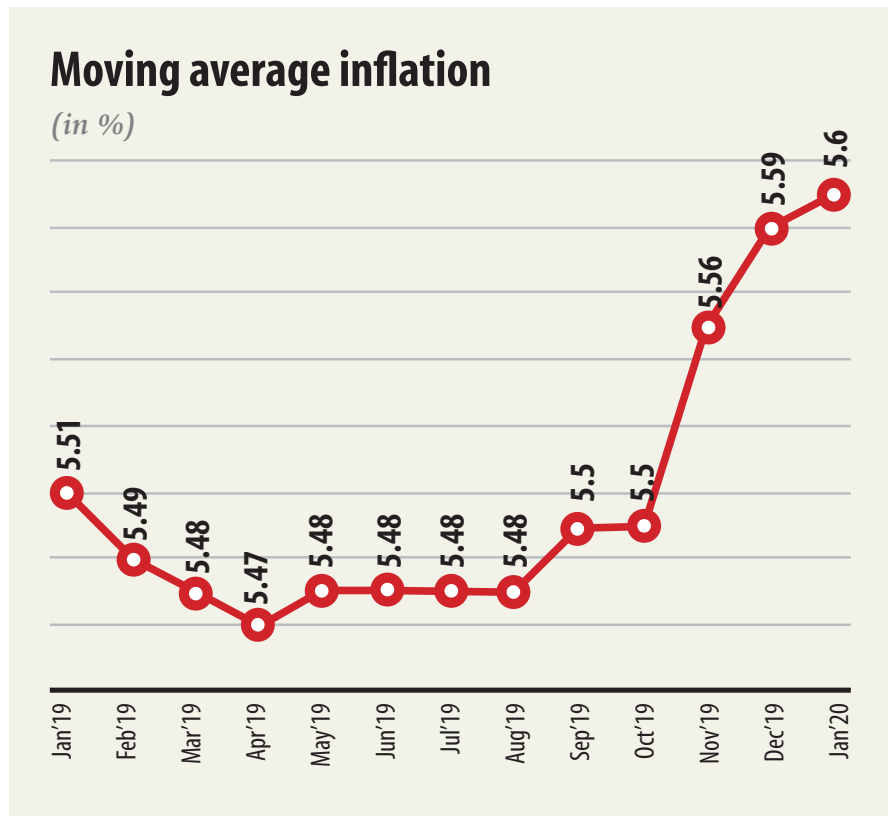


Non-food inflation hits a 49-month peak



STAR BUSINESS REPORT

Non-food inflation soared 6.30 per cent in January, the highest since December 2015, with people living in rural areas worst hit for the spiralling prices of goods and

services other than food.

In December, non-food inflation, which encompass average prices of clothing and footwear to transport and communication, was 5.55 per cent.

This was the third month in a

row non-food inflation has been creeping up, driven mainly by spike in healthcare expenses, transport, clothing and footwear and increased prices of various other goods and services.

