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## Soybean meal export allowed, angering farmers

JAGARAN CHAKMA

The government has allowed the export of soybean meals on a case-by-case basis, a move that has generated anger among dairy farmers.

The relaxation comes nearly four months after the commerce ministry banned the shipment of the key ingredient of poultry and livestock feed following demands from farmers.

The commerce ministry on October 12 banned the export of soymeal to contain a spike in prices of feeds in the domestic market.

The ministry withdrew the ban earlier this month but on one condition — permission will be given on a case-by-case basis based on the demand and supply situation, according to a notification of the Office of the Chief Controller of Imports and Exports.

READ MORE ON B3

## Avoid duties on local goods in FY23

FBCCI urges govt

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday urged the country's revenue authority to avoid imposing any supplementary duty on locally produced goods in the next fiscal year.

FBCCI President Md Jashim Uddin made the call at the first meeting of the chamber's standing committee on the budget, import duty, income tax and value-added tax at the trade body's office in Dhaka.

"Initiatives should be taken to strengthen the local industry through tax and duty exemption until 2026," he said.

Jashim went on to say that exports grew in the current fiscal year despite the pandemic-induced global economic downturn.

The country's export earnings rose mainly due to an increase in the price of raw materials in international markets.

READ MORE ON B3



As the Bangladesh Bureau of Statistics observes National Statistics Day-2022 today for the second year running, questions remain over how much the country's premier agency for statistics has been able to keep to its missions of providing accurate, standardised and timely statistics since 1974. The photo was taken yesterday.

PHOTO: PALASH KHAN

## NATIONAL STATISTICS DAY

# BBS still faces challenges in imparting timely, credible data

MD ASADUZ ZAMAN

Without big data, you are blind and deaf and in the middle of a freeway.

This observation came from American author Geoffrey Alexander Moore. But it is quite pertinent for today's Bangladesh since there is an absence of timely and reliable data. Forget about "big data".

And this puts the Bangladesh Bureau of Statistics (BBS), the country's premier statistical agency, in the spotlight.

When a researcher or individual is interested to know more about Bangladesh's economic or social situation, they must turn to the BBS. But it is the government that needs credible data in a timely manner to make informed decisions.

"Providing accurate, standardised and timely statistics" has been one of the missions of the BBS since it began its journey in independent Bangladesh in 1974.

"The BBS has come a long way in terms of institutional and administrative capacity and expanding the coverage,

CENSUS, SURVEY OR MAJOR DATA	RELEASE INTERVAL	LATEST REPORT
Population Census	10yrs	2011
Economic Census	10yrs	2013
Agriculture Census	10yrs	2019
Household Income & Expenditure Survey	5yrs	2016
Labour Force Survey	3yrs	2016-17
Sample Vital Registration Survey	Annually	2020
Survey of Manufacturing Industries	6yrs	2019
Gross Domestic Product	Annually	2020-21
Consumer Price Index (Inflation)	Monthly	January 2022
Industrial Production Statistics	Monthly	October 2021

frequency and reliability of statistics," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"There was a time when one had to visit the BBS office to collect inflation data. Now you can get them online."

The BBS is responsible for carrying out statistical programmes such as censuses on population, agriculture, manufacturing industries and establishments as well as other national surveys such as labour force, demographic situation, and

household income and expenditure.

The agency is observing the National Statistics Day-2022 today, for the second year running.

Forty-eight years have passed but the BBS is still facing criticisms for its failure to produce data on time and maintain credibility due to a lack of proper management and political will.

Because of one of its failures, the sixth population census is set to see further delays as the state-run agency could not conduct it as scheduled even though four years have passed since drawing up a master plan.

