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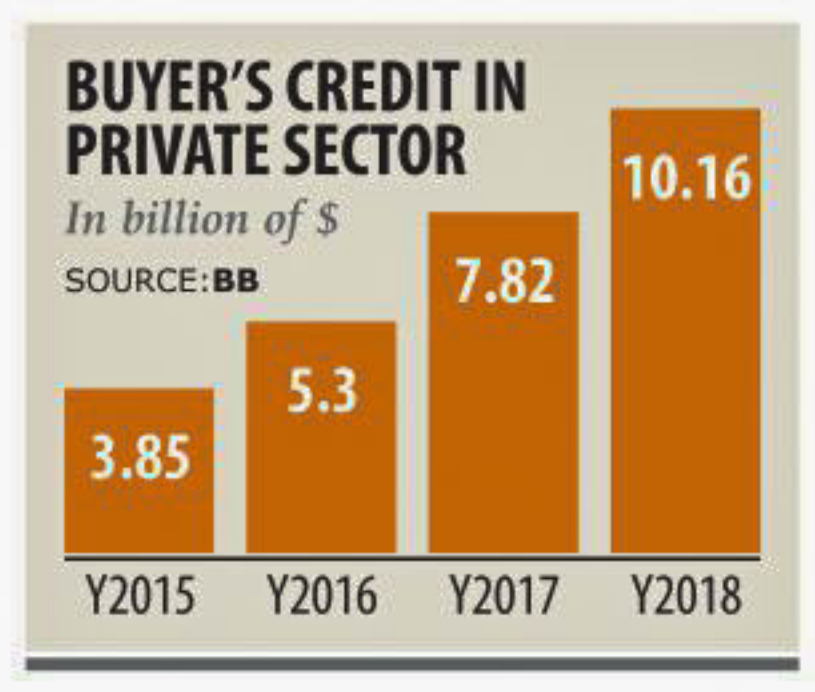
# star BUSINESS

DHAKA SUNDAY FEBRUARY 24, 2019, FALGUN 12, 1425 BS • starbusiness@thedailystar.net

## Rising buyer's credit puts pressure on reserves, exchange rate

**AKM ZAMIR UDDIN**  
 Importers' appetite for buyer's credit from overseas sources shot up last year, in an ominous development for the country's foreign currency reserves and the exchange rate.  
 Buyer's credit is a loan facility extended to an importer by a bank or financial institution to finance the purchase of capital goods or services and other big ticket items.  
 It is a very useful mode of financing in international trade since foreign buyers seldom pay cash for large purchases, while few exporters have the capacity to extend substantial amounts of long-term credit to their buyers.

The interest rate on buyer's credit from foreign sources, which the Bangladesh Bank allowed for importers in 2008, tends to be 6 percent in contrast to 9 to 10 percent from local banks and financial institutions.  
 At the end of 2018, total outstanding buyer's credit from foreign sources stood at \$10.16 billion, up 29.92 percent year-on-year, according to data from the BB. The uptick in foreign currency buyer's credit gives a boost to the private sector and the reserves, but the euphoria is short-lived: the loans must be paid in a year's time.  
 "This has created a risky situation because of the static foreign reserves for the last few years," said Ahsan H Mansur, executive director of the Policy Research Institute.  
 Since 2016, Bangladesh's foreign exchange reserves have been hovering between \$30 billion and \$32 billion. At the

