

Govt sees several risks to economy

Finance ministry says slow remittance, low revenue and dull investment will hamper GDP growth

REJAUL KARIM BYRON

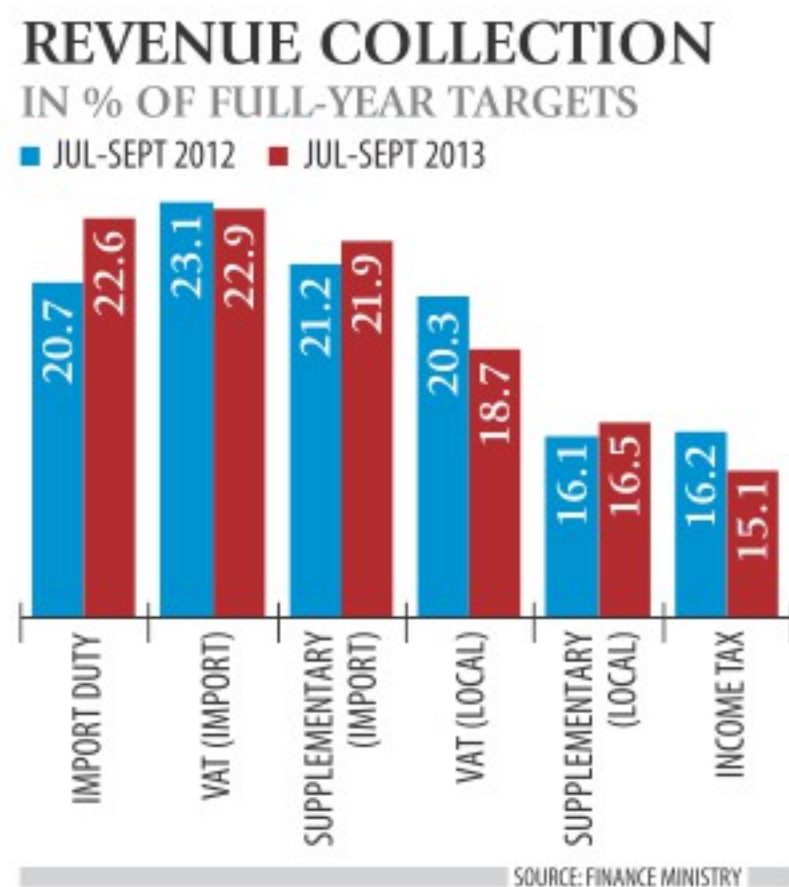
The finance ministry has identified some risks to the economy -- slow remittance inflow, low revenue collection and a dull investment demand -- that it said will slow GDP growth in the current fiscal year.

The risks originate from the ongoing political uncertainty and a slow recovery in the global economy, the ministry said.

The ministry prepared a report on the macro-economic situation in the first quarter (July-September) of the current fiscal year and the report was placed at a meeting of the fiscal coordination council last week.

The GDP (gross domestic product) growth rate may hover around the average growth in last five years -- about 6.2 percent -- against the government's target of 7.2 percent for the current year.

The report prepared by the Finance Division under the ministry said, if the negative inflow of remittances continues, it will put pressure on the balance of payments over which the



government has been in comfort since it assumed power.

Remittances declined by around 8 percent in the first quarter of the current fiscal year compared to the same period a year ago, according to the report. Manpower export also dropped by about 39 percent during the period when 100,249 people went abroad for jobs against 139,647 in the same period last year.

The report said manpower export to Saudi Arabia and the UAE fell significantly causing the drop in the figures.

The government has signed agreements with Malaysia and Bahrain on manpower export and Hong Kong has expressed its interest to take female workers from Bangladesh.

The report said the ministries concerned should take prompt initiatives to send manpower to the countries as per the agreements. However, a Bangladesh Bank official said work permits of many workers in Saudi Arabia have expired and they had to spend extra amounts on renewing those.

The official said many expatriate Bangladeshis in Saudi Arabia even had to take money from home which had a negative impact on remittance inflow.

