checks and balances in the market could be a valuable step. The TCB could even set up outlets across the country to sell essential commodities at controlled rates, providing much-needed relief to the common people. ■



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## IMF Concerned Over High Inflation In Bangladesh

The International Monetary Fund on December 3 expressed deep concerns to the Bangladesh Bank over the persistently high inflation in the country. An IMF delegation met with Bangladesh Bank governor Ahsan H Mansur and other senior officials, where they highlighted the central bank's struggle to rein in inflation, according to BB spokesperson and executive director Husne Ara Shikha. According to the IMF, average inflation surged to 11.6 per cent, far exceeding the target of 7.2 per cent. The IMF stressed the importance of maintaining a high policy interest rate for an extended period until inflation is brought under control. It also recommended increasing the already elevated policy rate further if necessary to curb inflation effectively. If the Bangladesh Bank adheres to such approach, inflation is projected to stabilise at 10 per cent by the end of 2025 and potentially decrease to the target level of 7



per cent by late 2026. Shikha claimed that the Bangladesh Bank had successfully met all the conditions and targets set by the IMF. However, the IMF recommended modernising the monetary policy framework to address systemic inefficiencies and ensure more effective inflation management. The disbursement of the next tranche under the ongoing \$4.7 billion loan package is expected by December. ■

## 1/11 Govt Seized Tk1,232cr From 40 Individuals, Organisations

During the caretaker government period, businesses and individuals were unlawfully forced to pay Tk1,232 crore, which remains frozen in Bangladesh Bank. Despite seeking redress from the country's higher courts, the affected parties have yet to recover their funds. The central bank continues to hold this substantial sum by exploiting legal loopholes through repeated appeals, reviews, and further petitions. According to the case details, from April 2007 to November 2008, a government intelligence agency and the then Task Force Intelligence (TFI) collected this money from nearly 40 individuals and organisations. The money was deposited into the government's account No. 0900 at Bangladesh Bank through over 200 pay orders. For instance, on 19 April 2007, the One-Eleven government extracted Tk117.41 crore from James Finlay Ltd., which was first deposited into Bangladesh Bank's Consolidated Fund through 16 pay orders. Another Tk120.24 crore from the same company was deposited on 22 April via 15 pay orders. ■



## LC Margin Bar Withdrawn For Crisis-Hit Six Banks



Bangladesh Bank has withdrawn the restrictions on opening letters of credit (LCs) imposed on six crisis-hit banks. From now on, these banks will no longer be required to maintain a 100 percent margin when opening LCs, a requirement that had been made mandatory in August this year. The development follows a recent meeting between Bangladesh Bank and the managing directors of the six affected banks: Islami Bank Bangladesh, First Security Islami Bank, Social Islami Bank, Union Bank, Global Islami Bank, and Bangladesh Commerce Bank. The central bank, through a letter, instructed these banks to revert to the previous rules instead of adhering to the 100 percent margin requirement. The boards of all six banks were restructured after the fall of the Awami League government on August 5. These banks' boards were previously dominated by the controversial business conglomerate, S Alam Group. ■

## Cenbank Approves New Banknote Designs

The central bank has officially decided to change the designs of the notes worth Tk20, Tk100, Tk500, and Tk1,000. This decision was approved in a meeting of the Bangladesh Bank board with the central bank's Governor Dr Ahsan H Mansur in the chair on Sunday, said its spokesperson and Executive Director Husne Ara Shikha on Sunday. Speaking about the approval, Shikha said the new banknotes will feature updated designs. If all goes as planned, Shikha said, the new notes will be available in the market within six months. Sources in the central bank said that the new notes will no longer feature the image of Bangabandhu Sheikh Mujibur Rahman. Instead, she said, the new designs will incorporate religious monuments, Bengali heritage and imagery related to the "July Revolution graffiti." According to Shikha, the final approval for these changes has already been granted by both the Bangladesh Bank and the government, with printing of the new notes already underway. ■



## BB Okays Tk 3,000cr Loan At 4pc Interest For ICB



The Investment Corporation of Bangladesh has received approval from the Bangladesh Bank for a Tk 3,000 crore-loan at a reduced interest rate of 4 per cent, down from the initial 10 per cent. Two-thirds of the loan will be utilised for repaying the corporation's existing debts, while the remaining amount will be invested in the capital market, said ICB chairman Abu Ahmed confirming the information on December 3. Earlier, on November 13, the government provided a sovereign guarantee to facilitate the loan. Based on this guarantee, the Bangladesh Bank issued a formal letter to ICB on November 27, sanctioning the Tk 3,000-crore loan at a 10 per cent interest rate with a tenure of 18 months. ICB later informed the Bangladesh Bank that the 10 per cent interest rate was unsustainable for the institution and requested a reduction to 4 per cent. Following the proposal, the central bank approved the loan at the revised interest rate. ■

## NBR Conducts Drive At Resort Of Ex-DB Chief's Relatives

The National Board of Revenue's (NBR's) Central Intelligence Cell (CIC) conducted a drive at "President Resort" in Kishoreganj, around 100km north of the capital on December 9. The drive was conducted as part of its investigation into several allegations against the owners, including occupation of land by force. Different documents, four hard disks, and 16 registers were seized while evidence from alleged victims was collected during the drive, assisted by police, the land office, and other state agencies. The resort is allegedly owned by close relatives of former chief of the Detective Branch of police Harun-or-Rashid. Opening on September 3, 2021, the 30-acre resort sits on haor or wetland areas of Mithamoin upazila and has 40 air-conditioned suites in 20 two-storey cottages, alongside facilities such as restaurants and playgrounds. It was alleged to have been constructed with wealth acquired illegally and through the forced occupation of land.



The owners are also alleged to have evaded taxes. On December 4, an eight-member committee was formed by the CIC to conduct investigations, to unearth the investment made into the resort and verify the owners' income tax returns. The allegations were primarily found to be true, and various pieces of evidence were collected, CIC Director General Ahsan Habib said. ■



# Nation Rallies Against India's Propaganda Campaign

*SMS Hasan*

**I**t has been a big challenge for both political parties and the interim government to counter the Indian propaganda against Bangladesh regarding the minorities, especially the Hindu community. Soon after Sheikh Hasina fled to India in the face of a mass uprising, both Indian state machinery as well as the media launched a vigorous campaign against Bangladesh falsely claiming that members of the Hindu community are being persecuted and attacked by the extremist Muslim groups. The campaign took a global shape when the UK parliament was debating over the issue and a huge misinformation and disinformation was placed in the British parliament. In India, Bangladesh's deputy mission in Agartala came under attack by Hindu groups while

different Hindu groups like RSS arranged demonstrations in front of the Bangladesh embassy in New Delhi. Against such an anti-Bangladesh campaign, Chief Adviser Prof Muhammad Yunus called leaders of all political parties, student organisations and all religious communities to his office and held meetings and expressed Bangladesh's strong unity against Indian propaganda and campaign. Soon after such meetings, the Indian foreign secretary came to Dhaka to discuss different issues and held a meeting with his counterpart in Bangladesh. Many believe such initiative from the interim government and response from the political parties, including BNP and Bangladesh Jamaat-e-Islami, was a historic move to show Bangladesh's unity against any Indian smear campaign. Separately BNP also arranged

demonstrations against the Indian bad campaign. But despite that move, the gap between the interim government and the political parties over the election issue has not fully narrowed. However, the government has appointed a full commission to start the process of general election. This will definitely create a kind of confidence among the political parties. The commission already held its meeting and discussed the overall situation for its further steps. But all will depend on the interim government's decision as to when and how the new commission will approach the election. However, the BNP has been pushing up its demand for holding the election as early as possible. Recently, Jamaat also agreed that the election should not be much delayed in the name of implementation of

reforms in different sectors. On the other hand, the Anti-Discrimination Student Movement (ADSM), which spearheaded the movement against Hasina, is still in favour of the implementation of reforms first and then going for the election. Jatiya Nagorik Committee (JNC), a new platform backed by the ADSM, has been forming local committees in different districts and recently one of the ADSM top leaders Sarjis Alam joined the JNC. There is a huge discussion among the political circles that JNC might emerge as a political party before the new election. Many analysts thought that the student leaders who led the movement against Hasina's regime apprehend that they might lose their importance in politics as well as in society if and when a new government is formed through a general election. So, they are not interested in early elections. Rather, they want to run a political party and set their position in politics before the election and then participate in any election. In such a situation, the days ahead are very crucial and also very complicated in the view of the political analysts.

### **Let's Unite To Protect Nation's Sovereignty**

Leaders of political parties agreed to unite and set all their differences aside when the country's sovereignty, existence, independence and dignity are threatened. They also proposed forming a national political council to combat any sort of misinformation, said Prof Asif Nazrul, law adviser to the interim government, after a meeting between the parties and the chief adviser at the Foreign Service Academy on December 5. At the meeting, Chief Adviser Prof Muhammad Yunus urged all political forces in the country to unite and fight the falsehood. He thanked the parties that responded to his call and said, "Through the uprising of students and the masses, we managed to lift the crushing stone off our chest...

"This nation is not dead, nor has it weakened. We are a powerful nation, ready to fight. They believe we have lost our vigour, but I have not. Our spirit remains as vigorous as ever. We had heard the police say, 'Sir, if one falls, four rise'. We now know that not just four, but forty will stand up.

"Our blood has not dried. The writings on the walls, which you see every day while coming and going, have not been erased; they are still raw and burning. That fire still burns within our hearts as well." Prof Yunus said, "It seems our freedom and independence are not sitting well with some people.

unite to prove their falsehood and establish the truth. "We must tell the world that we are united... We have called you here to discuss how we can move forward collectively. There is no room for missteps in this process."

Amid demonstrations in the capital and different districts over the attack on the Bangladesh Assistant High Commission in Agartala, Prof Yunus began a series of dialogues. He first met leaders of student organisations against discrimination and announced that he would hold talks with major political parties yesterday and religious groups today. Delegations of several politi-



*Leaders of political parties agreed to unite and set all their differences aside when the country's sovereignty, existence, independence and dignity are threatened*

Various efforts are being made to stall our progress. Since August 5, you've witnessed how it has been unfolding. "Now, they are trying again, in new ways. The situation we are currently facing is why this meeting has been called."

Prof Yunus said, "The Bangladesh we are aiming to build is being overshadowed by a fabricated narrative. They are relentlessly outlining a different version of our country." He said it was not limited to just one country. It has spread to certain major global powers. "Since our great uprising has displeased some, they want to erase it ... We must

cal parties, including the BNP and Jamaat-e-Islami, were present yesterday. The Awami League and the Jatiya Party were not invited. After the meeting, Asif Nazrul told reporters that consensus was established regarding anti-Bangladesh activities in India, the attack on the Bangladesh Assistant High Commission in Agartala, and India's interference in Bangladesh's internal affairs.

He said the parties advised the government to accelerate its efforts to counter the misinformation campaigns. If necessary, the government can seek the support of



expatriates, and friendly countries, and bring foreign media and journalists to Bangladesh. The parties also recommended improving the government's communication and legal capabilities and establishing a public relations cell. Several parties proposed forming a minority commission to investigate alleged attacks on minorities and uncover the truth, Prof Nazrul added. The leaders strongly condemned India's economic and cultural aggression, its attempts to dominate Bangladesh, and its interference in Bangladesh's internal matters.

"There is no room to see Bangladesh as a weak country ... We vow to uphold national unity at all costs and stand united against such misinformation and attacks in the future," said Prof Nazrul. The party leaders also proposed holding a grand rally or national political council with participation from all parties to demonstrate the country's unity against the propaganda campaign. Speaking to reporters afterwards, BNP Standing Committee member Khandaker Mosharraf Hossain said, "We have spoken to the interim government about the election. This government is committed to restoring the rights of the people. Therefore, we have urged them to quickly implement necessary reforms and present a roadmap for the election. "If the people get a roadmap and focus on the election, the conspiracies we are witnessing now will no longer be possible," he added.

Jamaat-e-Islami Ameer Shafiqur Rahman said his party would work with the government to counter the propaganda against the country. "We will not fall into anyone's trap. We will not bow to anyone, nor will we cross any limits. I hope you will hear good news within a couple of days. "We despise extremism, no matter where it comes from." Jamaat demanded the government talk to India and present specific proposals to stop the propaganda. Nasiruddin Patwary, convener of the Jatiya

Nagorik Committee, said, "A resolution has been passed, which includes discussions on whether a symbolic show of unity can be demonstrated in Bangladesh."