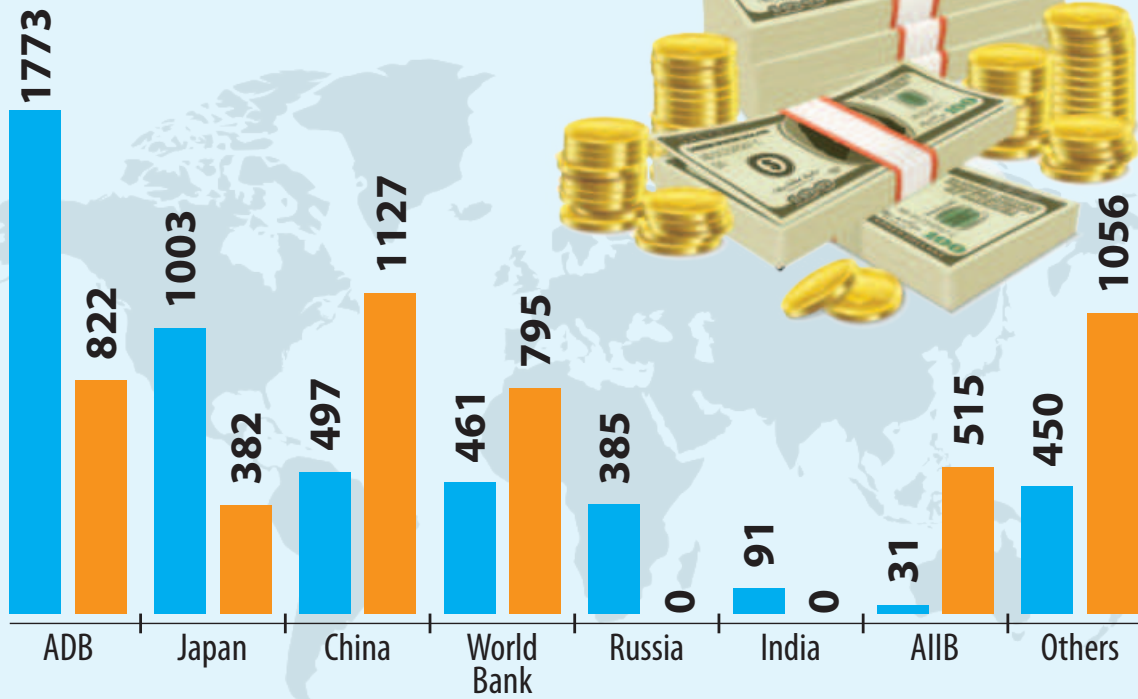
READ MORE ON B3

## Commitment & disbursement of foreign loans in fiscal year 2021-22

Jul-Jan period, in million US\$

SOURCE: ERD

Disbursement Commitment



## Foreign aid disbursement, commitment rises

REJAUL KARIM BYRON and JAGARAN CHAKMA

Foreign assistance disbursement and commitment both increased in Bangladesh in the first seven months of the current fiscal year thanks to speedy release of funds and additional promises as support for tackling the pandemic.

Meanwhile, the use of foreign assistance increased 28.42 per cent year-on-year to \$4.7 billion, according to data from the Economic Relations Division (ERD).

The Asian Development Bank (ADB) topped the fund disbursement list with \$1.7 billion.

A finance ministry official said the Manila-based development lender has already disbursed around \$1 billion in assistance for Covid-19. Besides, it has almost disbursed all its budgetary support for this fiscal year.

Japan has become the second biggest financial support provider with more than \$1 billion during this period.

ERD officials say a number of mega projects funded by Japan, including the Dhaka metro rail project, were being implemented in full swing following the easing of the pandemic restrictions.

A good amount of funds have been disbursed by the World Bank to support efforts aimed at tackling the pandemic along with regular loans.

READ MORE ON B3

## Listed firms take too long to upload financials

Investors left in the dark as a result, experts say

AHSAN HABIB

Most listed companies in Bangladesh do not post their quarterly financial reports within 48 hours of securing approval from their boards as they take advantage of the lack of specific regulations in this regard, according to experts.

What is worse, some listed companies even take weeks to publish their annual financial statements. As a result, general investors are deprived of key financial data that allows them to analyse the health of issuers.

"Whenever a company's board approves its financial report, general shareholders have the right to access it, but many firms take a long time to publish such statements on their website," said Md Moniruzzaman, managing director of IDLC Investments.

As per listing regulations, the issuer of listed securities must make its detailed financial statements available on its website as well as that of the country's bourses through a link arrangement. However, no deadline has been set to make such disclosures.

"So, the regulators should provide precise instructions to ensure that financial reports are published online within a reasonable amount of time," said Moniruzzaman, also the vice-president of the Bangladesh Merchant Bankers' Association.

Although listed companies publish their earnings per share, net asset value and net cash flow per share on the Dhaka Stock Exchange (DSE) website, this data alone is not enough to assess a company.

