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DHAKA FRIDAY DECEMBER 13, 2019, AGRAHAYAN 28, 1426 BS • starbusiness@thedailystar.net

Coal imports surge on rising demand for bricks

SOHEL PARVEZ

Coal imports are soaring to fuel hundreds of brick kilns that produce the key construction material to feed the growing demand from both public and private sectors. Imports of the fossil fuel rose 70 percent year-on-year to 57.54 lakh tonnes in fiscal year 2018-19, customs data showed. In monetary terms, Bangladesh's private importers spent Tk 3,182 crore to buy coal in the last fiscal year, and the cost of import of the fuel was two and a half times the import cost three years ago. "The number of brick kilns is increasing. Kilns can't burn bricks without coal as the government has banned the use of firewood," said Syed Atiqul Hassan, president of the Bangladesh Coal & Coke Importers Association (BCCIA). He said 98 percent of the imported coal are used to burn bricks to support the increasing demand from public and private

sector construction. The construction sector grew 10.25 percent in 2018-19, up from 9.92 percent the previous year, according to the Bangladesh Bureau of Statistics. "Demand for coal is rising every year owing to increasing consumption of bricks, buoyed by development activities and rising construction of brick-built houses," Hassan said. The spiraling imports of coal and its use in the kilns stoked concerns about increased carbon emission and other environmental pollutants in the atmosphere and their harmful effects on health, agricultural yields and climate. "Coal is one of the major air pollutants," said Mohd Abul Matin, executive vice-president of the Bangladesh Poribesh Andolon. "The air quality in Dhaka city is the worst in the world and the use of coal has played a major role." The actual number of brick kilns in Bangladesh and the bricks they produce is hard to come by. The number of kilns will be between 7,000 and



10,000, producing 2,100 crore to 4,300 crore pieces of bricks annually, according to trade bodies representing brick makers. The Department of Environment (DoE) recorded 8,033 brick kilns in 2018. Mizanur Rahman Babul, president of the Bangladesh Brick Manufacturing Owners' Association, said 12-14 tonnes of coal are needed to burn one lakh pieces of bricks. "We don't disagree that our kilns are polluting the environment by emitting carbon and other pollutants. But pollution will not end if we shift to automatic kilns as the use of clay will continue affecting farming," he said.

Economy growing well but challenges remain: MCCCI

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Bangladesh's economy is progressing well despite inflationary pressure, slower growth in export and imports, lack of investor confidence and a lower rate of investment, the Metropolitan Chamber of Commerce and Industry, Dhaka said yesterday. In its review of the economic situation for July-September, the chamber said the overall economic situation was positive as indicated by steady improvements in the major economic indicators in the quarter under the review. Agriculture, manufacturing and services sectors all performed well, but continuous government support of various types will be needed to sustain their growth. Infrastructure deficits and gas and power supply problems along with faulty transmission capacity are now undermining the performance of all productive sectors of the economy. "The government should adopt adequate steps to overcome these problems and achieve and maintain political stability, which are essential for creating an investment-friendly climate and crucial to achieving higher economic growth." The MCCCI said it is assumed that the political situation will remain stable and peaceful in the coming days. It said major macroeconomic indicators like the growth rate of GDP, per capita income, remittances, foreign currency reserves, and foreign direct investment show a positive trend. Merchandise exports slipped 2.95

percent year-on-year to \$9.65 billion in the first quarter. The earnings also fell short of the strategic target by 11.06 percent. Import payments during the first two months, for which data are available, stood at \$9.32 billion, which is 2.29 percent lower than the payments made during the corresponding months in the last fiscal year, mainly due to lower imports of petroleum and petroleum products and capital machinery. The inflow of remittances in the quarter rose 17.58 percent to \$4.55 billion year-on-year, on the back of the government's 2 percent incentive on remittance receipts and better exchange rates. Disbursement of foreign aid decreased by 5.62 percent to \$940.80 million in the first quarter. Foreign aid commitment stood at \$2.01 billion against \$1.82 billion in the same period a year ago. In the first two months of the fiscal year, net FDI was up by 7 percent to \$428 million year-on-year. "FDI inflow to Bangladesh is low compared to that in many countries at similar level of development," the chamber said. Trade deficit narrowed by 6.16 percent year-on-year to \$1.98 billion in July and August. The stock markets continued to suffer mainly due to a confidence crisis during most of the time in the first quarter. Key indicators at both Dhaka and Chattogram stock exchanges - broad index, turnover and market capitalisation - declined markedly.