*Foreign Affairs Adviser Md Touhid Hossain and British High Commissioner to Bangladesh Sarah Cooke pose for a picture during a meeting on December 5, 2024*

Nagorik Oikya President Mahmudur Rahman Manna said they also asked the government to review all agreements signed with India and cancel those that go against the interests of Bangladesh.

Junaed Saki, chief coordinator of Ganosamhati Andolon, said, "We told the government that it must fight misinformation with accurate information." Ganatantra Mancha Coordinator Saiful Huq said, "We asked the government to give a clear message that if India seeks to destabilise Bangladesh and jeopardise its security, India's security will also be at risk." Maulana Abdur Rab Yousofi, vice-president of Jamiat Ulema-e-Islam Bangladesh, urged the government to temporarily halt travel between Bangladesh and India.

Ashraf Ali Akon, presidium member of Islami Andolan Bangladesh, called for action against individuals working against the country's interests. He proposed confronting India in the same way countries like the Maldives, Nepal, Afghanistan, and Pakistan did. Fakhru Islam, secre-

tary general of Bangladesh Khilafat Andolan, said, "To protect Bangladesh's image, all ambassadors around the world should be informed, and steps should be taken in consultation

with them." Jahangir Hossain, joint secretary general of Khelafat Majlish, said they had expressed their commitment to work with the government.

Leaders of Jatiya Samajtantrik Dal, Bangladesh Jatiya Samajtantrik Dal, Ganatantrik Bam Oikya, Communist Party of Bangladesh, Amar Bangladesh, Jatiyatabadi Samamana Jote, 12-party alliance, Gantantra Manch, National Democratic Movement, Bangladesh Khilafat Andolan, Khelafat Majlish, and Jatiya Nagorik Committee attended the meeting among others.

### **Bangladesh Expresses Strong Discontent Over UK Parliamentary Group's Remarks**

Bangladesh has expressed strong discontent over what it termed "misleading statements" by the All-Party Parliamentary Group (APPG) of the UK regarding the deaths and minority issues in the country.

Foreign Adviser Touhid Hossain conveyed this sentiment to British High Commissioner to Bangladesh

Sarah Cooke during a meeting at the Ministry of Foreign Affairs on December 9.

"I told her [British high commissioner to Bangladesh] that we are very hurt because there has been an attempt to show that there have been more deaths after August 5. This is completely false," he told reporters after his meeting with High Commissioner Cooke. Touhid said he invited her to his office to present Bangladesh's position and requested

message and suggested that Bangladesh's mission in London could also take steps to communicate the accurate narrative, he said.

Hossain shared with the high commissioner that nearly 1,500 people were killed before August 5, and the statement completely misrepresented the events of the July-August uprising. The foreign adviser also said some incidents may have occurred after August 5. "However, the way it has been

because she is making many statements from there. It creates tensions," he told the Indian foreign secretary. Misri said New Delhi wants to increase engagements with Bangladesh's interim government and make "joint and concerted efforts" to boost relationships between the two neighbours. "There is no second thought about increasing engagements. We see this as beneficial for both countries. We want to carry on from where we left off," Misri said as they discussed issues of mutual interests.



*Chief Adviser holds a meeting with Indian Foreign Secretary Vikram Misri at the State Guest House Jamuna in Dhaka on 9 December, 2024*

her to relay the actual situation on the ground. He shared two incidents—two members of the British Parliament delivered speeches on the minority situation in Bangladesh on November 2. He informed the UK high commissioner about misinformation in those speeches. Apart from that, some British-based organisations have presented some information that does not reflect authentic on-the-ground information.

"Members of Parliament can say whatever they want; there is nothing anyone can do here. But I have requested the British high commissioner to inform the British government of Bangladesh's position on this issue," Hossain said. In response, Cooke assured the adviser that she would pass on the

portrayed is not correct. It's absolutely not correct."

### **CA Urges India To 'Clear The Clouds' Over Bilateral Ties**

Chief Adviser Prof Yunus on December 10 described the relations between Bangladesh and India as "very solid and close" and sought India's efforts to "clear the clouds that have cast a shadow over the relationship" between the two countries in recent times.

During his meeting with Indian Foreign Secretary Vikram Misri at the State Guest House Jamuna in Dhaka, Yunus urged India to help clear these clouds surrounding the situation and raised issues centring ousted Prime Minister Sheikh Hasina, who fled to India on 5 August. "Our people are concerned

During the 40-minute meeting, the issues of minorities, misinformation campaigns, ousted dictator Sheikh Hasina's stay in India, regional cooperation and the July-August mass uprising were discussed. "We have to do business with the government of the day. This is a major relationship," said the Indian Foreign Secretary. Misri, who held a bilateral meeting with his Bangladesh counterpart earlier in the day, said he monitored events in Bangladesh almost every hour during the July-August mass uprising. The chief adviser elaborated on how students, workers and people joined hands in July-August to end Hasina's corrupt regime through the mass uprising. "Our job is to keep their dreams alive. It is a new Bangladesh," he said and briefly outlined the reform initiatives undertaken by the interim government.

Misri said Indian Prime Minister Narendra Modi was among the first foreign leaders to greet Yunus after he assumed office. "We wish you every success," he said, adding that media narratives and the Indian government's perception of India-Bangladesh relations are different. He said it was a wrong perception that India had ties with one particular party in Bangladesh. "They are not meant for one particular party, but for everyone." Yunus called for close bilateral cooperation in floods and water management

and urged India to join his initiative to revive SAARC. "We want to build a prosperous new future for all of us," the chief adviser said. Misri said that India continues to engage with SAARC, while there are some obstacles. About the minority issues, the chief adviser said the interim government is committed to protecting every citizen and safeguarding their rights irrespective of their creed, colour, ethnicity and gender. "We are a family. We have to work together," he said. Misri said India doubled the number of visas for Bangladeshis last month and would increase the number further in the coming days. "We can take our relationships forward," he said.

### ***BNP Wings Hold Long March, Vow To Resist 'Indian Aggression'***

Three associate organisations of the BNP held a long march from Dhaka towards India's Agartala on 11 December protesting the attack on a Bangladesh Assistant High Commission, disrespect to the national flag, and alleged attempts to provoke communal unrest. Leaders and activists of Jatiyatabadi Jubo Dal, Swechchhasebak Dal, and Chhatra

at 9am and reached Akhaura of Brahmanbaria at about 3:30pm.

They said that the people of Bangladesh have never accepted the dominance of any country, nor will they accept India's dominance. If anyone attempts to conspire against the country, the leaders and activists of Jubo Dal, Swechchhasebak Dal, and Chhatra Dal will resist it, they vowed.

Hundreds of leaders and activists began gathering in front of the party's central office in small processions from 7am to join in the long march.

Bangladesh did not gain independence from Pakistan in 1971 just to surrender to India now, BNP Senior Joint Secretary General Ruhul Kabir Rizvi said during a rally at Nayapaltan prior to the long march.

"We gained independence at the cost of blood. Would we sell this independence [over to India]?" he said. Rizvi said, "Today, Indian leaders are being criticised by democratic countries all over the world." Though India itself is a democratic country, it does not want the people

the people of Bangladesh."

### ***Presence Of Leaders And Activists***

The long march reached Bhairab at about 12:30pm via Paltan, Fakirapool, Ittefaq Mor, and Chittagong Road. An active presence of leaders and activists was visible on both sides of the roads. Leaders and activists from the three organisations participated in the long march with pick-up trucks and motorbike processions, coming from various districts including Khagrachhari, Habiganj, Sylhet, Cumilla and Brahmanbaria.

During this time, they chanted various anti-India slogans, including "Delhi or Dhaka, Dhaka, Dhaka" and "Agents of India, beware and stay alert." In a roadside rally at Bhairab, SM Jilani, president of the Swechchhasebak Dal, said, "We are undertaking this long march against India's aggression. India claims to be a democratic state, yet it has provided refuge to Sheikh Hasina and her associates, who fled in the face of Bangladesh's people's democratic movement."

At about 4:15pm, a rally was held at the Akhaura land port field, just 100 metres away from the Agartala border. At the rally, Abdul Monayem Munna, president of Jubo Dal, said, "The people of Bangladesh are a highly independent-minded nation. We remain vigilant against any conspiracies involving Bangladesh."

He said, "It is India's responsibility to ensure the security of Bangladesh's mission in India, and they have failed to do so. Bangladesh must be treated as a neighbouring state, not as a subordinate. We have no masters."

Rakibul Islam Rakib, president of Chhatra Dal, said, "Through this long march, we are sending a clear message to India. With your patronage, Sheikh Hasina has forcibly disappeared and killed thousands of leaders and activists. No matter how



*Participants in a rally of BNP's associate bodies in Akhaura on 11 December 2024*

Dal vowed to resist Indian aggression while participating in the long march that started from the party's central office in capital's Nayapaltan

of Bangladesh to follow in its footsteps, he said. "The leaders of Delhi have not yet grasped the strength, resilience, and resistance of

many conspiracies you plot, they will not succeed."

### **Moyeen: BNP Demands Elections To Restore People's Right To Vote**

Bangladesh Nationalist Party (BNP) Standing Committee member Dr

holding elections with dummy, fake members of parliaments, arranging votes at night and forcibly snatching ballot boxes," he said. He further said: "If the fascists think that they will come to power again and establish a dictatorship, then they are

and activists of Palash Upazila Unit BNP.

### **Sarjis Appointed Chief Organiser Of Jatiya Nagorik Committee**

Sarjis Alam, General Secretary of the July Shaheed Smrity Foundation, has been appointed as the Chief Organizer of the National Citizen's Committee.

The official announcement was made on December 9 by the Jatiya Nagorik Committee. The information was shared in a statement signed by Convener Nasiruddin Patwary and Member Secretary Akhtar Hossain.

The "Jatiya Nagorik Committee" was launched on September 8 as a pressure group advocating for the abolition of fascist systems and necessary reforms in the state.

In November, Sarjis Alam was included as a member of the committee.

The statement further mentioned that to expand activities aimed at



*Bangladesh Nationalist Party (BNP) Standing Committee member Dr Abdul Moyeen Khan addressing a rally in Dhaka city*

Abdul Moyeen Khan on December 12 said that BNP does not demand elections for its own benefit rather the party wants to restore people's right to vote.

"The new generation was deprived of their right to vote during the dictator's regime in the last 15 years. BNP is demanding fair and impartial elections to restore people's right to vote after a speedy completion of essential reforms," he said. He came up with the remarks while addressing a memorial meeting and Doa-mahfil at Palash Upazila Auditorium in Narsingdi on the occasion of the 40th death anniversary of his father, former food minister and BNP founding member Abdul Momen Khan.

He further said: "We do politics for the people and that is why we believe in the people's voting right." "The persons, who will be elected by the people through a fair and impartial election, will be the true representatives of the people," he added. "Parliament cannot be formed by

living in a 'Fool's Paradise'." Earlier, Mahreen Khan, the daughter of



*Sarjis appointed chief organizer of Jatiya Nagorik Committee*

BNP standing committee member Dr Abdul Moyeen Khan, also spoke at the memorial meeting. The memorial meeting, chaired by Moyeen Khan's wife and Millennium University Chairperson Rokhsana Khandaker, was attended by leaders

abolishing fascist systems and implementing political settlements, Sarjis Alam, a central member of the National Citizen's Committee, has been appointed as the central chief organiser. ■

# FOUR MONTHS OF INTERIM GOVT : Uncertainty Shrouds Business Recovery



## *Business Outlook Report*

**T**he interim government, led by Prof Muhammad Yunus, has relentlessly been working to improve the country's law and order situation to create a more congenial business climate and lure investments since its takeover in early August.

Businesses and experts, however, claim that the progress has still been sluggish, with both trade and investment moving at a tepid pace due to unresolved issues. A significant concern for the industrial sector remains the energy supply, as prolonged disruptions hinder production. Business leaders have called for comprehensive policy reforms to eliminate corruption, simplify tax and other bureaucratic

procedures, and enhance the ease of doing business to make the country more competitive globally.

Many experts argue that the country's uncertain economic climate discourages both local and foreign investments, while driving international buyers to explore alternative markets.

### *High Energy Costs Cripple Industries*

Former vice president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Abul Kashem Haider, told the Daily Sun that economic activity remains sluggish due to the interim government's slow progress. "We need swift reforms in the business sector to keep the economy moving.

Currently, foreign direct investment (FDI) is negligible, and unemployment is rising, which is alarming. Ensuring law and order is crucial to building investor confidence," he stated. Haider criticised the former government led by Sheikh Hasina for failing to address the demands of the business community over the past 16 years. He emphasised that rising energy costs are crippling industries, demanding a 50% reduction in energy prices to sustain the manufacturing sector.