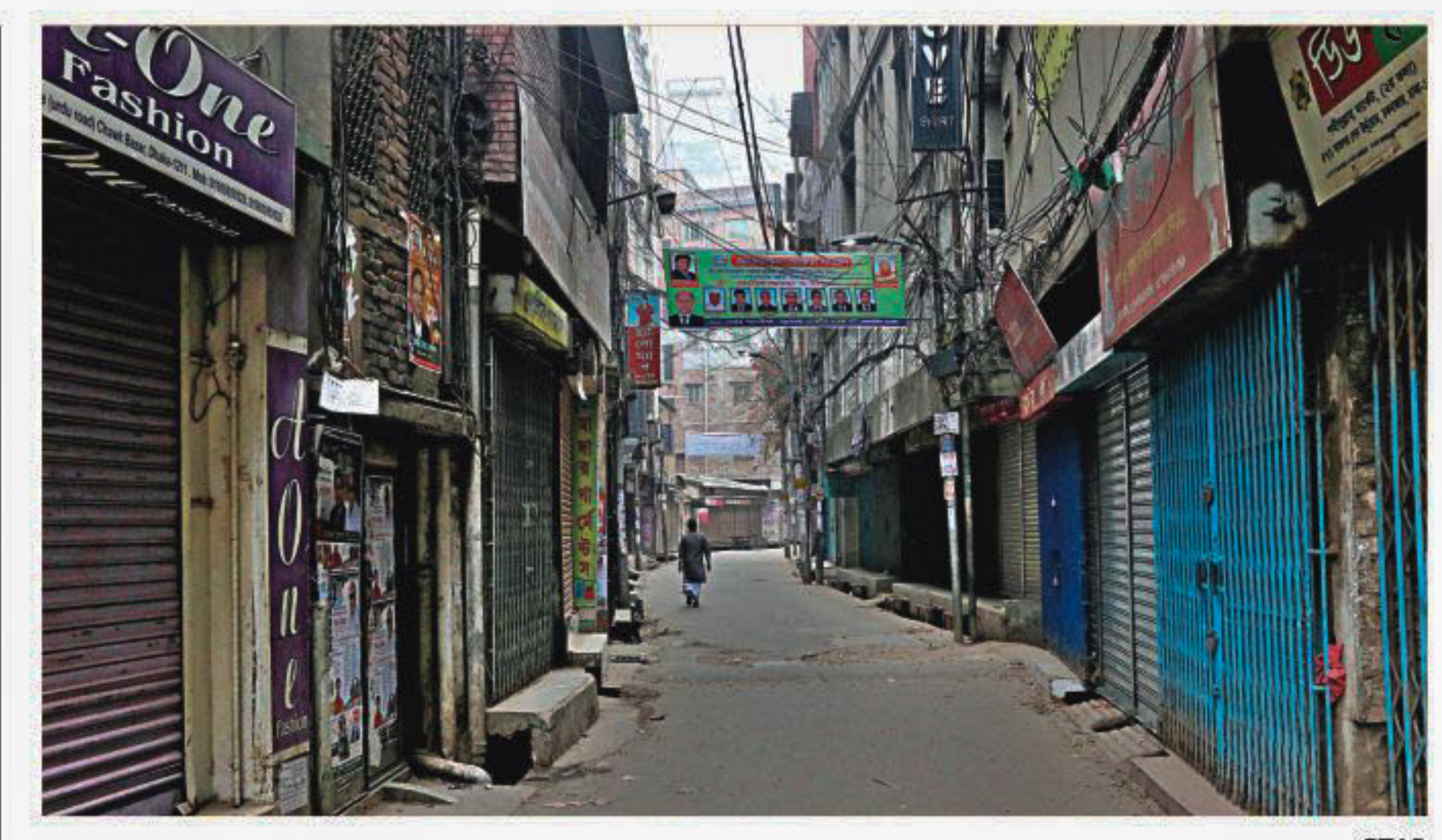


end of 2018, it stood at \$32.01 billion, meaning 31.74 percent of the amount is tied up to the buyer's credit.  
 "The country's foreign exchange reserve situation is rather wobbly given the upward trend in both imports and short-term foreign loans," he said, while urging the government to increase the volume of reserves at any cost.  
 Since the central bank uses the reserves to maintain the exchange rate, repaying the foreign currency loans will put pressure on them and eventually lead to depreciation of the taka against the greenback.  
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## Robi returns to profit after 2yrs

**STAR BUSINESS REPORT**  
 Robi ended 2018 on a positive note despite incurring huge losses in the last quarter, logging in Tk 214.7 crore in net profits on the back of the sales of its stake in a tower company.  
 Robi Axiata's parent company Malaysia-based Axiata Group published the figures in the financial statement on Friday.  
 With this, the second-largest mobile phone operator in Bangladesh bounced back to profitability after two straight years of losses caused by its merger with Airtel.  
 After the merger with Airtel in November 2016, the operator lost Tk 389.2 crore in the same year and Tk 284.3 crore in 2017.  
 The last time Robi made a net profit was in 2015 when it took home Tk 400.4 crore.  
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A man walks through a desolate street of Old Dhaka's Chawkbazar as shops on both sides kept shut yesterday after a deadly fire on February 20.