"We need full financial statements, so companies should publish them online as soon as their board gives the approval," Moniruzzaman said.

"If listed firms need time to prepare an annual report, they can at least upload their audited yearly financials soon after the board meeting."

An executive member of the Bangladesh Association of Publicly Listed Companies (BAPLC) said most listed companies upload their financial statements online after receiving consent at their board meeting.

"But since there is no specific timeframe for making such disclosures, some companies may take time," he said.

"Still though, if all of us are sincere about it, the job wouldn't be too difficult as the companies publish their data in two national newspapers. This means that since the data is already public, there should be no problem in uploading it on the company website," the BAPLC official added.

Mohammad Rezaul Karim, a spokesperson of the Bangladesh Securities and Exchange Commission (BSEC), said investors can make more informed decisions when more data is available to them.

READ MORE ON B3

STOCKS	WEEK-ON WEEK	
	DSEX ▼	CSX ▼
	2.17% 6,839.44	2.31% 11,999.25

COMMODITIES	AS OF FRIDAY	
	Gold ▼	Oil ▲
	\$1,889.18 (per ounce)	\$91.90 (per barrel)

CURRENCIES	AS ON THURSDAY STANDARD CHARTERED BANK			
	₹ USD	€ EUR	£ GBP	¥ CNY
	BUY TK 85.05	94.96	114.30	13.23
SELL TK	86.05	98.76	118.10	13.91

ASIAN MARKETS	FRIDAY CLOSINGS			
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 2.44% 55,858.52	▲ 1.95% 26,476.50	▲ 0.56% 3,294.47	▲ 0.63% 3,451.41

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The Russian-flagged cargo vessel Baltic Leader, which had set sail from the French city of Rouen, was escorted to the port of Boulogne-sur-Mer by French naval forces in the channel after the EU slapped sanctions on Russia. PHOTO: AFP

# FBCCI to form UAE-Bangladesh Business Council

## STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) is set to establish a joint business council with its counterpart in the UAE with a view to tapping the trade and investment potential in the markets in the Middle East, Africa and Europe.

The UAE-Bangladesh Joint Business Council will be inaugurated when Prime Minister Sheikh Hasina visits Dubai next month.

The council will be co-chaired by the president of the FBCCI and the chairman of the Federation of UAE Chambers of Commerce and Industry.

At the inaugural ceremony, the FBCCI will highlight Bangladesh's sector-based investment and export prospects.

The information was disclosed during a preparatory meeting at the FBCCI office on Saturday, according to a press release from the country's apex trade body.

"The establishment of a business council with the Federation of UAE Chambers of Commerce and Industry will make it easier to capture the export market of the Middle East and Africa," FBCCI President Md Jashim Uddin said at the meeting.

"This initiative will create an opportunity to explore new markets for Bangladesh after it graduates from the UN's list of least-developed countries."

Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry, recommended

**The establishment of a business council with the Federation of UAE Chambers of Commerce and Industry will make it easier to capture the export market of the Middle East and Africa**  
— **Md Jashim Uddin**  
**FBCCI President**



that five sectors should be included in the FBCCI's presentation at the council's opening ceremony.

The sectors include agricultural and

halal food products, light engineering (especially car parts), finance, petrochemical, and port management.

Syed Muntasir Mamun, director-general of the international trade and investment wing of the foreign affairs ministry, recommended seeking UAE investment in ICT, IT-enabled services, artificial intelligence, private equity, aviation, shipping and value-added agro services.

FBCCI Director Abul Kasem

Khan highlighted the potential for investment in the tourism and hospitality sectors as well as the private port sector.

He also demanded that Bangladeshis be given an opportunity to invest in Dubai.

Khandaker Golam Moazzem, research director of the Centre for Policy Dialogue and a panel adviser of the FBCCI, said the UAE is currently looking for a global strategic partner for development. As part of that effort, the country recently signed a free trade agreement with India.

"So, Bangladesh should also sign a free trade agreement with the UAE."

Shykh Seraj, head of news of Channel i and a panel adviser of the FBCCI, said there is a huge demand for Bangladeshi vegetables and seeds in the UAE.

"To take advantage of this potential, joint initiatives can be taken in the field of nursery and food processing."

He went on to say that the two countries should work together to create skilled manpower.