He also urged the FBCCI administrator to hold its elections promptly to establish an elected board of directors, which can effectively communicate the demands of the business community to the interim government. "We appreciate the

interim government for bringing discipline to the banking sector, but high-interest rates must also be reduced to support businesses,” he added. Ashraf Ahmed, president of the Dhaka Chamber of Commerce & Industry (DCCI), highlighted the quadrupled energy consumption over the past two decades, reaching nearly 45 million tonnes of oil equivalent (TOE). To meet the growing energy demand in the industrial sector, he stressed the importance of boosting local production and imports.

“We must focus on increasing our capacity to utilise energy efficiently. Despite challenges in domestic coal extraction, the process must be enhanced to address the country’s energy needs,” Ahmed told the Daily Sun.

### **RMG Buyers Demand 100% Security**

Talking to this newspaper, Bangladesh Garment Manufacturers and Exporters Association’s (BGMEA) former director Mohiuddin Rubel emphasised the need for enhanced law and order as well as a steady energy supply to sustain the country’s apparel sector. “Our major challenges now are law and order and energy supply. During the July-August uprising, the country’s law and order situation dropped to a ‘zero level.’ While the interim government has improved it significantly, it still does not meet the expectations of the business community. We need 100% security to ensure a conducive environment for business and investment,” he stated.

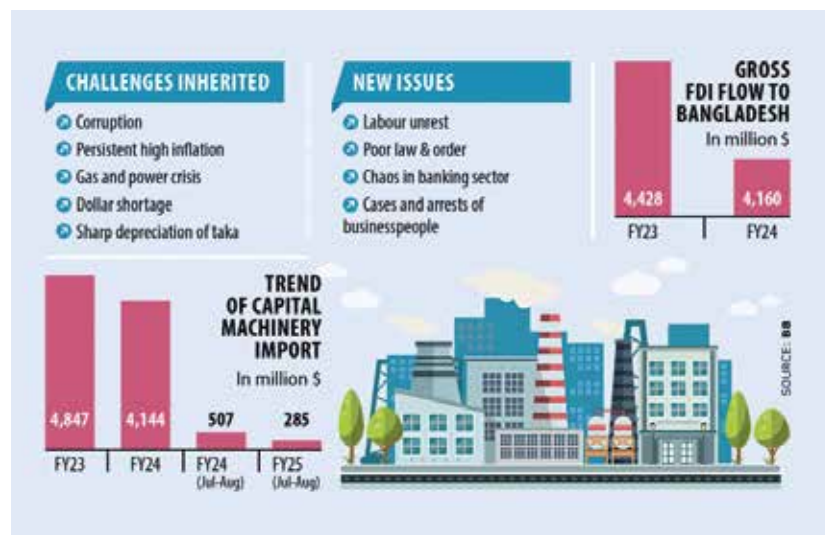
Rubel highlighted that Bangladesh aims to achieve \$100 billion in garment exports by 2030 but is struggling to provide sufficient energy to industrial units, even while exporting \$38 billion worth of apparel annually. “How can we achieve \$100 billion in exports if we cannot ensure enough energy supply? The government must urgently address these pressing issues

to secure the country’s economic future,” he added. He also expressed optimism about the neutral government led by Prof Yunus, stating, “Our expectations are high. All necessary reforms must be implemented to improve the ease of doing business in the country. Global buyers demand full security; otherwise, they will shift to other countries. Both local and foreign investors are monitoring the business environment closely. Everyone wants 100% security and economic stability.”

According to the Export Promotion Bureau, Bangladesh exported goods worth \$55.56 billion in the fiscal year 2023-24, with the RMG sector

full control of our industries with the support of law enforcement agencies,” he stated. Chowdhury acknowledged the vital role of law enforcement in ensuring security and called for urgent policy support to stabilise the economy.

“Many industries are struggling to operate under these conditions. Bangladesh is resilient, and we will overcome these challenges, InShaAllah. But immediate policy support is crucial to protect the economy and employment. Security remains our top priority, followed by the need for energy, banking, and other government support,” he added. The RMG sector’s resilience and adaptability would be critical as



contributing \$47 billion. Despite this success, the industry faces several challenges. M Salauddin Chowdhury, chairman of Stylish Garments Ltd, said, “The interim government has been in power since 8 August, and since then, we have faced significant challenges, particularly in the RMG sector.”

“Security concerns have been our primary issue, with incidents such as workers’ protests, outsider attacks, and the spread of rumors causing disruptions. This has been one of the most challenging periods for businesses. The situation, however, has improved, and we hope to gain

Bangladesh seeks to navigate these challenges and secure its position as a global leader in apparel exports, industry experts believe.

### **Poor FDI Impacts Employment, Economy**

The country’s private sector credit growth dropped to 8.30% in October this year, marking its lowest point in 41 months, according to Bangladesh Bank data.

The central bank also revealed that Bangladesh received \$3.004 billion in foreign direct investment (FDI) in 2023, a 14% decline from \$3.5 billion in 2022. A Gafur, director of

Abdul Monem Economic Zone Ltd, highlighted that Bangladesh's \$3 billion FDI in 2023 pales in comparison to Malaysia's \$18 billion. He attributed this disparity to policy inconsistency, political instability, and inefficiencies within the National Board of Revenue (NBR) and the One-Stop Service (OSS). Gafur urged authorities to address these barriers to improve FDI inflows.

Zaved Akhtar, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI), underscored the importance of credibility, policy consistency, and competence in attracting FDI. He emphasised that fostering partnerships is critical for boosting both FDI and economic growth.

### **Economists For Measures To Curb Unrest**

Economists believe that controlling

disruptions caused by protests is crucial for economic stability and business confidence. Dr M Masrur Reaz, chairman of Policy Exchange Bangladesh, noted positive signs in exports and remittances over the past four months. He, however, expressed concerns about protests in government offices, educational institutions, and on roads, which disrupt supply chains and erode confidence among local and international investors.

"Despite a reduction in violence since 5 August, frequent unrest continues to create a lack of confidence in the business community. Addressing these disruptions must be prioritised," Dr Masrur stated. During a recent event, Commerce Adviser Sk Bashir Uddin stressed the need for stronger collaboration between the private sector and the government to improve law and order. He expressed optimism about

resolving the current challenges. Bashir Uddin, who is also the managing director of Akij Bashir Group, highlighted the importance of capacity building to expand Bangladesh's trade in the international market, especially during the post-LDC transition period. "A well-thought-out timeline for LDC graduation is necessary, as the country will lose certain incentives and advantages after the graduation," he noted. Bashir Uddin emphasised the need for improved trade liberalisation and policies to support business sub-sectors.

"Strengthening connectivity is crucial for enhancing competitiveness. Bangladesh should capitalise on its potential as envisioned by the WTO, which sees the country as a special model in South Asia," he stated. ■

## **Bashir Seeks People's Support To Ensure Justice For All**



Commerce Adviser Sk Bashir Uddin has urged all to supplement the government's efforts to ensure justice for all in the country.

"We have to ensure justice and we want to establish that and so we seek support and cooperation from all," he said.

The commerce adviser addressed the closing session of the Advanced Technology Solution (ATS)

Expo-2024 organized by Walton at the Bashundhara International Convention Center on December 7, said an official release.

He said after assuming office following the August 5 uprising, the interim government's basic tasks are now to carry out the reforms and then hold an election.

Bashir said although many get policy support from the govern-

ment, but they could not sustainably utilize that in the right place. "Walton in this regard is utilizing properly the support from the government keeping intact its product diversity which is also commendable,"

Considering the LDC graduation in 2026, the commerce adviser said that the country needs to minimize its expenditure and thus save more foreign currency in line with the goals and targets of the graduation. He also said that all would have to work concertedly to make a place in the global market going beyond the local market through newer innovations.

Commerce Secretary Md Selim Uddin was present as a special guest in the program. Walton Hi-Tech Managing Director SM Mahbul Alam and Director SM Nurul Alam Rezvi, among others, were present. ■

# Seminar on Predictable Energy Pricing and Supply Stability

Saturday, 07 December 2024



## Govt Urged To Focus More On Energy Management

*Business Outlook Report*

Speakers at a seminar have urged the government and other stakeholders to pay more attention on improving the own sources and management of energy to reduce its import dependency.

They made the emphasis at a seminar titled "Predictable Energy Pricing and Supply Stability" organized by the Dhaka Chamber of Commerce and Industry (DCCI) held at the DCCI Auditorium in the capital on December 7. Speaking on the occasion as the chief guest, Muhammad Fouzul Kabir Khan, Adviser on the Ministry of Power, Energy and Mineral

Resources, said the government still provides subsidy to the consumers for electricity. Regarding gas, he said that the country needs at least 4000 MMcf/d of gas, but the supply is lower than 3000 MMcf/d.

He also informed that there is a reserve of 60-70 MMcf/d of gas in Bhola and for that the government is going for an open bidding method. Kabir said not only for Bhola, but also for all procurement process related to power and energy, the government from now on would vie for open bidding system to ensure fair competition. And for that the government has already changed

the law of 2010, he added. In the power sector, he said the IPP is outdated and merchant power plant system should replace it. The Adviser also commented that the government would soon go for drilling of 50 gas wells in the country and it would be increased up to 100 in phases. Regarding solar projects funding, he said that the lending by the banks should be asset-based and cash-flow based rather than collateral based loan.

He said the advertisement for 40 solar power plant projects would be published in the newspapers soon for which the government would

arrange land for the interested investors. DCCI President Ashraf Ahmed said that over the last 50 years, the economy of Bangladesh has transformed from an agrarian to industrial economy. Therefore, it is necessary to ensure uninterrupted energy supply at a sustainable price to grow business activities in the country, he added.

The DCCI president said that in the last two decades, the energy consumption has increased almost 4 times to almost 45 million "Tones of Oil Equivalent (TOE)". To meet the growing demand of power and energy in the industrial sector in Bangladesh,



Ashraf said there is no alternative but to import and enhancing local energy production.

"We have to focus on increasing our capacity to use energy in this regard. In view of the current situation, there are various challenges in extraction of domestic coal, but the extraction process across the country needs to be enhanced," he added.

The DCCI President also said that despite the potential of solar power, the country is lagging behind due to lack of necessary land and complex procedures and delays in land allocation management, which needs to be considered actively.

He pointed out that some of the power plants are quite old and their production capacity would be significantly reduced by 2030. "Nuclear energy, renewable energy-based power generation needs to be increased. At the same time, the government's energy import procurement policy should be revised to keep the price stable," he added.

Ashraf also opined that tech-based energy storage system would bring in energy efficiency in the power consumption system.

The Dhaka Chamber President also requested the government to focus more on the overall development of power and gas management.

Dr. Mohammad Tamim, Professor, Department of Petroleum and Mineral

Resources Engineering, BUET in his presentation said that a long-term energy pricing would not be practical rather it is workable for 3 to 5 years.

He stressed on exploring the own gas to mitigate price as well as utilizing the rooftops to generate renewable energy.

"Cost of generation of power especially after FY2020-21 by gas has

of Geology, University of Dhaka said despite the huge potential of natural gas, the reluctance of exploration has led to today's situation. "Besides, we have shown more interest in importing LNG to produce gas," He therefore urged the government to give more focus on own gas exploration that will give a good return in the long-term. Dr. Ijaz Hossain, Professor and

man, Confidence Group, Engr. Md. Nurul Aktar, President, Bangladesh Solar & Renewable Energy Association and Convenor, DCCI's Energy standing committee, Barrister Shahwar Jamal Nizam, Partner, DFDL Bangladesh, and Saumitra Kumar Mutsuddi, Head of Corporate Affairs, BSRM spoke on the occasion. Besides, DCCI Senior Vice President Malik Talha



increased a lot mainly because of devaluation of Taka, high inflation, increasing fuel import and international energy price hike. At least 5% gas has been lost due to system loss which is equivalent of 130 mmcf/d," he added.

For LNG import, he suggested for long-term contract or hedging system side by side LNG storage capacity should be enhanced for the future.