## Bustling Chawkbazar now hauntingly silent

**REFAYET ULLAH MIRDHA**  
 Chawkbazar, an astonishingly buzzing place on any given day, was eerily calm yesterday.  
 How could it not be when it was ravaged as cruelly as it was by an angry fire less than 48 hours earlier? The blaze, one of the

deadliest in recent memory, killed 67 and burnt many others.  
 "My business has ground to a halt," said Mohammad Muslim, who brings imitation jewellery from Rangpur, Jashore and Bogura to sell to wholesalers in Chawkbazar.  
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## Sorry state of development works in Sylhet division

**STAR BUSINESS REPORT**  
**Planning minister disappointed with progress**  
 The Sylhet-Tamabil-Jaflong road development project was taken up in January 2017 for completion by 2021. In the two years that have passed only 3.46 percent of the project's budget was used, indicating criminally slow progress.  
 This is the common scenario for more than half of the 58 development projects taken for the Sylhet division. Of them, 30 are moving at a snail's pace and five saw zero progress -- including one for district road development.  
 The project was supposed to be complete within three years from 2018, but in the year that passed not a single paisa was spent from the Tk 583 crore-allotment, according to the review report on the development works in the Sylhet division.  
 The report was placed at a meeting yesterday in Sylhet Circuit House with Planning Minister MA Mannan in chair. What is common between the project and the Sylhet-Tamabil-Jaflong road development one is Tushar Kanti Shaha, an additional chief engineer who helms six projects in total in the Sylhet division.  
 Project directors spread too thin like Shaha and their absence from their respective project areas have been blamed by Mannan at the meeting for the slow progress in development works in the northeast region of Bangladesh.  
 Many of the project directors were found to be living in Dhaka instead of their respective project areas.  
 He went on to warn the projects directors in attendance that their malpractices will be brought to the prime minister's attention.  
 "The projects will have to be completed within the scheduled time. And one person cannot be the project director of multiple projects at a time. These are the prime minister's instruction and everyone will have to follow it," he added.  
 However, Shaha told The Daily Star that he was appointed the director of six projects at once by the government.  
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## Skilled workforce a must to attain SDGs

**Speakers say at CPD dialogues in Rangpur, Gaibandha**  
**OUR CORRESPONDENT, Dinajpur**  
 Bangladesh will not be able to attain the Sustainable Development Goals (SDGs) without strengthening youth development organisations and creating jobs for the unemployed young people, speakers said at a dialogue on Friday.  
 The Centre for Policy Dialogue (CPD), the Nagorik Uddyog and the Jago Foundation jointly organised the discussion titled "Electoral pledges and youth agenda" at a hotel in Rangpur city.  
 A large number of young people from Rangpur and other districts were present.  
 Mostafizar Rahman Mostafa, mayor of the Rangpur City Corporation, urged the youth to develop technical skills alongside receiving general education.  
 "One type of education is not enough for an individual to qualify in the competitive job market," he said, urging the government to create jobs for the unemployed youth.  
 Debapriya Bhattacharya, a distinguished fellow of the CPD, said the proposed special economic zone in Rangpur can create jobs for a large number of unemployed youth in the region.  
 Alongside government initiatives, entrepreneurs are needed to achieve the SDGs, he said, adding that the SDGs cannot be attained leaving a single individual behind.  
 Moloy Kishore Bhattacharyya, a former professor of Carmichael College in Rangpur, and Zakir Hossain, chief executive of the Nagorik Uddyog, also spoke.



Debapriya Bhattacharya, a distinguished fellow of the CPD, speaks at a discussion on SDG implementation in Gaibandha yesterday. Mustafizar Rahman, extreme right, another distinguished fellow, was present.

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