The BBS data showed that average

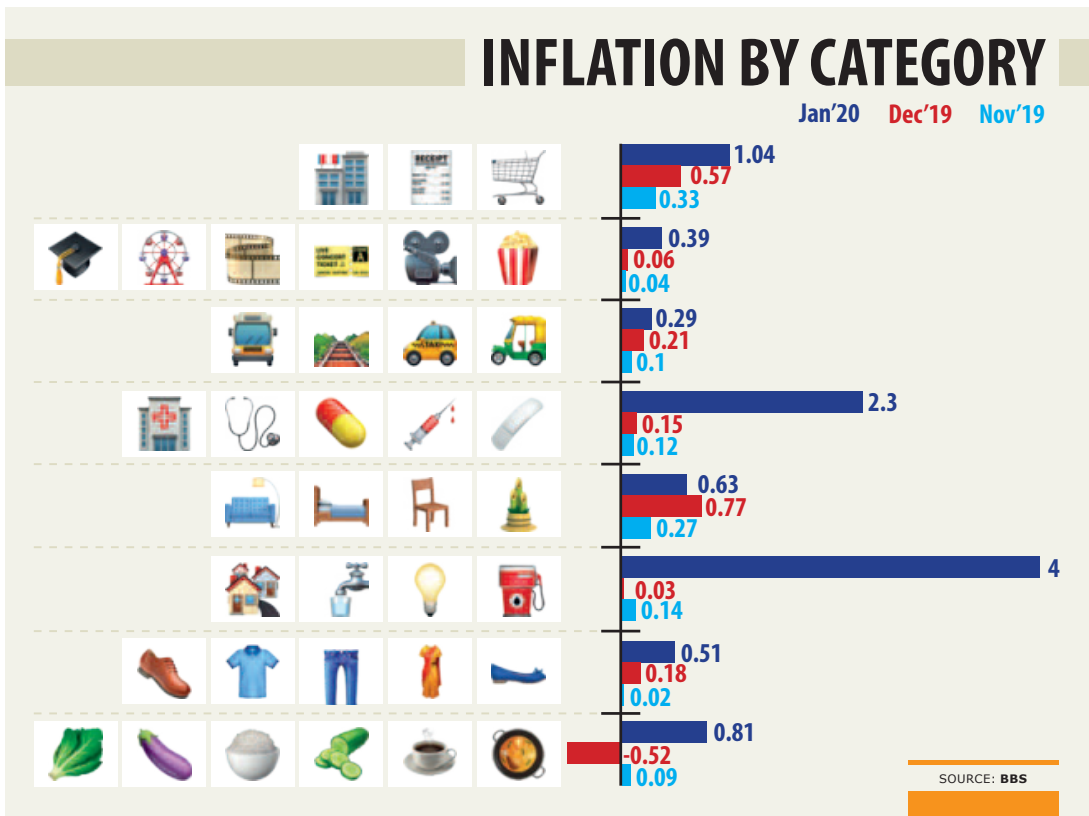
prices of rent, fuel and lighting rose 4 per cent in January from a month earlier, while healthcare costs edged up 2.30 per cent.

Overall inflation was however down: it was 5.57 per cent in January from 5.75 per cent in December, as

per the basket of goods and services tracked by the Bangladesh Bureau of Statistics (BBS).

The downturn in the prices of food helped inflation decline last month.

READ MORE ON B2



Raise power consumption to 1,000 kWh

Nasrul Hamid asks BREB officials

UNB, Dhaka

State Minister for Power, Energy and Mineral Resources Nasrul Hamid has urged officials of Bangladesh Rural Electrification Board (BREB) to pursue rural people to raise their electricity consumption to 1,000 kilowatt-hour from existing 98 kWh.

"You have to take prompt initiative so that rural consumers can increase their consumption to 1000 kWh."

He spoke while addressing the annual conference of BREB general managers at its headquarters in the city yesterday.

The overall development will accelerate by keeping pace with the electricity consumption, he said.

His call came against the backdrop of surplus electricity as the country's power production capacity is now 22,000 MW against the average demand of 12,000 MW.

The demand further drops to 6,000 MW in winter and a huge amount of electricity remains idle for lack of demand.

For this, the government has to incur huge financial losses in paying private power producers from which it purchases electricity at higher tariff than its selling rate.

Hamid said the Power Division has declared the 'Mujib Borsho' as the 'Service Year' to improve service quality in the sector.

He said as part of the 'Mujib Borsho' programmes, the government has set a target to ensure cent percent electrification in the grid area by June this year and in off-grid area by December next.

People now want quality electricity with improved services, he said.

Economy revs up on rural strength

Says former BB governor Atiur Rahman

STAR BUSINESS REPORT

Bangladesh's economy has been revving up for the last one decade because of the strong rural economy buoyed by microfinance, experts said yesterday.

"In the last ten years, the world faced an economic meltdown and many countries are now going through financial turbulence. But the economy

of Bangladesh has remained unscathed," said Atiur Rahman, a former governor of the central bank.

Bangladesh was able to steer clear of all financial jitters riding on the positive developments on several fronts like micro-finance, financial inclusion and mobile financial services that brought the rural economy to the mainstream, he said.