Dr. Badrul Imam, Honorary Professor, Department

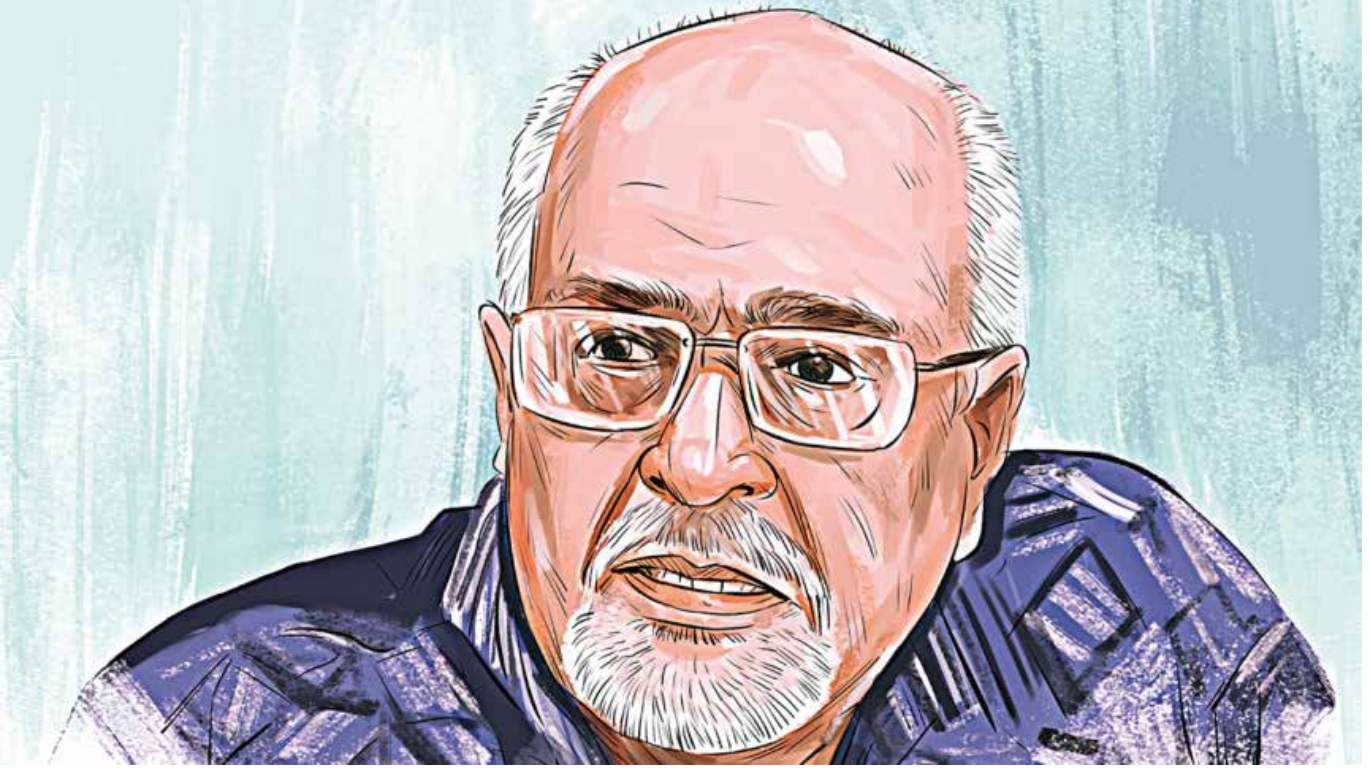
Dean of Engineering, Department of Chemical Engineering, BUET said that the industrialists should increase their involvement with the government so that the government cannot increase the price of energy without consulting with the business community.

He also proposed to utilize unused or underutilized lands for solar power projects to produce low cost renewable energy.

Imran Karim, Vice Chair-

Ismail Bari, former Senior Vice Presidents, DCCI Kamrul Islam, and Humayun Rashid and former Vice President M. Abu Horairah also spoke.

DCCI Vice President Md. Junaed Ibna Ali was also present. ■



# Growth Data Inflated By 3.5 Percentage Points During AL Regime

*Business Outlook Report*

**T**he former Awami League government had manufactured a development narrative for Bangladesh by inflating economic growth data by an average of 3.5 percentage points a year, said Debapriya Bhattacharya, head of the panel that prepared a white paper on the state of the economy.

"The first and foremost thing we did was unpack the growth story. So, we dissected the development narrative and saw that it was based on a narrative of high growth," he added. Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue, made these remarks while delivering

the keynote speech at the "Distinguished Lecture Series: The State of Bangladesh Economy: What Is To Be Done?" at the Westin Dhaka on December 5. The Bay of Bengal Institute and Cosmos Foundation jointly organised the event. Bhattacharya said the villain of the growth narrative was the public data ecosystem.

"The whole public data ecosystem was trampled on and was politically driven to generate data which had nothing to do with realities," he said. "Our assessment will show that 3.5 percentage points were inflated on average. If you saw a 7 percent growth rate on paper, it was no more than

3 percent to 3.5 percent in reality. The problem with the growth narrative is that we need investment to have that kind of growth. But if you look at the whole 15 years, the private sector-GDP growth rate was never above 23 percent."

In the white paper, the panel cited a World Bank study and said structural growth drivers such as trade, foreign direct investment, finance, macroeconomic stability and political stability could predict GDP growth reasonably well during the 1990s and 2000s. However, the share of unexplained GDP growth started to increase in the 2010s. This peaked in the 2015-2019 period,

when 3.7 percentage points of growth could not be explained by the structural drivers, it added. So, it is a very peculiar situation, Bhattacharya said. "There is no investment and possibly no employment, but growth is happening. And those growth figures were not supported by the import of capital machinery or credit flow either," he added.

"All these issues are very inconsistent. You will be very amused. The meeting we had with the Bangladesh Bureau of Statistics was really revealing. Some ministers would keep files on their table for weeks because they did not like the inflation figure. They

would say to go back and return with better growth figures." Bhattacharya said people who were supposed to cross-check data were handpicked from a bunch that would agree with the numbers and not try to contest them.

"So, the growth narrative came from a data system that created an aura which did not exist in reality," he added. Bhattacharya highlighted the inadequate GDP allocation to social sectors, stating: "Despite becoming a middle-income country, we spend less than 1

percent of the GDP on education, under 2 percent on health, and less than 2 percent on social protection -- scandalously low investments.

"A low-income country with this kind of investment in human development is hard to imagine. As a result, what do we get? On the one hand, we do not have private investment creating jobs. On the other, we have an education system that is totally lacking in quality." He added that the public health system and the rural education system, alongside social protec-

tion measures, had also been neglected. "Now, there are 140 different types of social protection measures. We want them to be integrated."

Bhattacharya underscored the need for a more careful, energetic, and sensitive approach to addressing the economic situation of the common people if the interim government intends to achieve ambitious reforms and hold a successful national election. "If you want to have ambitious reforms in the future and a fantastic national election at the end of the line, then

you need to look at the economic situation much more carefully with more energy and more sensitivity for our people," he said.

Cosmos Foundation Chairman and Bay of Bengal Institute Chairman Enayetullah Khan delivered the welcome speech while Cosmos Foundation President Iftekhar Ahmed Chowdhury chaired the programme. Ambassador (Retd) Tariq Ahmad Karim, president of the Bay of Bengal Institute, delivered the closing remarks. ■

## CA's Special Envoy Appreciates Foreign RMG Buyers' Role



Underscoring the importance of the RMG industry, Chief Advisor's Special Envoy Lutfey Siddiqi has expressed gratitude for the "constructive engagement and contribution" of the foreign buyers' community through a period of challenges and changes.

Siddiqi welcomed representatives of global brands and buyers of ready-made garments to a dialogue at his office on December 5. He expressed cautious optimism over metrics such as export volumes, remittances and cargo handling that have defied expectations

to show double-digit percentage growth versus the previous year. Other factors such as law and order, labour relations and liquidity appear to be improving but continue to require close monitoring, he said.

Beyond that, structural constraints such as Bangladesh's poor port infrastructure, lagging energy infrastructure and gaps in skills will take longer to resolve, but for which, the ongoing reforms in decision-making processes should enable relevant activities to progress faster than before. The buyers' representatives pointed

out that this is the first time they have had an opportunity to engage directly in this manner with a ministerial level official in Bangladesh. They brought up weak brand protection, restrictive credit facilities for imports, and the lack of a dedicated green energy plan for garment sector as additional issues for the government to focus on. They expressed full support for the government's agenda around labour standards and rejected the suggestion that their pricing policies could stand in the way of better wages.

It was also mentioned that global brands with their own observations on the ground are well-placed to help narrate and project the true story of Bangladesh, as it is evolving right now, to the international audience, according to the Chief Adviser's press wing. The Special Envoy thanked them for their support, especially on the backdrop of disinformation in certain arenas. Among others who were present in the meeting were Ziaur Rahman of H&M and Javier Santonja of Inditex. ■

# A Nation Plundered: AL's 15-Year Reign Of Corruption



*Bangabandhu Tunnel under the Karnaphuli River in Chattogram: One of the 7 Mega Projects that raised questions about their cost effectiveness*

**Apu Ahmed**

**T**he 'White Paper on the State of Bangladesh Economy' has painted a bleak picture of the country's economic landscape under the 15-year rule of the Awami League government. It has laid bare a systemic collapse of governance, a staggering scale of corruption and mismanagement and a kleptocratic regime that plundered the nation's wealth.

## **Challenges**

The much-talked-about White Paper submitted to Chief Adviser Prof Muhammad Yunus on December 1 also highlighted challenges of the new government on the economic front as it will have to deal with high inflation, growing unemployment, falling forex reserves and looming debt crisis before paving the way for holding an acceptable election. Blaming the questionable

elections of 2014, 2018 and 2024 for the deficit in democracy and lack of good governance, the White Paper emphasised reforms in the judiciary, banking, bureaucracy, police, energy, education and health sectors to recover the falling socio-economic position ahead of the country's graduation from the least developed countries bloc from 2026.

## **Kleptocracy Legacy**

As expected, the 12-member White Paper Committee, headed by Centre for Policy Dialogue Distinguished Fellow Debapriya Bhattacharya, explored the overall economy left behind by the AL regime in 23 chapters containing 385 pages. The White Paper revealed that protracted periods of deceptive data, lax financial management, reckless macroeconomic management, public finance pilferage and external sector imbalances had created deep

wounds in the economy. The deceptive economic indicators, coupled with serious institutional flaws in sectors like banking, non-banking financial institutions, capital market and the energy sector are linked to the launch of overpriced mega projects and the huge outflow of illicit finance. The White Paper showed that the lack of democratic accountability from the fraudulent national elections of 2014, 2018 and 2024 shaped the authoritarian government that promoted collusion between the ruling politicians, a section of the bureaucrats and certain business elites for its sustainability through the kleptocracy legacy. The White Paper identified that the unholy alliance eroded the institutional integrity of legislature, executive and judiciary and paralysed the non-state actors like media, civil society and private sectors through

intimidation and self-censorship, leading to the rise of the oligarchs who ruled the political governance and economic management.

### ***Illusory Development Narrative***

Consequently, the government lost its policy sovereignty. These oligarchs influenced and manipulated key facets of the economy to serve their vested interests, concealed by an illusory development narrative sustained by inflated and misleading data, according to the White Paper. The megaprojects implemented mostly with foreign loans by the ousted AL regime have left the nation with concerns over the debt trap amid the questionable expected returns, it says while highlighting the country's economic links to the external front. The then Awami League-led government declared nine of these ambitious mega projects, including the Padma Multipurpose Bridge, Multi-Lane Road Tunnel under the Karnaphuli River, Dhaka Mass Rapid Transit Development, Padma Bridge Rail Link, Dohazari-Cox's Bazar Railway Track, Payra Deep Sea Port and Matarbari Ultra Super-critical Coal Fired Power Project, as fast-track ones.

### ***Hike In Cost Of Mega Projects***

The revised budget for these seven projects now stands at Tk 1,95,116.87 crore, witnessing a massive 70.34 per cent increase from the initially estimated budget of Tk 1,14,547.56 crore. The two other fast-track projects are the Maitree Super Thermal Power Project at a cost of Tk 16,000 crore and the Rooppur Nuclear Power Plant at Tk 1,13,092.91 crore which is still being implemented. Identifying that almost all the nine fast-track projects are underwritten by significant external borrowings, the White Paper has found that terms of borrowings are rather stringent with repayment periods of some have either started or are set to start in the near future. "This will entail a

significant rise in the country's debt servicing obligations," the White Paper says, observing that estimates regarding the returns on investment have not been done following due procedures. The overseas debt repayment hit more than three times higher to Tk 37,307 crore in FY24 than Tk 12,018 in FY21. A new projection by the government's Economic Relations Division reveals that the foreign loan repayment will grow 53 per cent to around Tk 57,800 crore in FY25 against Tk 37,775 crore in the outgoing FY24. Although the construction cost of the Karnaphuli River tunnel escalated by 26.5 per cent between the development project proforma in

influencing the country's political and economic policies were scanty. They were given once or twice. One of them is a line in the last paragraph of the 'The Overarching Findings' of the 'Forward', describing how the deceptive economic outcome indicators coupled with serious institutional flaws in two sectors in particular - the financial sector (e.g. banking and non-banking financial institutions, capital market) and the energy sector (primary and secondary) led to the launch of overpriced mega projects and the huge outflow of illicit finance. Thus, one of the world's most vaunted development stories of the recent period was built on shaky



*A 7-star luxurious guesthouse project near Karnaphuli Tunnel remains empty*

2015 and the revised development project proforma in 2022, there was no change in the original estimates of financial analysis that includes returns on investment estimations.

