



Syed Ershad re-elected as AmCham president

STAR BUSINESS REPORT

Syed Ershad Ahmed has been re-elected as the president of the American Chamber of Commerce in Bangladesh (AmCham) for 2021-22 tenure.

Aftab ul Islam, chairperson of the election board for AmCham executive committee for 2021-22, declared the results of the election.

The AmCham held its 25th annual general meeting (AGM) yesterday at the Westin Dhaka and declared the new executive committee, the chamber said in a statement.

Ahmed is also the country manager and managing director of Expeditors (Bangladesh) Ltd.

Syed Mohammad Kamal, country manager of MasterCard, has been re-elected as vice-president and Tapas Kumar Mondal, managing director of International Beverages Private Ltd (Coca-Cola), has been elected as the treasurer.



A fruit seller arranges sour jujube in baskets in front of his cart in the Darshan Deuri area of Sylhet city. He sources the fruit from Chhatak and Dowarabazar of Sunamganj and sells them at Tk 200 a kg. He earns Tk 600 to Tk 800 per day by selling the fruit, which allows him to live with his family in the metropolitan city.

PHOTO: SHEIKH NASIR

US goods trade deficit hits record high

REUTERS, Washington

The US trade deficit in goods widened to a record high in December as imports increased for a fifth straight month amid strong domestic demand, suggesting that trade likely remained a drag on economic growth in the fourth quarter.

But imports are helping to replenish depleted inventories, with the report from the Commerce Department on Wednesday showing strong restocking at retailers and wholesalers last month.

Solid inventory accumulation likely offset the impact on gross domestic product from the larger trade gap, prompting some economists to raise their growth estimates for the last quarter.

"Strong demand and shifting consumer preferences during the pandemic led to a surge in imports that continues to outstrip exports and is contributing to all-time highs in the deficit," said Rubela Farooqi, chief US economist at High Frequency Economics in White Plains, New York.

The goods trade deficit rose 3.0 per cent

to an all-time high of \$101.0 billion last month.

It was also the first time that the deficit breached the \$100 billion threshold. The rebuilding for inventories could keep the goods trade deficit wide at least through the first half of this year.

Goods imports increased 2.0 per cent to \$258.3 billion, likely as the backlog at ports continued to be cleared.

The increase in imports was driven by capital goods, motor vehicles and consumer goods. But imports of food and industrial supplies declined.

Goods exports rose 1.4 per cent to \$157.3 billion. There were increases in exports of consumer goods, industrial supplies and motor vehicles. Capital goods exports also rose, but food exports tumbled.

The report was published ahead of Thursday's advance fourth-quarter GDP data. Trade has subtracted from GDP growth for five straight quarters.

According to a Reuters survey of economists, the economy likely grew at a 5.5 per cent annualised rate last quarter,

an acceleration from the third quarter's 2.3 per cent pace.

Inventory investment likely accounted for much of the anticipated acceleration in GDP growth last quarter. Growth last year is expected to have been the strongest since 1984.

The Commerce Department report showed retail inventories shot up 4.4 per cent in December after increasing 2.0 per cent in November.

Inventories of motor vehicles and parts jumped 6.8 per cent after rising 4.3 per cent in November.

They had been hampered by a global semi-conductor shortage, which has undercut motor vehicle production.

Retail inventories excluding motor vehicles accelerated 3.6 per cent after rising 1.2 per cent in November.

This component goes into the calculation of GDP growth.

Economists at JPMorgan raised their fourth-quarter GDP growth estimate to a 7.5 per cent rate from a 7.0 per cent pace.

IHS Markit lifted its forecast 1.3 percentage points to a 7.4 per cent rate.

Oil prices on the rise

REUTERS, Washington

US stocks maintained gains Wednesday even after the Federal Reserve signaled an interest rate hike could be coming soon, while tension between Russia and Ukraine pushed oil prices to highs not seen since 2014.

All three major stock indices pared earlier gains but stayed in positive territory Wednesday afternoon after the Fed policy statement, with the tech-heavy Nasdaq leading the way with gains over 2 per cent.

Lack of demand forcing weavers

FROM PAGE B4

"Once upon a time, the blankets and sheets weaved in Kakina were in high demand but now, there is no market for it," Ali said.

"Besides, we are not able to make much of a profit as the price of yarn has gone up," he added.

Hafizur Rahman, a weaver from Mahishamuri village, said he operated his handloom up till last year but could not start it this year due to a lack of capital.

If engaged in weaving, the worker needs to keep at least five to six maunds of yarn in stock.

But since Rahman cannot afford to buy and store these yarns, he kept his handloom inside the house.

"We make shirt fabrics, pant fabrics, bedsheets, towels, lungis, saris, and other items with our handloom," he said.

"We dream to maintain our ancestral profession but it has become difficult

for us due to a lack of capital support," Rahman added.

Sohrab Ali, a weaver from the same village, told The Daily Star that they cannot turn a profit if they buy the required yarn with interest-bearing loans.

Instead, they could have kept their professions afloat if they got interest free or low interest loan facilities.

"I have kept myself afloat with interest-bearing loans but I have not been able to make much profit," he said.

"Some 8 to 10 years ago we could have made a profit by selling handloom sheets but with the advent of big garment units, the demand for sheets has come down and we do not have enough capital to compete," he added.

Tamiz Uddin, a weaver from the same village, said he had not sold his handloom yet considering the lack of capital, he finally decided to sell.

"I am not able to make a profit by buying yarn at a higher price. If we could keep the handloom running with our own capital, we would earn Tk 800 to Tk 1,000 every day," Uddin said.

"It is very difficult to keep the handloom running. Once upon a time, weaving was going on day and night. Everyone in the family was busy. The knocking sound of the handloom filled our souls but now the handlooms are idle," he added.