Finance private sector through stock market to attain SDGs: experts

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A vibrant stock and bond market is needed to meet the financing needs of the private sector, which in turn can play a role in achieving the Sustainable Development Goals (SDGs), said analysts yesterday. The views came in a conference's plenary session titled "Innovative finance to achieve inclusive and sustainable business and investment: capital market development, blended finance and FinTech". The three-day Asia-Pacific Conference on Financing for Inclusive and Sustainable Development concluded at InterContinental Dhaka yesterday. The International Chamber of Commerce (ICC) Bangladesh organised the event in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UN-Escap), Asian Development Bank's Trade Finance Program, and the London Institute of Banking and Finance. "Development of stock market and bond market is crucial because it would be the sustainable financing for private sector," said AB Mirza Azizul Islam, former adviser to a caretaker government. Banks lend from their short term deposits, therefore, if they lend for long

periods, it creates a mismatch and pressure for liquidity and solvency, he said. So alternative sources of finance like the stock and bond market is important, he said, adding, "Unfortunately the capital market is performing very poorly." Alamgir Morshed, managing director and head of commercial banking of Standard Chartered Bangladesh, said the country was on a graduation trajectory from least developed to middle income. It is a huge success but does bringing some challenges to financing, especially in infrastructure, for which alternative sources of finance other than the banking sector had to be sought out, he said. The bond market can be a way out both in local and foreign currency and the private sector also needed to issue bonds for availing long term finance, added Morshed. There is no silver bullet to attain a vibrant bond market, rather, a wholesome ecosystem and participation of all stakeholders were required for a vibrant secondary market, he said. "We have to acknowledge that financing requirement for growth cannot be fulfilled domestically without bond and stock market," he added.

Strong global, regional partnership to help achieve sustainable goals

Experts recommend as ICC Bangladesh summit wraps up

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A strong global and regional partnership can help nations achieve the Sustainable Development Goals (SDGs), said experts, as an international conference on financing inclusive and sustainable development in the Asia-Pacific region concluded yesterday. During the three-day event, the speakers recommended mobilising finances, bringing about policy reforms, and boosting private sector investment and capacity building of the private sector. They also suggested framing long-term action plans, ensuring new financing mechanisms and robust institutional governance to face the challenges of poverty and climate change and termed extremely crucial access to markets, information, finance and skills. The International Chamber of Commerce Bangladesh (ICCB) organised the conference in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UN-Escap), the Asian Development Bank's Trade Finance Programme, and the London Institute of Banking and Finance at the InterContinental Dhaka hotel. Mahbubur Rahman, president of the ICCB, briefed journalists on the outcomes of the conference. He said the discussants called for digitalisation for sustainable banking systems, establishing more microcredit mechanisms for financial inclusiveness, implementation of an effective bond marketing system, and ease of information availability and transparency to attract foreign direct investment (FDI). Logistics and transport systems need to be improved to ensure efficient financing, while special emphasis needs to be put on fintech and women empowerment for micro, small and medium enterprises to flourish. Replying to queries, Rahman said various pressing issues on financing inclusive and sustainable development in Asia and the Pacific were discussed.



Mahbubur Rahman, president of the International Chamber of Commerce Bangladesh, speaks at a press conference organised to mark the conclusion of the "Asia-Pacific Conference on Financing Inclusive and Sustainable Development" at the InterContinental Dhaka yesterday.

Growing Together...

আপনাদের আস্থা ও নির্ভরতায় অবিরাম বেড়ে উঠার পথে শ্রেষ্ঠত্বের প্রমাণ

ব্যবসায়িক স্বচ্ছতা, সুশাসন ও দক্ষতা নিশ্চিত করেছে আমাদের অব্যাহত সাফল্য। এই সাফল্যের যাত্রাপথে আমরা আন্তর্জাতিকভাবে কৃতাঙ্গ আমাদের সম্মানিত সকল গ্রাহক, শুভানুধ্যায়ী পৃষ্ঠপোষক এবং নিয়ন্ত্রক সংস্থার সদস্যদের প্রতি।

সফা অ্যাওয়ার্ড

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