### ***Less Focus On Foreign Policy Blunder***

However, the White Paper did not focus on external factors that heavily impacted the mega projects. Little has been described about the political links to countries like Russia, China, India and Japan that assisted the AL regime in taking economically less viable projects. References regarding the external factors

grounds and deep-rooted systemic flaws. Curiously, a number of the country's international partners were enthusiastic subscribers of this false narrative. The White Paper, however, did not elaborate on the names of international partners.

### ***Almost Blacked Out***

Most of the other parts of the White Paper, lauded by the chief adviser and other stakeholders, almost blacked out the country's foreign policy which was tilted almost fully and solely to India where Sheikh Hasina fled on August 5 in the face of a mass uprising. ■



# BSC Issues Tender To Dispose Of Two Old Oil Tankers

*Business Outlook Report*

**T**he Bangladesh Shipping Corporation (BSC) has finally taken steps for the disposal of two of its oldest oil tankers, which, according to experts, had become unfit by 2015. An international tender was issued on December 5 to dispose of both the 37-year-old ships, which cost the corporation around Tk 20 crore annually for maintenance and repairs to keep them operational.

Quotations have been sought on an "as is where is" basis from local or international firms for "Banglar Jyoti" and "Banglar Shourabh", both of which had earlier been

damaged in fire incidents, claiming lives of four people. BSC Managing Director Commodore Mahmudul Malek said the selling process would be completed under the open tender method, keeping the window open for the participation of international firms also. The tankers, which would be sold to shipbreakers, were built in Denmark in 1987.

Tender documents would be sold out until January 5 next year, he said. The tender can be dropped at the BSC head office in Chattogram and in its Dhaka office, while it can be submitted through email too. The tankers, which would be sold to shipbreakers, were built in

Denmark in 1987 in a customised way to dedicatedly conduct ship-to-ship fuel transfer at sea. These tankers had been engaged in lightering crude oil, imported by Eastern Refinery Limited, from bigger oil tankers anchored at the outer anchorage and bringing it to the port's dolphin jetty for unloading to the plant of the importer.

"Banglar Jyoti" got damaged in an explosion-led fire on September 30 this year when it was about to unload fuel at the port's dolphin jetty. Three persons onboard were killed. Fire damaged "Banglar Shourabh" when it completed a ship-to-ship fuel transfer

at the port's outer anchorage on October 5 this year, taking the life of one. Although both the ships became unfit by 2015, the BSC continued to operate them, as it failed to purchase new ones, according to the merchant mariners.

The government in 2015 took the single-point mooring project to transport crude oil and diesel from a deep-sea mooring, 16 km off the Maheshkhali coast, to Eastern Refinery in Chattogram's Patenga, a BSC official said. Delay in implementing the project forced the state-owned ship operator to continue to run the two oil tankers, the official added. ■



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# Edible Oil: Market Rigging Fuels The Price Hike

*Apu Ahmed*

**T**he interim government has increased the price of soya bean and palm oil conceding to the demand from businesses, adding to the economic woes of the common people already struggling under the inflationary pressure. But the way the upward price adjustment of one of the most essential daily items has been done has raised many questions.

## *Mass Uprising And Promises*

The toppling of the Awami League regime on August 5 amid a mass uprising had promised a lot of changes in the country and society. The general masses who are mostly poor hoped that livelihood would be easy under the interim government, led by Prof Muhammad Yunus. They also hoped that the presence of manipulators in the essential commodity market would be curbed so that they could afford decent

foods or face no worries over the availability of items in the market. Such expectations are not illogical as most of the people were pressed hard due to the price hikes of essentials against the false narrative by the policymakers of the ousted AL regime that the country almost turned into Singapore.

## *Discrepancy In Purchasing Power*

The discontent over commodity prices should not be isolated from the mass uprising since discrepancies in purchasing power widened in the past 15 years because of the gross domestic product growth-centric policy by the AL. The GDP growth was high but suspected to be manipulated. That's why the growth was incomprehensive and helped only a small section of the population. The perception of economists is that the cronies and oligarchs of AL mainly benefitted from such growth. The country's per capita income

surpassed that of India in 2020, according to the International Monetary Fund calculation. However, the opportunities arising from the country's economic progress in terms of per capita income have not reached all people equally. A limited section of society mainly enjoys the benefit, said Executive Director Mustafa K Mujeri of the Institute for Inclusive Finance and Development.

## *Income Disparity*

Disparities in the distribution of the country's overall income created scope for unequal opportunities between the rich and the poor in accessing bank loans, quality education and better health facilities. The Household Income and Expenditure Survey 2022 by the Bangladesh Bureau of Statistics showed that the unequal income distribution increased to 0.4999 as per the Gini Coefficient. The figure was 0.482 in 2016 and 0.458 in 2010. A smaller



Gini Coefficient signifies a less unequal distribution of national wealth. The HIES also showed that the top 5 per cent of the population accumulated their assets to 30.04 per cent in 2022 from 27.89 per cent in 2016, while ownership of the bottom 5 per cent population only increased marginally.

### Many Vulnerable To Shocks

Such a trend has left the majority of people vulnerable to economic shocks. That's why the price spiral of edible oil, sugar and rice has been a

sunflowers. So, the growing income disparity does not allow the businesses a stable growth in consumer base. Rather, comprehensive growth can ensure better income distribution and higher purchasing power for the majority of consumers.

### Price Hike Disappoints Consumers

As such ideal economic policy was absent in the last one decade because of the lack of accountability following lop-sided and unacceptable elections in 2014, 2018 and 2024, the

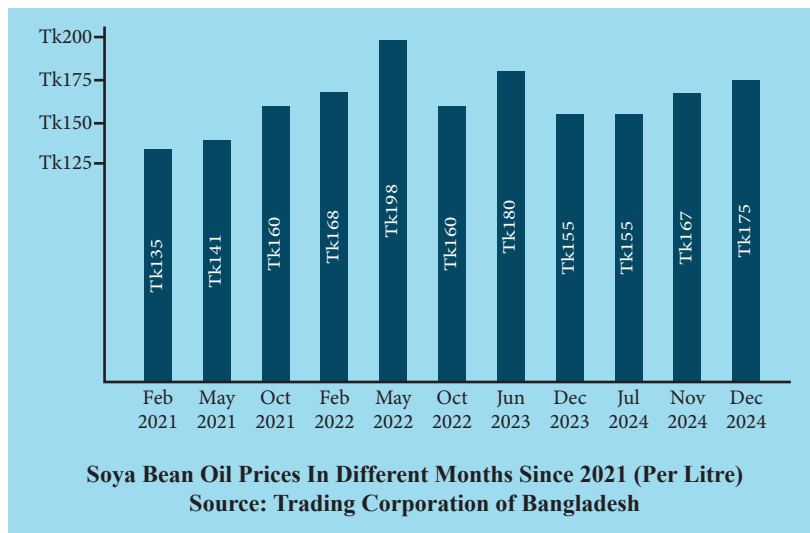
requesting an upward revision of edible oil prices, citing increases in the prices of both soya bean and palm oil on the international market. However, there was no crisis of edible oils as the supply of the item increased with the price hike of the item.

### Artificial Crisis

Consumers said the edible oil traders could have realised their demand without creating an artificial crisis. Industry insiders said the local edible market has already gone through a change after the July-August uprising. S Alam Group owned by M Saiful Alam, one of the top oligarchs of the AL regime, lost almost all shares, almost one-fourth of the country's edible market, because of suspension in operation. The group's activities almost came to a halt after S Alam became one of the top wanted on the list of suspects who managed huge loans from banks and smuggled those abroad. The government is looking for business groups to replace the void left by S Alam. Data showed that the edible oil import reduced by 10 per cent between July and November over the same period of 2023. The decreased import and the price hike of edible oil in the world market by around 10 per cent encouraged other major players such as City Group, Meghna Group and TK Group to put pressure on the interim government for import duty cuts and eventual price hikes.

### Duty Cut Goes In Vain

The interim government cut the import duty but failed to satisfy the edible traders who were determined not to compromise with the profit margin. For the government, the duty cut will not only cause it to lose revenue but also make inflation management complicated. The price hike of edible oil will not help in reducing the rate of general inflation recorded at 11.38 per cent in November with food inflation at 14.63 per cent in urban areas and 13.41 per cent in rural areas. ■



matter of big concern for consumers over the past two years. There are some paradoxes in the narrative of the country's development. Most businesses were supportive towards the AL growth-centric policy or forced to lend their support to avoid political backlashes. However, providing support to the AL and its flawed policy did not help their causes. They lost their potential consumers as the purchasing power of the majority of consumers decreased over the last two years because of high inflation. The top 10 per cent of households who own 40 per cent of the country's assets hardly bothered with the price hikes of essentials. Many of the households do not even buy locally crushed soya bean oil. They consume imported

majority of people expected better policy from the interim government which completed its first four months on December 8. General people have, however, been disappointed with the price hike of edible oil by Tk 8 a litre. They have also witnessed the drama staged by businesses to realise their demand. Kitchen markets in Dhaka were gripped by an edible oil crisis, with chaotic price fluctuations and supply inconsistencies over the past two weeks. Retailers said suppliers had significantly reduced the supply of edible oil and there was a lack of pricing consistency at all levels, including wholesale and retail. Over the past two months, vegetable oil refiners repeatedly sent letters to the Trade and Tariff Commission

# Price Hikes Hit Ramadan Essentials As Market Remains Unpredictable

*Business Outlook Report*

**W**ith two and a half months remaining until the holy month of Ramadan, there is little good news for consumers, as prices of items that remain on high demand during the period have risen by up to 30% over the past three months.

Despite efforts by the government, including cuts to import duties, taxes, and other costs for various items, there has been no visible impact on the market, according to industry insiders.

As a result, traders are

unable to predict the market situation for Ramadan, citing a reduced consumer turnout, reluctance from importers to bring in goods, and the overall financial condition of the general public.

Several wholesale and retail markets in the port city over the past few days were visited to assess the extent of the price hike and the current market conditions.

Essentials such as chickpeas, pulses of various types, edible oil, dates, and sugar are among the most in-demand items during



Ramadan. Chickpeas, in particular, are a must-have on the Iftar table for people in Bangladesh, with an annual demand exceeding 150,000 tonnes. Of this, around 120,000 tonnes are needed during Ramadan alone.

Sources indicate that a total of 181,000 tonnes of chickpeas were imported, mainly from Australia, during the 2023–2024 fiscal year. Imports during the first four months of the current 2024–2025 fiscal year stood at 11,366 tonnes.

With prices up to 30% higher in the retail market

compared to three months ago, chickpeas are now being sold at Tk130 per kilogram, up from Tk100. The current wholesale price is between Tk114 and Tk118, compared to Tk90 previously.

Sugar is currently priced at Tk130 per kilogram in retail, a 4% increase from Tk125 three months ago. The wholesale price has decreased slightly, now at Tk110, compared to Tk115 earlier.

In recent days, bottled soybean oil has disappeared from the market, as has been the case across the country, suggesting a



prices can surge overnight. Dipan Mahajan, proprietor of Wofshee Traders in Khatungonj, said, “Bookings and sales of these products are relatively low this year, with only two and a half months to go until Ramadan.”

He blamed the reluctance of importers to open letters of credit (L/C), the ongoing dollar crisis and its high price, banking issues, and increased business expenses for the price hike. Arifur Rahman, manager at Khawaja Trading, also noted that there has been no impact from the tax and duty reductions. He explained that many importers are hesitant to bring in goods due to the uncertain market conditions leading up to Ramadan.

He added that rising international prices for some items, along with increased transportation costs, have prevented prices from falling in the local market. Bachchu Das, proprietor of Shapla Store, which has been in business for over 110 years in Khatungonj, noted that the financial situation of the general public is dire, with many people losing their purchasing power.

“The number of customers in busy markets like Khatungonj has dropped significantly,” he said.

