

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.31%	▲ 0.18%	\$1,790.30 (per ounce)	\$76.36 (per barrel)	▲ 0.27%	▼ 1.63%	▼ 1.44%	▼ 0.04%	BUY TK 84.85	94.64	113.43	13.06
6,795.51	11,949.82			57,260.58	28,283.92	3,120.58	3,562.70	SELL TK 85.85	98.44	117.23	13.74

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BUSINESS

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Inflation climbs to 12-month high in October

Non-food inflation highest in 62 months

REJAUJ KARIM BYRON and MD FAZLUR RAHMAN

Inflation jumped to a 12-month high in October as elevated levels of commodity costs in the international markets translated into higher consumer prices in Bangladesh, official figures showed yesterday.

The Consumer Prices Index rose 11 basis points to 5.7 per cent from September's 5.59 per cent and was up for the third consecutive month, according to the Bangladesh Bureau of Statistics (BBS).

The increase in the general inflation was driven by non-food inflation, which surged to a 62-month high in October.

The non-food inflation rocketed to 6.48 per cent last month from 6.19 per cent a month ago. This has been the highest since August 2016 when it stood at 7 per cent, Bangladesh Bank data showed.

Rising inflation in Bangladesh is largely the victim of the record levels of commodity prices in the global markets as demand recovery from the coronavirus pandemic, an unprecedented level of shipping charges, and supply constraints pushed up the prices of essentials, mounting pressures on the import-dependent countries.

For example, the freight rate for a 40-foot container to European ports from Chattogram has reached the \$15,000 level, which was hovering around \$1,500-\$2,000

INFLATION AT HOME AND ABROAD

(In October); SOURCE: THE GUARDIAN AND BBS

6.2pc in US, highest in more than 3 decades
4.2pc in UK, highest in a decade
4.1pc in EU, a 13-year high
2.6pc in France, highest since 2008
1.5pc in China, highest in 13 months
5.7pc in Bangladesh, highest in 12 months

A Pew Research Center analysis of data from 46 nations finds that the third-quarter 2021 inflation rate was higher in most of them (39) than in the pre-pandemic third quarter of 2019



INFLATION OVER THE MONTHS (In %)

SOURCE: BBS



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one year back, according to an analyst.

Freight costs to the major US ports increased five-fold compared to that of last year. In case of imports, the rate has doubled in recent times.

Bangladesh is not the only country that was hit with the higher inflation rate.

For example, the annual rate of inflation in the United States rose to 6.2 per cent in October, the highest in more than three decades.

The jump in inflation to 4.2 per cent in the UK was the sharpest in a decade. Inflation in the eurozone is now 4.1 per cent, a 13-year high, according to the Guardian newspaper.

In France, October's annual inflation rate was 2.6 per cent, the highest since

2008, pushed up by a 20 per cent surge in energy prices. China's annual inflation rate rose to 1.5 per cent, the highest for 13 months.

Washington-based Pew Research Center's analysis of data from 46 nations finds that the third-quarter 2021 inflation rate was higher in most of them, or 39 countries, than in the pre-pandemic third quarter of 2019.

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M&S plans to buy more high-end garments from Bangladesh

Says its country chief

STAR BUSINESS REPORT

A few years ago, Marks & Spencer (M&S) could not find a single factory in Bangladesh that could produce suits in bulk quantity although the country was already one of the largest apparel exporters in the world.

But things have changed as the local suppliers have diversified products and are making high-end items alongside basic garments. This shift has turned Bangladesh into the largest suits sourcing destination for the British retail giant.

Today, Bangladesh is the largest sourcing destination for M&S for apparel items, and the company buys more than \$1.2 billion worth of garment items from the country every year.

And Shwapna Bhowmick, country manager of M&S, said she wanted to buy more garment items from Bangladesh because of the commitments of the suppliers and the diversification of products.

"We are no longer interested in basic garments," she said, suggesting suppliers produce more value-added items to receive higher prices.

She was speaking at a session on the garment industry at the two-day International Investment Summit organised by the Bangladesh Investment Development Authority at the Radisson Blu Dhaka Water Garden in Dhaka.

Bhowmick also suggested for branding Bangladesh and easing of doing business.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), called for signing free trade agreements, preferential trade agreements and other regional trade agreements with trading partners to retain the duty-free export facility after

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INTERNATIONAL INVESTMENT SUMMIT 2021 BANGLADESH

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Stock turnover slips to 7-month low

BB, BSEC to sit over issues of dispute today

STAR BUSINESS REPORT

Bangladesh's stock market index yesterday broke out of a fall lasting six days but investor participation fell to a seven-month low for apprehensions over today's meeting between the central bank and the stock market regulator.

Stock investors hope for Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) to reach consensus on decisions taken regarding two issues.

One is over the participation of banks and non-bank financial institutions (NBFIs) in a BSEC capital market stabilisation fund, according to a central bank invitation letter on the meeting.

The other is a BSEC order allowing dividends from profits of the recent financial year even if there are accumulated losses.

The BSEC passed a rule on the stabilisation fund in June, saying it would be formed using undistributed and unclaimed dividends of listed companies. It had ordered all listed companies to submit their unclaimed dividends.

The central bank, however, opposed the



BSEC decision.

Listed banks and non-bank financial institutions cannot comply with the stock market regulator's orders on the capital market stabilisation fund as it is inconsistent with the Bank Company Act, the BB officials said in a meeting with the BSEC last September.

In the same meeting, the central bank also opposed another BSEC direction.

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COLLECTED

Citizens rush to submit their income tax returns yesterday, just a day before the November 30 deadline. From December 1, a 2 per cent monthly fine will be imposed on the payable amount of tax for delayed submissions. The photo was taken from Taxes Zone-4 in Dhaka.



Production was stopped at Khulna Newsprint Mills about 20 years ago for continued losses and capital shortages. Amid overgrown weeds and bushes all around, now it looks like a ghost town, with machinery rusting away and buildings losing strength. The photo was taken recently.

HABIBUR RAHMAN

KHULNA NEWSPRINT MILLS

Shut 20 years ago, yet spent Tk 33cr

No headway in using the mill, its land

DIPANKAR ROY, SUKANTA HALDER and ASIFUR RAHMAN

For many in their 30s and above, the word newsprint occupies a good part of memories of their schooldays.

Its thinness-induced fragility, the risk of damage for its high fluid absorption capacity and the need for extra care to prevent it from falling apart remain still fresh in their memories.

The only comparative advantage was the price gap with offset or printing paper, which prompted many budget-conscious, low-income parents to buy newsprint for their children.

Today, however, the availability of newsprint has become rare. The mill that had been making the paper remains shut for two decades.

Only a handful of security guards and some officials of Bangladesh Chemical Industries Corporation (BCIC) look after the property of Khulna Newsprint Mills, where once 2,500 workers were employed.

"When I joined here after the Liberation War, the mill was full of labourers and staff. Production ran 24 hours a day," said Md Asaduzzaman, serving as a security guard since the '80s.

It was so busy with activities that time flew by and it was hard to deduce

whether it was day or night, he said. But now the silence was deafening, even scary at night, he added.

Asaduzzaman was right. Full of bushes all around, Khulna Newsprint Mills now initially looks like a ghost town. Giant machinery lies scattered inside the premises while buildings are losing their strengths.

Giant boilers where the raw materials were once boiled have been left out of order for a lack of maintenance.

And the bank of the Bhairab river southwest of Khulna city, where the mill is located, also does not see movement of vessels coming from the Sundarbans with raw materials.

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