However, the finance ministry observes that export performance is still satisfactory but the economic downtrend in Europe and the withdrawal of Bangladesh's Generalised System of Preferences (GSP) by the US may hamper exports.

RMG UNREST

Factory owners, labour leaders call for calm

STAR BUSINESS REPORT

Garment manufacturers and labour unions have jointly urged workers to refrain from vandalism until the wage board announces the final salary structure on November 21.

The move comes after the workers continued with their dissent despite the government's announcement of a 77 percent rise in minimum wage to Tk 5,300 on November 14 in the face of owners' objections. Their demand for

minimum wage remains Tk 8,114 per month.

In response, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the garment makers' platform, drafted in an urgent meeting on Friday with leaders of more than 57 workers' federations, where the labour leaders agreed to help in calming down the situation.

"The current situation is seriously denting the image of the industry. Everybody in the meeting has agreed

that the sector cannot go on in this manner," BGMEA President Atiqul Islam told reporters after the two-hour meeting at the trade body's headquarters in Dhaka.

He said the workers' federations have agreed to convince the workers to get back to work until the final gazette is published. More than 200 factories in Ashulia and Gazipur have remained shut due to the unrest in recent weeks, Islam added.

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India, Myanmar keen to buy bandwidth from Bangladesh

ABDULLAH MAMUN

India and Myanmar have showed interest to buy internet bandwidth from Bangladesh.

The Indian government wrote to the foreign ministry two weeks ago to import 100 gigabits bandwidth for its northeastern provinces, said Md Monwar Hossain, managing director of Bangladesh Submarine Cable Company Ltd.

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Wheat imports soar on low global prices

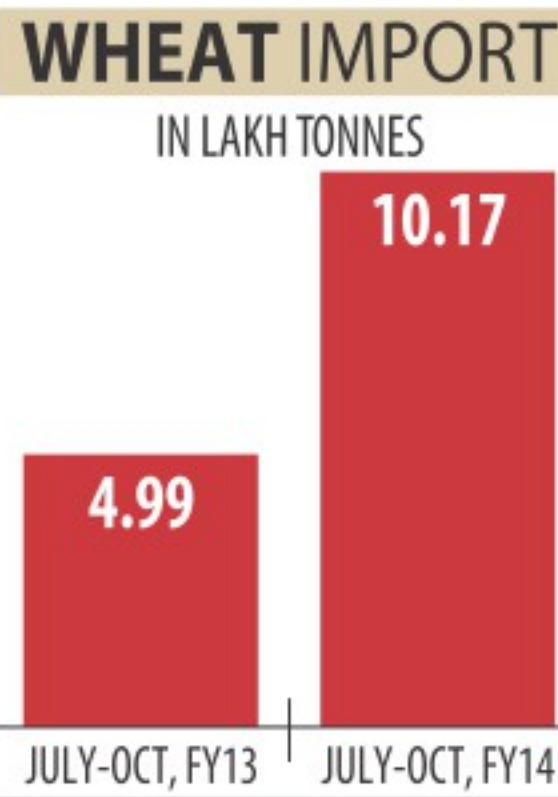
SOHEL PARVEZ

Wheat imports doubled in the first four months of the current fiscal year from a year ago on the back of lower prices in the international market.

Between July and October, some 10.17 lakh tonnes of wheat arrived, in contrast to 4.99 lakh tonnes during the same period of fiscal 2012-13, according to data from the food ministry.

Over the last one year, prices of wheat have been on the downturn globally due to increased production.

The 'Soft Red Winter' variety slumped to \$257.7 per tonne in the third quarter of the



year from \$297 in the first quarter, while the 'Hard Red Winter' dropped to \$305 a tonne from \$321, according to World Bank Commodities Price Data.

The sliding prices encouraged all to import in higher quantities, said Mohammed Saiful Alam, chairman of the Chittagong-based S Alam Group, which imported 2 lakh tonnes of wheat since July.

of Industries, said higher imports had caused a supply overflow in the market, forcing importers to sell at lower prices to pay off bank loans and other liabilities.

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