He suggested that the government would need to provide subsidies to help people cope with the situation. ■

price hike is imminent.

In a recent development on December 9, the commerce ministry announced an increase of Tk8 per litre in the price of soybean oil. The new price for bottled soy oil will be Tk175 per litre, while loose oil will be sold at Tk157. Previously, the retail price of bottled oil ranged from Tk165 to Tk168.

Pulses, such as the khesari variety, are now selling at Tk120 per kilogram in retail, a 20% increase from Tk100 three months ago. The current wholesale price ranges between

Tk100 and Tk105, up from Tk90. The prices of dates – Amber, Mariam, and Algerian varieties – have also risen in retail markets by 3.8%, 5.1%, and 8.3%, respectively, over the past three months. The new retail prices are Tk1,350, Tk820, and Tk520, compared to Tk1,300, Tk780, and Tk480 previously.

#### ***No Impact Of Duty Cuts***

The interim government, formed after the ousting of the Awami League government following a mass uprising, has taken several measures to curb

the price hike. These include reducing import duties, taxes, and other charges on rice, eggs, soybean oil, sugar, onions, potatoes, and dates since September.

However, traders and consumers alike claim that the benefits of these efforts have yet to be felt.

Wholesalers in Khatungonj–Chaktai, one of the largest wholesale markets in the country, said that Ramadan goods are typically imported three to four months in advance. However, if imports fall short of demand for any reason,



Islami Bank Bangladesh received 'Top Remittance Receiver Bank Award 2024' at the 'Bangladesh Remittance Fair' organised in New York of United States (US). Raihanul Islam Chowdhury, senior vice president of the Bangladesh-USA Chamber of Commerce and Industry, handed over the crest and certificate to Obayed Ullah Al Masud, chairman of the Islami Bank, at the bank's head office in the capital. ■



Prime Bank recently hosted its 'Annual Risk Conference 2024' to raise awareness of risk management policies and guidelines established by the Bangladesh Bank while addressing current challenges within the banking sector. Seasoned central bankers shared their insights in the conference held at the bank's office in Niketon in the capital. Approximately 200 participants, including managers and members of the risk management committees of the bank, attended the meeting. ■



Sonali Bank PLC arranged a view-exchange meeting with its high officials on recovery of classified loans, disbursement of new loans and foreign remittance collection at the bank's head office. MD & CEO Md. Shawkat Ali Khan attended the meeting as the chief guest while Deputy Managing Director Kazi Md. Wahidul Islam presided over the meeting. ■



The Bangladesh Export Processing Zones Authority (BEPZA) has signed a lease agreement with Bangladesh Prothoma Power Supply Ltd., a Chinese company, which will set up a battery plates manufacturing plant in the BEPZA Economic Zone (EZ). ■



Unilever Bangladesh Limited (UBL) concluded the 15th edition of its flagship business competition, 'BizMaestros,' with a grand finale held in Dhaka recently. Winners of the competition posed with the guests at the grand finale of the competition. ■



National Credit and Commerce Bank PLC (NCCB) signed a partnership agreement with Flora Systems Limited, announcing a landmark digital transformation initiative. M Shamsul Arefin, Managing Director of the bank, and Mustafa Rafiqul Islam, Chairman & Managing Director, Flora Systems Limited, signed the agreement at the bank's headquarters at Motijheel in Dhaka. ■



The 129th meeting of Modhumoti Bank's executive committee (EC) was held at the bank's head office in the capital. Salahuddin Alamgir, EC chairman of the bank, presided over the meeting. Senior officials of the bank exchanged their views on concurrent issues at the discussion. ■



The Civil Aviation Authority of Bangladesh (CAAB) and LabAid Group signed a memorandum of understanding (MoU) at the CAAB headquarters. CAAB Chairman Air Vice Marshal Md Manjur Kabir Bhuiyan attended the signing ceremony as the chief guest. ■



Mutual Trust Bank (MTB) Foundation recently partnered with Ispahani Islamia Eye Institute and Hospital to provide basic healthcare focusing primarily on eye care to the underprivileged in Patuakhali's Akharbari. Samia Chowdhury, chief executive officer, and Golam Rabbani, an associate from the foundation, attended the programme. The programme ensured basic healthcare facilities, such as eye screening, medicine supply, and distribution of spectacles for those in need. ■



The 829th board meeting of Janata Bank PLC was held, with its Chairman Mohammad Fazlur Rahman in the chair. The bank's Directors Ajit Kumar Pal, K. M. Samsul Alam, Badr-e-Munir Ferdous, and Abdul Majeed Sheikh, along with Managing Director Md Mazibur Rahman, and DMDs Md Golam Mortuza, Md Faiz Alam and Md Nurul Alam, were present at the meeting. ■



Southeast Bank PLC hosted an engagement programme for representatives from leading Hajj agencies with MA Kashem, Chairman of the bank, at the bank's Head Office in Dhaka, reaffirming its commitment to fostering strong partnerships and providing tailored financial solutions to support the noble mission of serving Hajj pilgrims. ■



Bank Asia PLC has organised a seminar on 'Identification of Women Entrepreneurs and Loan Disbursement' in the CMSE sector at Jhenaidah Sishu Academy recently. SM Hasan Reza, Executive Director of Bangladesh Bank, Khulna Office, was present as the chief guest and Sheikh Shahriar Rahman, Additional Director from Khulna office of Bangladesh Bank, as a distinguished guest. ■



# Bangladesh Has 1.22cr Economic Enterprises

## *Business Outlook Report*

**T**here are 1.22 crore economic enterprises across the country, according to the Bangladesh Bureau of Statistics (BBS). Among them, 76 lakh are business establishments and 46 lakh are economic units, the national statistics agency found during the primary mapping and listing work for the country's fourth economic census, said Project Director SM Shakil Akhter.

The three-year economic census is budgeted to cost Tk 579 crore, of which Tk 234 crore has been allocated for the main survey. The fourth economic census will begin on December 10, introducing new components such as data on foreign nationals working in Bangladesh and information about the e-commerce scene. Officials of the BBS shared the details at a press briefing at its auditorium in the capital's Agargaon yesterday. The nationwide census will be conducted from December 10 to 26 using a fully

digital and online system, they said, adding that the mapping and listing work was completed in July. The country has been divided into 13 divisions, comprising 130 districts, 520 upazilas, 2,600 zones, 19,000 supervisory areas and 95,000 enumeration areas for the census. In preparation, 1.22 crore enterprises have been identified across the country, made up of 66.22 lakh business establishments and 56.8 lakh agricultural economic households.

Through 70 questions, the census will assess social and environmental aspects, identify challenges, and evaluate ICT integration in production processes, he added. Project Director Akhter said institutions' income, expenditure and profitability will also be analysed. He said a report may be provided at the end of January 2025 after the main economic census is conducted. The national statistical agency will also collect information on activities, manpower, resources, and basic

facilities. The economic census is usually carried out every 10 years. The BBS launched the first in 1986, the second in 2001–2003 and the third in 2013. Mahbub Hossain, secretary of the Statistics and Informatics Division, said a digital map, integrating Geographic Information System and geocoding, had been prepared to ensure smooth activities. The tablets used for data collection will be centrally controlled through mobile device management software, he said. To preserve and secure collected data, an advanced data centre of the Bangladesh Data Centre Company Limited (BDCCL) will be used.

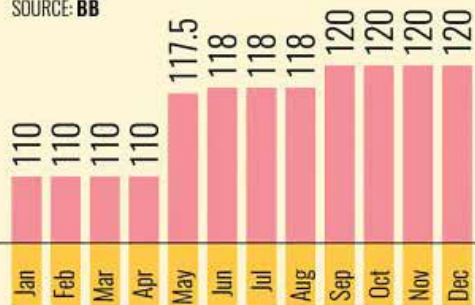
All data will remain confidential until being transferred from the field through BDCCL to the BBS server. This ensures both the safety of personal information and support for census workers in data collection, he added. Hossain urged all concerned to ensure active participation and cooperation to make this economic census a success. ■

# BB To Keep Policy Rates Unchanged As Panel Suggests Shift From Crawling Peg



Exchange rate for interbank transactions in 2024  
Tk per USD, ninth day of the month

SOURCE: BB



## Business Outlook Report

**A** high-powered panel of the Bangladesh Bank (BB) decided to maintain the policy rate at 10 percent until the inflation comes down to a desired level and also spoke about moving away from the crawling peg and letting market forces determine the US dollar exchange rate.

However, the meeting did not finalise anything about ditching the crawling peg right now,

according to the meeting minutes of the Monetary Policy Committee (MPC). Chaired by central bank Governor Ahsan H Mansur, the meeting was held recently.

On May 8 this year, the BB introduced the crawling peg, allowing banks to buy and sell US dollars freely at around the mid-rate of Tk 117. At that time, it was said that the step would serve as a transitional arrangement, paving the way toward a

fully flexible exchange-rate schedule in the future while slowing the erosion of the country's dollar reserves. After the formation of the interim government in early August, the mid-rate of the crawling peg moved forward slightly, with the inter-bank exchange rate now standing at Tk 120 per dollar.

However, the foreign exchange market, which had been highly volatile for more than two years, started to stabilise in

recent months. Industry insiders credited growing export earnings, higher remittance inflows and a fall in imports as factors behind the recent stability.

Apart from continuing the policy rate at 10 percent, it was decided at the meeting to maintain the standing deposit facility and standing lending facility at 8.5 percent and 11.5 percent respectively. The central bank's board of directors approved the resolution. The MPC said the current monetary

policy stance is on the right track and there is no immediate need to raise the policy rate further.

The committee anticipated that inflation would likely decrease due to the downward trend in the global price outlook, moderation in geopolitical tensions, stability in the exchange rate, a good harvest of Aman season rice paddy and an increasing supply of winter vegetables. The MPC also recommended the BB remain focused on credit disbursement to produc-

tive sectors, especially agriculture and cottage, micro, small, and medium enterprises (CMSME) for enhancing the supply of essential goods and services.

Moving forward, independent members of the MPC asked the central bank to look into the bank deposit slowdown despite substantial increases in the deposit rates and the exchange rate stability. Members emphasised the importance of coordination of monetary policy with fiscal policy and

stronger Bangladesh Bank of state-owned banks, many of which are in dire financial straits. The MPC assessed the current macroeconomic situation, challenges, and outlook from domestic and global perspectives.

Moreover, the MPC focused on reviewing the current inflation trend and outlook, economic activities and growth prospects, recent financial market developments, and developments in the external sector. The MPC also reviewed the overall

banking liquidity situation, particularly the cashflow shortage of some conventional as well as Islamic banks, interest rate trends, the foreign exchange reserve position, and exchange rate developments.

Additionally, the committee was informed about the mechanism of ongoing liquidity support in the banking system by the BB and its sterilisation process through open market operations. ■

## Halt Of Indian Export Will Affect Indian Economy



Shipping Adviser Brigadier General (Retd) Dr. M Sakhawat Hussain has said continued export of Indian goods to Bangladesh was beneficial for both the countries while halting of exports would affect the neighbouring country's economy.

"If India stops exporting, they themselves will be affected as the matter is related to the livelihood of millions on both sides of the border," he told reporters during a visit to Bhomra Land Port in this southwestern district here recently. Hussain, however, said he believed India would not stop exports to Bangladesh considering their financial losses and hinted that the ongoing

speculations about business ties were just political rhetoric. The adviser said according to media reports Bangladesh is India's 2nd or 3rd largest trading destination while the trade was beneficial for the neighbouring country as well.

"Does India give us (export goods) free of cost? They have stopped exporting cows, but don't we eat beef now" said Hussain posed a question. Responding to a question on the interim government's interactions with political parties, he said the government succeeded in rallying together political parties in the discussion table as unity among political parties on any national issue

or crisis period is crucial. "This is a big achievement and it has become an example in the country's political history," the adviser said. About the Bhomra Land Port, Hussain said development works involving Tk 1,100 crore was underway to enhance the port's performance as a full-fledged land port and once the wrks were completed the facility could run its activities in full swing.

Earlier, the adviser, who is also entrusted with the portfolio of labour and employment ministry, exchanged views with officials and stakeholders including clearing and forwarding agents of the port. ■



# Pvt Sector Credit Growth Hits 41-Month Low



## *Business Outlook Report*

**P**rivate sector credit growth in Bangladesh dropped in October to 8.30 per cent, the lowest in 41 months, reflecting deepening challenges in the banking sector and the broader economy. Data from the Bangladesh Bank showed that the credit growth dropped to 8.30 per cent in October, down from 9.2 per cent in September, 9.86 per cent in August, 10.13 per cent in July and 9.84 per cent in June.