## EU energy concerns spark Russia

FROM PAGE B4  
Lindner told public television he was "open" to including SWIFT "in the course of possible further toughening of sanctions" while adding that allies would "have to be aware of the consequences".

With 40 per cent of gas consumed in Europe arriving from Russia, Germany's fears about the possibility of severe disruptions are well founded.

Austria, Hungary and Italy are also reluctant, pitting them against Poland, the Baltic states and non-EU member Britain.

Hungarian Prime Minister Viktor Orban alluded to his key concern — energy prices — as he announced sanctions agreed by the EU late Thursday.

"These sanctions do not extend to energy so... energy supplies to Hungary and the other member states of the EU are guaranteed," he said.

Founded in 1973, the Society for Worldwide Interbank Financial Telecommunication, or SWIFT, does not actually handle any transfers of funds itself.

But the system is used by banks to send standardised messages about transfers of sums between themselves, transfers of sums for clients, and buy and sell orders for assets.

A country that is shut out of the system

could still arrange for settlements of payments or transfers on a case-by-case basis.

But it would be severely crippled in its ability to trade with others, as Iran had seen when it was disconnected from the system between 2012 and 2016 over its nuclear programme.

Yet Lindner said the jury was out on whether the sanction would indeed hurt Moscow as much as it did Tehran.

"I fear that Putin has already built up an alternative to this SWIFT system," he said.

Calls for Russia to be excluded from SWIFT had already been made in 2014 when it annexed Crimea from Ukraine and Moscow has since sought to build up its own system.

The Russian System for Transfer of Financial Messages connects 400 Russian banks and being booted out of SWIFT could well accelerate its development.

German Foreign Minister Annalena Baerbock also said shutting Russia out risked hurting innocent people.

"It would mean that a granddaughter who lives in Europe wouldn't be able to transfer money to her grandmother," she said.

"But those who are responsible for the bloodshed will still find ways and means to still carry out their transactions," the

minister said, adding that in the case of Iran, humanitarian projects had to be halted as they could not be financed.

Austrian Chancellor Karl Nehammer also cited experts' estimates that exclusion from SWIFT "won't bring the necessary success", although he later reversed Vienna's reluctance to say his country would push for exclusion from SWIFT.

For now, the option remains on the table, and French Finance Minister Bruno Le Maire said the "financial nuclear weapon" would be weighed up "not in the coming days or weeks, but in the coming hours".

Asked what kind of further aggression must come from Russia before the EU would cut it off from SWIFT, German Chancellor Olaf Scholz's spokesman suggested that not including it in Thursday's package partly came to implementation issues.

Such a move would be "technically complex to prepare," said Steffen Hebestreit.

But the Baltic countries, which directly border Russia, said they had not given up hope on persuading partners to kick Russia out of SWIFT.

"We don't have to wait until there are gunfights in the streets of Kyiv and dead bodies lying around," Latvian Foreign Minister Edgars Rinkevics told reporters.

## Scale effect of domestic market, tipping point

### FROM PAGE B4

We also observe such FDIs in motorcycles as well as in household electronics goods such as refrigerators, TVs, washing machines. This rise in such FDI in the country in recent years trying to avoid trade barriers indicates strongly that the country has surpassed such a tipping point.

The paths of industrialisation of the economy with large local markets are supposed to be different from the ones with smaller population size.

First, countries of large domestic markets can afford protections without losing much efficiencies by ensuring competition among domestic firms. If the size of the effective demand can accommodate a large number of firms, local competition can ensure efficiency closer to the international level.

Second, even with protection, FDIs can flow in to capture the local market as long as the economy crosses the tipping point. These FDIs can also promote competition between the domestic brands and foreign brands produced in the country — one can think of the competition between Walton and Singer in the refrigerator market.

Third, the large size of the economy allows firms to diversify their products to minimise the risks of investing in one sector.

We observe a large number of conglomerates

in Bangladesh producing a wide range of products from a plastic bucket to smart TV. This is known as the "portfolio theory" of product diversifications.

Now the question is: how can a country like Bangladesh leverage its market size to steer the paths of industrialisation, given that the economy has crossed the tipping point?

The economies of China, India and Brazil are good examples of how the market size can be used as a bargaining chip for negotiations in the case of FDIs and bilateral trade agreements.