Farida Begum, a weaver from Kakina village, said that she was the daughter of a weaving family and was married to a weaver.

As such, her relationship with the handloom is from birth.

Her financial situation would be better if she weave regularly but their handlooms are keeping idle and so, she spends her days lazily.

Her husband, Alim

Uddin, is now working as a day labourer.

"If we had the capital, we could have kept the handloom running," she said.

Babul Mia, a local weaver and businessman of Kakina, said that at one time the business of weaving clothes was booming in the area.

Wholesalers used to come from all over the country but now, only a handful of weavers have been able to keep their operations running.

At one time, Kakina's weaved sheets were officially procured through tenders and distributed to cold-stricken people.

"This has not been happening for the last few years and weavers in the district will be wiped out in the next three to four years if they cannot resume weaving without government patronage and full capital support," Mia added.

External debt repayment rises

FROM PAGE B1

ago. The repayment of the interest rate begins immediately after a disbursement is made.

Of the foreign loan repaid in the first six months of FY22, the principal amount was \$781.05 million and interests amounted to \$259.33 million.

Of the \$900.22 million repaid in FY21, the principal amount stood at \$661.89 million and the interests \$238.33 million.

A mission from the International Monetary

Fund (IMF) during its recent visit to Dhaka commented that despite the downgrading of its debt carrying capacity and consequent lowering of thresholds, Bangladesh remains at low risk of external debt distress.

However, the ratio of total public debt service to revenue is high and rising. This is projected to exceed 100 per cent by 2022, pointing to the need for more pronounced revenue mobilisation to support increased social and

developmental spending while limiting fiscal risks.

Since independence, Bangladesh has never defaulted on loan repayments and has never sought for re-scheduling of instalments, said an ERD official.

The country's debt-to-GDP ratio is below than international standards.

Development partners pledged \$4.4 billion in grants and loans in the first six months of the current fiscal year, up 83 per cent from \$2.4 billion committed

in the same period in FY21. The disbursement stood at \$4.2 billion, up from \$3 billion a year back.

ERD's borrowing plan for the current fiscal year, which ends in June, is \$12.89 billion. Of the sum, \$10.38 billion is project aid. Bangladesh is sitting on a huge amount of foreign loans as lower spending capacity holds it back from raising the use of cheap funds to a much higher level.

Foreign assistance in the pipeline stood at \$50.67 billion in December.

Beximco sees profits soar

STAR BUSINESS REPORT

Beximco Ltd logged almost four times higher profit in the first half of the ongoing financial year (FY) while the company's revenue more than doubled at the same time.

Beximco's revenue soared to Tk 3,670 crore in the last six months, up 121 per cent from Tk 1,656 crore in 2020-21. The company's net profit jumped 354 per cent to Tk 759 over the same period.

After analysing the company's financial report, it was found that Beximco's profits climbed at a higher pace than its sales due to lower raw material prices.

In the last six months (July-December), the cost of goods sold was 64 per cent of its total revenue while it was 67 per cent the previous year.

Beximco's earnings per share stood at Tk 8.67 in the last two quarters, which was Tk 1.92 higher year-on-year.

NBR's pre-budget meetings from Feb 6

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is going to start its pre-budget meetings for the next fiscal year from February 6.

Businesspeople and other stakeholders will take part in the discussions at the NBR headquarters in the capital's Segunbagicha area.

The pre-budget discussions will kick off with a meeting with the Association of Television Channel Owners and Newspapers Owners Association of Bangladesh.

The meetings will continue till March 20, according to the NBR.

NBR Chairman Abu Hena Md Rahmatul Muneem will preside over the meetings where Md Neyamul Islam, first secretary of the tax administration, will act as the chief budget coordinator.

The proposed budget for 2022-23 fiscal year will be presented in parliament in early June.

Dhaka Bank, SF Group sign payroll agreement

STAR BUSINESS DESK

Dhaka Bank Ltd has recently signed an agreement with SF Group over providing payroll banking services.

As a result, the employees of SF Group can now avail the lender's products and services ranging from profit-bearing accounts, and loans to credit cards on preferential terms, a press release said.

Emranul Huq, managing director of Dhaka Bank, and Fuad Abdullah, director of SF Group, inked the deal at the bank's head office in Gulshan, Dhaka.

Mohammad Abu Jafar, additional managing director of the bank, Md Mostaque Ahmed, deputy managing director, Akhlaqur Rahman and Mustafa Husain, both senior executive vice-presidents, and HM Mostafizur Rahaman, executive vice-president, and Golam Mustafa, a director of SF Group, were present.



NCC Bank organised a daylong workshop on "E-Payment of Customs Duty, Fees, Tax through RTGS System" for its officials at the bank's training institute in Motijheel, Dhaka recently. Syed Tofail Ali, senior executive vice-president of NCC Bank, inaugurated the event, where Syed Hasnain Mamun, senior vice-president, Md Rashidul Hasan, vice-president, Sheikh Ibn Masud, a programmer of the payment service department of the Bangladesh Bank, and Md Yousuf Mahmood Dewan, principal officer for accounts and services division at Sonali Bank, were also present. Syed Zaved Md Salehuddin, a first assistant vice-president, conducted the course.

PHOTO: NCC BANK



Syed Habib Hasnat, managing director of Global Islami Bank Ltd, virtually inaugurates the bank's four sub-branches at Diabari and Aftab Nagar of Dhaka, at Reajuddin Bazar of Chattogram and Parulia Bazar of Satkhira yesterday. Kazi Mashiur Rahman Jayhad, additional managing director, Ataus Samad and Sami Karim, deputy managing directors, were present.

PHOTO: GLOBAL ISLAMI BANK