The October figure is the lowest since May 2021, when the credit growth fell to 7.55 per cent amid the Covid outbreak lockdowns. The credit growth remained above 9 per cent until September 2024, underscoring the severity of the recent downward turn. Bank officials cited stagnant business climate, political unrest and poor law enforcement as

major contributors to the slump. Businesses took a wait-and-see policy and avoided making new investments as they thought that law and order situation did not improve notably even after three months of the interim government installed after the ousting of Sheikh Hasina-led government on August 5 through a mass uprising, bankers said.

Rising inflation, high lending rates and poor loan recovery also deterred credit growth. The central bank's contractionary monetary policy, with a policy rate hike to 10 per cent, raised borrowing costs to nearly 15 per cent, making loans excessively expensive for many businesses, bankers said. The banking sector's capacity to disburse loans has been weakened by rising defaulted loans, deposit withdrawals

and liquidity shortages. Banks have sought assistance from the central bank and larger institutions to meet daily cash demands. Massive loan scandals and irregularities during the Awami League regime eroded depositor confidence, prompting many to withdraw funds out of fear of losing their savings.

Economic challenges such as high inflation, foreign exchange volatility, dollar shortage and an energy crisis have further dampened business activities, making businesses hesitant to seek bank loans. A dollar shortage in the country has curtailed business operations and reduced the demand for credit. The exchange rate reached Tk 120 from Tk 90 against the US dollar within a couple of years. ■

# Dhaka's 5-Star Hotels Facing A Dearth Of Guests



## *Business Outlook Report*

**M**ost of Dhaka's five-star hotels are not faring well for a dearth of guests, as political uncertainties and security concerns following the August 5 student movement are putting off most events and travel plans.

Industry insiders said the nine five-star hotels in Dhaka were facing difficulties as commuting within the capital has become troublesome owing to abrupt protests and untoward incidents. Moreover, some countries

such as the US, UK, and Japan have issued travel alerts discouraging their citizens from travelling to Bangladesh. Hospitality service providers said the nine five-star hotels can host around 2,500 guests per night.

Business had slightly improved in October, but the momentum was lost in November as the risk of social unrest simmered, according to the management authorities of these hotels. "Business is yet to pick up despite a slight improvement compared to the situation in July and August," said Mohammed

Nafeuzzaman, public relations manager of Pan Pacific Sonargaon Dhaka. "Currently, our hotel occupancy rate is 30 percent, whereas it is around 65 percent under normal conditions," he said.

However, there has been a slight improvement in the occupancy rate in December, although the business has not returned to levels as per expectations, Nafeuzzaman said. The hotel, which has 278 rooms, is located in the downtown area of the city, making it a preferred choice for business clients

to hold events, he added. According to Nafeuzzaman, revenue fluctuations in the hotel industry are normal and reflect the nature of the business. "We do not operate purely on occupancy; we run an event-based business," he said, adding that the situation may improve in the coming days.

"Business is better than in July and August, and we turned a profit in October," he said. Mahmud Hassan, director of sales and marketing at Dhaka Regency Hotel and Resort, said a lack of

guests in mid-November had put the hotel in a precarious position.

"The number of guests increased to 80 to 100 per day in October but has since dropped to just 15 to 20," he added.

At present, the business is getting by catering to airline crews, he said.

Hassan said the number of business travellers, particularly from India, has fallen significantly due to ongoing tension between the two countries.

Moreover, very few business exhibitions are being organised, for which there are hardly any event-centric guests, he said.

"Under normal conditions, especially in winter, occupancy typically reaches 100 percent.

xc However, there is no sign of improvement in guest numbers," he said.

Hassan also said a lack of new investment, be it by locals or foreigners, has negatively affected the luxury hotel industry.

Furthermore, alerts issued by countries like the US and Japan discouraging travelling to Bangladesh have also impacted the hotel and hospitality sector, he added.

"The United Kingdom announced a travel alert on Tuesday, which has added to the challenges," Hassan said.

According to him, most of their guests usually arrive from China, India, and the US but now citizens of

these countries reluctant to come on visits. "Now the occupancy rate has dropped to 40 percent or 45 percent from around 60 percent in October," said Nazrul Islam, director of marketing and sales at Radisson Blu Dhaka Water Garden.

"Normally, our occupancy rate ranges from 78 percent to 80 percent," he said. He said business

percent of the rooms are occupied by business travellers," he said, adding that while some representatives of non-governmental organisations were arriving from abroad, their numbers were minimal.

Islam also mentioned that airlines typically reserve 50 of the hotel's 200 rooms. However, with fewer international flights

number of guests from Europe and China," she said. She also said the hotel has recorded an increase in corporate bookings for events, seminars, and symposiums over the past two months.

"We are on the path to recovery, but our performance does not reflect that of the overall the luxury hotel industry," she added. According to



travellers usually account for 70 percent to 80 percent of their room occupancy, but their numbers have declined significantly, severely affecting the hotel's business.

"Recovery possibility depends on stabilisation of the political and economic situation of the country," said Islam.

While there was a slight increase in business travellers in October, different incidents afterwards caused a decline again, he said.

"Currently, only 10

departing from Dhaka, that number has also decreased, he said. He said the overall situation has left the hotel unable to generate enough revenue to cover operational expenses.

"This applies to almost all five-star hotels, not just Radisson," said Islam.

However, Tuhinoor Sultana, cluster public relations manager at The Westin Dhaka, had a more optimistic view.

"Despite the overall challenging situation for international travellers, we are receiving a good

Sultana, the occupancy rate at The Westin Dhaka has now increased to 70 percent, up from just 10 percent at the height of the political unrest in July-August.

She attributed this to the hotel's strategic location at Gulshan 2, an upscale area and business hub of the city. ■



# PMI Grows On Agri, Manufacturing, Service Sectors

## *Business Outlook Report*

**T**he Bangladesh Purchasing Managers' Index increased by 6.5 points to surpass 60 points in November, indicating economic growth for the second consecutive month after a period of contraction over the previous three months, according to a report. The Metropolitan Chamber of Commerce and Industry, Dhaka, and the Policy Exchange Bangladesh published the PMI November report on December 8.

However, the country continued to face domestic challenges due to uncertainties linked to political processes and disruptions caused by industrial and other protests, the PMI report observed. The latest PMI reading attributed the growth to a faster rate of expansion in agriculture, manufacturing, and services sectors. However, the construction sector reverted to a contraction. The PMI index is measured on a scale of zero to 100. Compared with the previous month, a score above 50

indicates economic expansion, while a score below 50 signifies contraction. A score of exactly 50 means there has been no change in activity in the respective sector during the month. The agriculture sector posted its second consecutive month of expansion and at a faster rate. Growth was driven by faster rates in the indices of new business and business activity. Although the employment index experienced a slower contraction, the order backlogs index posted a faster contraction.

The manufacturing sector recorded its third month of expansion, with an accelerated growth rate. Expansion was noted across several indices, including new orders, exports, factory output, input purchases and input prices. For the first time, expansion was also recorded in finished goods, imports, employment and supplier deliveries indices. Meanwhile, the order backlogs index saw a slower rate of contraction. After a marginal expansion in

the previous month, the construction sector returned to contraction. The sector reported contraction in indices of input costs and order backlogs, while new business, construction activity and employment indices showed growth. The services sector recorded its second consecutive month of expansion, with a faster growth rate. Faster expansion was seen in indices of new business, business activity and order backlogs. The input costs index rose at a slower pace, and the employment index shifted back to expansion.

The future business index highlighted faster expansion rates in key sectors such as agriculture, construction and services. However, the manufacturing sector experienced a slower expansion rate. The November PMI report underscored a mixed but optimistic outlook for the economy, driven by positive performances in key sectors despite enduring challenges related to domestic political uncertainties and disruptions. ■

# Climate Change Poses Major Threat To Bangladesh's Apparel Earnings



## *Business Outlook Report*

**B**angladesh, Cambodia, Pakistan, and Vietnam — four major apparel producers — could face a 22 per cent decline in nominal earnings by 2030 and 68 per cent by 2050 if the countries fail to invest in climate adaptation, according to a new study revealed on December 9.

These losses could result in nearly one million forgone jobs by 2030 and up to eight million by 2050, underscoring the urgent need for mitigation efforts, report says. The study titled 'Hot Air: How will fashion adapt to accel-

erating climate change?' highlights the urgent need for these countries to implement adaptation strategies to safeguard their industries from the escalating impacts of climate change.

High heat stress days have surged by 42 per cent across five major garment production hubs including Dhaka, Hanoi, Ho Chi Minh City, Phnom Penh, and Karachi over the last 20 years, with the frequency of extreme heat events rising alarmingly, according to the study. Bangladesh's lack of meaningful workplace heat standards contrasts

with stricter regulations in countries like Vietnam and Malaysia, creating compliance risks for international brands under the European Union's corporate accountability laws, it says. These gaps in standards not only threaten worker wellbeing but also pose significant operational and reputational risks for the global apparel sector.

The findings highlight an urgent need for Bangladesh to implement robust climate adaptation strategies, enforce meaningful workplace standards, and strengthen social protection mechanisms to

safeguard workers and sustain its apparel industry in the face of escalating climate threats. The report also says Bangladesh's low purchasing power for manufacturing wages and limited social protection coverage exacerbated its climate vulnerability.

These weaknesses leave workers ill-equipped to cope with lost income and rising living costs driven by climate events. Indoor heat risks also remain unaddressed in Bangladesh although the Accord on Fire and Building Safety introduced critical safety measures after the Rana Plaza disaster in

2013. The Labour Act of 2006 mandates 'adequate ventilation' and 'comfortable' temperatures but lacks enforceable thresholds or specific requirements, leaving workers exposed to extreme heat conditions.

According to the report, in Bangladesh, compliance with indoor 'comfort' standards is certified by unregulated third parties.

While the Accord on Fire and Building Safety, established in 2013 after the Rana Plaza disaster that claimed over 1,100 lives, oversees safety and health, it excludes indoor heat regulations from its scope, a gap also present in its successor organization, the RSC.

Regarding Bangladesh, the study also says the devastating floods of July and August 2024 have compounded the industry's vulnerabilities.

Widespread inundation caused significant production delays in garment factories and disrupted operations at the Chattogram port, a vital link in global supply chains.

The cumulative impact of these floods has reduced apparel output, adding strain to an industry already grappling with political instability and economic pressures.

Researchers warn that these climate risks are widespread, with 23 production centres reporting significant increases in high-heat days. This threshold, which accounts

for heat and humidity, marks the point at which the International Labour Organisation (ILO) advises garment workers to alternate equally between rest and work to maintain safe core body temperatures.

Researchers also report an increase in the intensity of heavy rainfall over the last two decades, further compounding climate-re-



lated risks. Heat stress and flooding pose severe challenges to apparel production, affecting workers' health, slowing production, and even causing the shutdown of factories, transportation, and ports.

Previous research by Cornell ILR and Schrodgers estimates that four key apparel-producing nations could lose up to \$65 billion in export earnings by 2030 due to extreme heat and flooding. The impacts are already being felt. In April, heatwaves in Bangladesh forced school closures and led to lower

productivity and increased sick days among garment workers. In August, Vietnam grappled with deadly floods and landslides that disrupted education and delayed the start of the school year.

The findings underline the urgent need for adaptation measures and robust social protection systems to shield workers from these escalating

chains, stressing that these efforts must complement de-carbonisation initiatives. Judd also underscored the importance of pairing physical adaptation measures with robust social investments, noting that one without the other would be ineffective.

He pointed to living wages as a critical example, enabling workers to manage lost workdays and

climate threats. Researchers also warn that under emerging Due Diligence laws, brands could face legal liabilities for harm caused to workers by extreme climate events.

Jason Judd, executive director of Cornell University's Global Labor Institute, emphasised that extreme heat and flooding pose significant health risks for millions of garment workers and represent material threats to the fashion industry. He highlighted the urgent need for adaptation investments to protect workers and supply

rising costs associated with electricity, food, and climate-related medical expenses. Judd called for clear and enforceable climate-labour requirements across the industry, encompassing employers, brands, investors, and lenders.