An interesting textbook example is the Brazilian automobile industry.

Brazil started its plan to produce automobiles locally in 1956 as a part of its import substitution industrialisation policy. This plan forced multinational companies to accept the local content rules, which allow a very high degree of local value addition. This was possible only because of the large market size of Brazil — the foreign investors wanted to access the market at any cost.

I believe Bangladesh's economy has now come to the point where the benefits of large market size have begun to materialise. We need to think hard about how we can use the market size more effectively in our favour.

*The author is a senior research fellow of the Bangladesh Institute of Development Studies*

## Brac Bank organises staff training

### STAR BUSINESS DESK

Brac Bank virtually organised a training for its senior officials to cater updated, quality customer services that were shaping the future of banking in Bangladesh.

Mohammed Ishaque Miah, general manager for information system development and support department at Bangladesh Bank, and SM Tofayel Ahmad, joint director and systems analyst, conducted the programme for 170 senior officers, said a press release.

Md Sabbir Hossain, deputy managing director of Brac Bank, M Masud Rana and Chowdhury Moinul Islam, deputy managing directors, Nurun Nahar Begum, chief technology officer, BM Zahid-Ul-Haque, head of information security, Khondker Emdadul Haq, head of employee banking, attended the event.

## WTO warns of food price rise amid Ukraine crisis

### AFP, Washington

WTO chief Ngozi Okonjo-Iweala warned Friday about the "economic impacts" of the war in Ukraine, a major wheat exporter, which will hurt consumers around the world.

"There's going to be a big impact with respect to wheat prices and prices of bread for ordinary people as well," she said at a virtual event with IMF chief Kristalina Georgieva.

Ngozi noted that Ukraine "is one of the largest wheat exporters of the world."

Georgieva echoed her previous warnings about the "significant economic risk" of the conflict for the global recovery from the Covid-19 pandemic, saying "the impact is going to go beyond Ukraine." She highlighted the added pressure on inflation which is likely to accelerate amid rising prices for energy and wheat.

Oil prices on Thursday briefly topped \$100 for the first time since 2014.

The United States and Europe slapped sanctions on Moscow, targeting the financial sector but largely sparing the oil and agriculture sectors for now in an effort to mitigate the impact on their own people.

The sanctions "add to the economic impact of this crisis, and will transmit primarily through energy prices, as well as grain prices, adding to what has been a growing concern of inflation and how it can be countered," the IMF chief said.

The conflict adds to the "high uncertainty" about the global economy that also is reflected in financial markets, and undermines confidence in other emerging markets causing an exodus of capital at a time when those countries need more funding.

"We see outflows from emerging markets when we need exactly the opposite," she said.

Georgieva, who is Bulgarian, said she had a personal connection to the crisis, as her brother is married to a Ukrainian and they are in a city near the border with Russia.



Mohsina Yasmin, executive member of Bangladesh Investment Development Authority (Bida), and Sohail RK Hussain, managing director Meghna Bank, signed a memorandum of understanding at Bida's head office in Dhaka recently to provide various banking services to investors through the latter's online one-stop service (OSS) portal. Kimiwa Saddat, head of corporate banking division at Meghna Bank, and Sufia Akter, head of PPP and cash management, were present.

PHOTO: MEGHNA BANK



Md Monzur Mofiz, managing director of ONE Bank, and Mohsina Yasmin, executive member of Bangladesh Investment Development Authority (Bida), signed a memorandum of understanding at Bida's head office in Dhaka last week to provide various banking services to investors through the latter's online one-stop service (OSS) portal. Avijit Chowdhury, executive member of Bida, and Jibon Krishna Saha Roy, director of the OSS and regulatory reform, were present.

PHOTO: ONE BANK

## Japan to sanction chip exports to Russia over Ukraine

AFP, Tokyo

Japan will impose sanctions on Russia targeting semiconductor exports and financial institutions, Prime Minister Fumio Kishida said Friday after G7 leaders agreed to punish Moscow economically for invading Ukraine.

The announcement came after Russian President Vladimir Putin unleashed a full-scale ground invasion and air assault on Thursday.

Kishida said the world's third-largest economy planned "asset freezes and the suspension of visa issuance for Russian individuals and organisations" as well as asset freezes "targeting Russian financial institutions". "Thirdly, we will sanction exports to Russian military-related organisations, and exports to Russia of general-purpose goods such as semiconductors and items on a restricted list based on international agreements," he told reporters.