READ MORE ON B3



Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue, poses at the launch of a book titled "Institutionalising Microfinance in Bangladesh: Players, Games & Outcomes" at an event at the Bangladesh National Museum in Dhaka yesterday. The book is written by Lila Rashid, a general manager at Bangladesh Bank.

ADB lends another \$170m to strengthen capital market

STAR BUSINESS REPORT

The Asian Development Bank has lent \$170 million more to Bangladesh to assist the country's ongoing capital market reforms.

The lending will conclude the third capital market development programme in Bangladesh which was introduced in 2015 to build on the foundation established under the ADB's second programme to broaden and deepen the reach of the reforms.

The third programme's focus was on the actual implementation of regulatory and institutional reforms, such as for strengthening regulatory and supervisory capacity of the stock market regulator, establishing a risk-based capital framework for market intermediaries, enhancing the clearing and settlement system.

The loan will aim to introduce new financial instruments by the two demutualised stock exchanges, establish higher quality of financial reporting and strengthen governance of the insurance sector.

ADB approved the programme totalling \$250 million in November 2015 with a first tranche \$80 million loan to support vital capital market reforms.

It accompanied by a technical assistance grant of \$700,000, out of which \$300,000 was financed by the



south Korean government's e-Asia and Knowledge Partnership Fund, to assist in the implementation of the reform actions.

Significant progress has been made to strengthen an enabling environment for sustainable capital market development under ADB's programme, said ADB Financial Sector Specialist Takuya Hoshino.

The government is encouraged to continue to resolve pending

items under its long-term capital market development master plan, he added.

ADB has been supporting the government's current capital market reform agenda since 2012 when the Second Capital Market Development Programme was approved.

This aimed to rebuild market confidence after stock market turbulence in December 2010 and

put the capital market back onto a sustainable development path.

The programme resulted in the 10-year national capital market development master plan and critical legislations for ensuring the independence of the BSEC as a regulator, better corporate governance, more reliable financial reporting and auditing, and insurance sector development.

From going hungry to offering jobs

Taslima gains footing with grit

AZIBOR RAHMAN, back from Magura

It is a perfect example of how perseverance pays off.

Married off in the late 90s while still a schoolgoer, Taslima Khatun and her unemployed husband were barely making ends meet, having no place of their own and often going hungry.

Now not only does she earn around Tk 25,000 a month but also employs around 50 students and homemakers and imparts training on her skills.

This did not come about overnight. Necessity prompted her to get enrolled for whatever free training was available at government institutions in her hometown of Magura sadar upazila since 2004.

It ranged from poultry and cattle rearing to mobile servicing. She stuck to packaging and tailoring while picking up from a neighbour the know-hows of making household items by processing discarded paper.

The most prominent of her products

is the Nakshi Kantha, the embroidered quilts traditionally made by layering discarded "dhotis" and saris.

The household and decorative items, such as flower vases, mats, small stools, replicas of fruits, toys, penholders, trays, dishes, baskets and cups, are all made from the processed paper and plastic beads.

She sources discarded paper, books and newspapers from her Kadirabad village. Mixing it with water and arrowroot makes it lumpy, which is then given shape by hand to create the different items.

Once sun-dried, the finishing touches are added, such as polishing using a whetstone and adding colours with a paintbrush. The beads are bought from the market and strung up to form objects.

Talking to The Daily Star recently, she said her stocks go out solely from demand of her neighbours and from local fairs.

Each Nakshi Kantha brings a profit of around Tk 2,000 on selling for around Tk 5,000 while the margin varies for the other products. For instance the prices of the vases range from Tk 300 to Tk 2,000, over two-thirds of which is profits.

READ MORE ON B3



ANISUR RAHMAN

Md Azad sells tea and cigarettes from his mobile shop in Dhaka's Mouchak area yesterday. Unlike others, the 26-year-old had decided to be self-employed. The educated young man bought the improvised school van at Tk 8,000 three months ago and has been earning his living with the help of the roadside shop since then.