'These are needed for the industry to adapt to climate breakdown and for major brands and retailers to meet their obligations to workers under new CSDDD rules,' Judd added. ■



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12.	Total Domestic Credit (BDT in crore) a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector	July-October FY24		July-October FY25 <sup>P</sup>		Percentage change over July-October FY24				
		Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	
		1944434.00	2171.17	2115524.90	1882.67	2130948.90	9.59	0.73	0.92	9.80
		368316.90	850.04	424877.10	689.56	427272.30	16.01	0.56	-4.91	9.69
		46797.30	1521.97	49419.10	1331.69	47474.20	1.45	-3.94	3.61	9.42
		1529319.80	3332.66	1641228.70	2963.61	1656202.40	8.30	0.91	2.35	9.84
			7534.79		7871.59					
			7180.80		7654.65					
			22603.06		22327.98					
			3252.35		3744.15					
		March, 2024	April, 2024	May, 2024	June, 2024	July, 2024	August, 2024	September, 2024	October, 2024	November, 2024
	Rate of Inflation on the basis of Consumer Price Index for National (Base:2021-22=100)									
	a) Twelve Month Average Basis	9.69	9.73	9.73	9.73	9.90	9.95	9.97	10.05	10.22
	b) Point to Point Basis	9.81	9.74	9.89	9.72	11.66	10.49	9.92	10.87	11.38
	Corresponding Period	March, 2023*	April, 2023*	May, 2023	June, 2023	July, 2023	August, 2023	September, 2023	October, 2023	November, 2023
	a) Twelve Month Average Basis	8.39	8.64	8.84	9.02	9.90	9.24	9.29	9.37	9.42
	b) Point to Point Basis	9.33	9.24	9.94	9.74	9.69	9.92	9.63	9.93	9.49
	Classified Loan	September, 2022	December, 2022	March, 2023	June, 2023	September, 2023	December, 2023	March, 2024	June, 2024	September, 2024
	a) % of Classified Loan to Total Outstanding	9.36	8.16	8.80	10.11	9.93	9.00	11.11	12.56	16.93
	b) % of Net Classified Loan to Net Outstanding	0.90	-0.08	0.30	1.58	1.22	0.59	2.44	3.68	5.89
	Agricultural and Non-farm Rural Credit (BDT in crore)	September, 23	October, 23	July-October, FY24	September, 24	October, 24 <sup>P</sup>	July-Oct, FY25 <sup>P</sup>	FY24 <sup>P</sup>	FY23	FY22
	a) Disbursement**	3516.38	3135.87	11960.51	2587.27	2933.18	9391.36	37153.90	32829.89	28834.21
	b) Recovery	2763.73	2934.14	10948.45	3764.51	3112.45	12322.42	35571.62	33010.09	27463.41
	c) Outstanding	54164.17	54862.50	54862.50	54927.74	55084.42	55084.42	58119.59	52704.45	49802.28
	SME Loan (BDT in crore)	Oct-Dec, FY23	Jan-Mar, FY23	Apr-Jun, FY23 <sup>P</sup>	Jul-Sept, FY24 <sup>P</sup>	Oct-Dec, FY24 <sup>P</sup>	Jan-Mar, FY24 <sup>P</sup>	Apr-Jun, FY24 <sup>P</sup>	FY24	FY23
	a) Disbursement	60611.61	49068.40	62747.05	52654.90	64841.99	53107.48	54526.41	225130.78	224103.87
	b) Outstanding	282896.54	283236.32	295842.02	298339.27	304241.45	303970.10	306119.87	306119.87	295842.02
	Industrial Term Loan (BDT in crore)	Oct-Dec, FY23	Jan-Mar, FY23 <sup>P</sup>	Apr-Jun, FY23 <sup>P</sup>	Jul-Sept, FY24 <sup>P</sup>	Oct-Dec, FY24 <sup>P</sup>	Jan-Mar, FY24 <sup>P</sup>	Apr-Jun, FY24 <sup>P</sup>	FY24	FY23
	a) Disbursement	29574.55	20907.66	26127.36	26194.00	33763.22	22015.37	24971.83	106944.42	95172.03
	b) Recovery	50593.69	17899.35	17290.02	22712.86	25062.93	23468.00	25345.17	96588.96	106393.23
	c) Outstanding	360051.14	383075.76	395317.82	399693.22	433807.76	428079.27	442485.79	442485.79	395317.82
	GDP Growth Rate (Base: 2015-16)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 <sup>R</sup>	FY24 <sup>P</sup>
		7.27	6.59	7.32	7.88	3.45	6.94	7.10	5.78	5.82



# Bangladesh faces RMG supply chain challenges in post-LDC graduation



## Business Outlook Report

**B**angladesh's Ready-Made Garment (RMG) sector, a crucial contributor to its economy, is facing significant challenges as the country prepares to graduate from the Least Developed Country (LDC) status.

This transition, as outlined in a study titled "Supply Chain Dynamics for Sustainable RMG Growth in Bangladesh" by the Bangladesh Institute of Development Studies (BIDS), is set to impact the nation's trade and economic performance. The study, presented by

Monzur Hossain, Research Director at BIDS, during the Annual BIDS Conference on Development (ABCD) 2024, sheds light on the potential hurdles the RMG industry will encounter in the coming years.

One of the most pressing concerns for Bangladesh post-LDC graduation is the loss of preferential market access under the World Trade Organization's (WTO) Duty-Free, Quota-Free (DFQF) arrangement. As of 2026, the country will no longer enjoy duty-free access to major developed markets,

particularly in the European Union (EU), where tariffs on garments, fabrics, and semi-finished products could reach up to 12%. The elimination of these advantages, including preferential rules of origin for LDCs, will likely result in a decline in export earnings, with the RMG sector projected to experience a 10.8% drop in exports by 2031.

The study further warns of a negative impact on Bangladesh's GDP, with a potential 0.38% contraction if developed countries impose tariffs. In total, exports from the RMG sector could decrease by

up to 14%, undermining the growth trajectory of the sector, which currently accounts for 84% of the country's total exports.

To offset these challenges, the study suggests that RMG companies focus on cost minimisation strategies. Key areas for cost optimization include raw materials management (11.95% potential reduction), wages (9.14% reduction), and product quality testing (8.58% reduction). The study indicates that improving efficiency in these areas is crucial for maintaining competitiveness in the global market. With

Bangladesh's dependency on imported raw materials, the study highlights the need for strategic sourcing. About 21% of businesses have opted to explore domestic sourcing or select sources offering better quality at lower prices. Additionally, companies are strengthening their market presence through trade fairs and direct ordering, rather than relying on third-party intermediaries.

The report also identifies significant challenges in

the post-production phase, particularly in product delivery. Shipment delays due to inefficient logistics, such as road congestion, customs clearance inefficiencies, and port handling issues, remain major obstacles. Chattogram Port, in particular, has been cited as Asia's least efficient for container handling, exacerbating the sector's logistical bottlenecks.

The study also emphasises the urgent need for policy

interventions to address these supply chain inefficiencies. Stakeholders in the RMG sector—ranging from government agencies to manufacturers—must collaborate to ensure a smooth transition post-LDC graduation. The government must also focus on upgrading infrastructure, enhancing training for customs officials, and promoting technological adoption in supply chain management.

The findings of this study

underscore the importance of building a resilient, sustainable supply chain to ensure the long-term competitiveness of Bangladesh's RMG industry in the face of evolving global trade dynamics.

The study was conducted by Monzur Hossain, Research Director at BIDS, along with his colleagues Tahreen Tahrima Chowdhury, Research Fellow, and Md. Nadim Uddin, Research Associate. ■

## 28% Of National University Graduates Unemployed



The unemployment rate among graduates from National University-affiliated colleges stands at 28.24%, according to a recent study. The research also reveals that many graduates are employed in low-paying jobs, with women and rural students facing disproportionately higher unemployment rates.

The findings were presented on December 9 during the third day of the Annual Development Conference organised by the Bangladesh Institute of Development Studies (BIDS) in Dhaka. SM Zulfikar Ali,

research director of BIDS, shared the results of the study on graduate unemployment. The research surveyed 608 colleges under the National University, from which 61 colleges were selected. The study included 1,340 graduates, 670 current students, 61 college principals, and 100 employers.

The study found that the largest proportion of National University graduates are in business studies, social sciences, and humanities, with very few graduates in science subjects (3.82% at the undergraduate

level and 3.10% at the graduate level). Around 42.29% of graduates are salaried employees, while 16.24% are self-employed entrepreneurs. The research highlighted that unemployment is particularly high among women and rural graduates.

Unemployment rates were also found to be higher among those who completed general education, such as those who passed the SSC before going on to graduate. In contrast, the unemployment rate is lower among students from technical and Dakhil education backgrounds.

Moreover, the study revealed that approximately 36% of graduates are employed in teaching positions, with many others working as officers or assistant officers. About 43.13% of graduates expressed an interest in pursuing government jobs, with most aiming to join the public sector.

The research also uncovered several challenges faced by colleges, including poor education quality, low student attendance, a lack of teacher incentives and training, and a shortage of market-relevant curricula. ■

# RMG Exports To US Fell Over 3% In Jan-Oct 2024



## Business Outlook Report

**B**angladesh's RMG exports to the US fell by 3.31% to \$6.14 billion in the January-October period of 2024, which was \$6.35 billion in the same period of 2023. The numbers were published by The Commerce Department's Office of Textiles and Apparel (Otexa).

The US's RMG imports have been slow due to inflation and slower sales for the past few months overall, which has also impacted Bangladesh's industry. In January-October 2024, the US's apparel imports decreased by 0.43% to \$67.04 billion, down from \$67.33 billion in the same period of 2023, according to Otexa data. However, in terms of

volume, Bangladesh RMG exports to the US in January-October of 2024 saw a positive growth of 1.02% to 1.96 billion square metres from 1.94 billion square metres in the first 10 months of 2023.

This means that Bangladesh is still lagging behind in ensuring fair prices. Recently, RMG manufacturers said that they are facing increasing challenges due to lower prices set by global brands. RMG manufacturers warn that the price deduction could make it harder for them to maintain sustainability and comply with labour rights. Mohiuddin Rubel, director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said that

in 2024, the US's global clothing imports have consistently slowed, adding that the industry has a chance to get a larger share of the market and negotiate better prices. In 2024, Bangladesh earned \$548.09 million in January, \$637.20 million in February, \$570.98 million in March, \$550.60 million in April, \$596.74 million in May, \$496.87 million in June, \$695.33 million in July, 614.19 million in August, \$705.20 million in September, and \$731.62 million in September.

According to their data, China and Vietnam held the first and second highest positions in the US market as of October 2024, respectively. Among the other major suppliers,

US apparel imports from China in January–October experienced a negative growth of 1.41% to \$14.23 billion from \$14.31 billion in the mentioned period of 2023. China has a market share of 20.83%.

Vietnam exported apparel items worth \$12.70 billion in the first ten months of 2024, fetching a positive growth of 3.87% from \$12.23 billion in the same period of 2023, claiming a market share of 18.88%, Otexa data

stated. Followed by Bangladesh, India secured the fourth position by exporting apparel items worth \$4.05 billion in the first ten months of 2024, registering a positive growth of 2.68% from \$3.95 billion in January–October of 2023. India has a market share of 5.89% in the US.

According to the Otexa data, the US RMG imports from Indonesia decreased by 1.51% to \$3.61 billion, while the imports from Cambodia

increased by 12.85% to \$3.22 billion in the same period, which made them the fifth and sixth with a market share of 5.33% and 4.75% respectively.

In 2023, apparel exports to the US experienced a negative year-on-year growth of 25.07% to \$7.29 billion, which was \$9.72 billion in 2022. Bangladesh has a market share of 9.37% in 2023 in the apparel market of the North American country.

## Bad Loans In Banking Sector Hits Tk6.75 Lakh Crore



The amount of bad loans in the banking sector has been increasing rapidly in recent years, as reflected in data from Bangladesh Bank (BB), according to the recently released White Paper.

In June 2021, the central bank data showed the defaulted loan rate was 7.9%. By the end of June this year, it had exceeded 12%. Around 88% of these defaulted loans are categorised as bad quality loans, according to the report. The severity of the issue has been described as the 'black hole' of

the banking sector, with a depth three times greater than what is visibly apparent. The central bank's statement at the end of last June revealed defaulted loans amounting to Tk211,391 crore. This figure surged to over Tk288,000 crore by September.

Domestic economists and international organisations have consistently questioned the accuracy of the defaulted loan data presented by the central bank. Following an independent assessment of banks' assets by a

committee comprising domestic and international chartered accountants, the defaulted loan ratio could rise to 25%, according to experts. Bangladesh Bank Governor Dr Ahsan H Mansur told UNB that the current defaulted loans ratio of 12.50% may double after the assets evaluation.

"We have to accept the reality, which was hidden earlier. But there is no solution to the problems by hiding the information of banks' bad loans," he said. ■

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