Kishida did not detail the scale of the sanctions or which individuals and institutions would be targeted, though local media said Bank Rossiya, Promsvyazbank and Russia's economic development bank VEB would be hit.

Semiconductors are essential components in products from cars to gaming consoles, and are in short supply worldwide.

The United States has also announced export controls on sensitive components that US President Joe Biden said will "cut off more than half of Russia's high-tech imports".

Japan is a key US ally and member of the Group of Seven, which held virtual talks overnight and agreed "to move forward on devastating packages of sanctions and other economic measures to hold Russia to account", Biden said.



Work being done on an engine of a passenger-carrying water vessel at a shipyard of Sundarban Navigation Company in Beltola area of Barishal city yesterday. Dozens of luxury launches are carrying hundreds of passengers every day, some equipped with elevators, well-furnished rooms and modern gadgets such as echo sounders to fathom the depth of water, radars, wifi and radio communication.

PHOTO: TITU DAS

## BSCIC yet to finalise location for industrial park in Jashore

SUKANTA HALDER and MD ABU TALHA SARKER

Although five years have passed since the Bangladesh Small and Cottage Industries Corporation (BSCIC) made plans to establish an industrial park for automobile and light engineering industries in Jashore, the agency is yet to finalise the exact location for the project.

The initiative was taken based on a recommendation from a panel formed by the industries ministry. According to the plan, a park could be set up on 100 acres of land in Fatehpur mouza of Jashore, a centre for making farm machinery such as threshers.

Later in 2019, the BSCIC sought consent from the Jashore district administration to acquire the land for the project. The district has been registering decent growth in the establishment of auto workshops for the last several decades.

Local businesses said various types of parts, such as springs, propellers and chassis of private vehicles, brick and stone-crushing machines, concrete-mixture

machines, water pumps and shallow engines, are made in the south-western district.

At least 300 establishments in the region are associated with the making and trading of light engineering products.

**BSCIC has sought permission from the district administration to acquire up to 500 acres of land to construct the industrial enclave**

"Of them, about 200 are engaged in making auto parts and the bodies of buses," said Harun Ur Rashid, former general secretary of the Jashore Light Automobile Engineering Owners' Association.

More than 15,000 people are involved in these growing sectors.

In order to develop the park, the BSCIC previously requested the district administration to give an estimate on the

availability and cost of land in Fatehpur.

In response, the deputy commissioner's office informed the agency that paddy and dates were being grown in the land where the park was planned for construction.

The DC office then requested the BSCIC to select low or non-agricultural land instead. The corporation later planned to develop the park at Harinar Beel, a wetland beside the Jashore-Satkhira road.

Recently, the BSCIC has sought permission from the district administration to acquire up to 500 acres of land to construct the industrial enclave.

"If we get the consent, we could start our work in the next fiscal year," said Rashedur Rahman, deputy general manager for planning at the BSCIC.

Lokman Hossain, owner of Rifat Engineering Works, says it will be of great benefit to all if an industrial park is set up in the region.

Md Tamijul Islam Khan, deputy commissioner, says the BSCIC is responsible for the land selection. "If they select the right place and apply to us, we will approve it."

## Arabs fear for wheat supplies after Russia invades Ukraine

AFP, Cairo

Russia's invasion of Ukraine could mean less bread on the table in Egypt, Lebanon, Yemen and elsewhere in the Arab world where millions already struggle to survive.

The region is heavily dependent on wheat supplies from the two countries which are now at war, and any shortages of the staple food have potential to bring unrest.

If those supplies are disrupted, "the Ukraine crisis could trigger renewed protests and instability" in several Middle East and North Africa countries, the Washington-based Middle East Institute said.

The generals now ruling in Khartoum after an October coup have not forgotten: In 2019 one of their own, Field Marshall Omar al-Bashir, Sudan's longtime autocrat, was toppled by his military under pressure from mass demonstrations triggered by a tripling of the bread price.

Sudan is already facing regular anti-coup protests but seems to have taken the initiative to avoid demonstrations over bread.

When Russia's invasion began on Thursday, the second-highest figure in Sudan's ruling Sovereign Council was in Moscow to discuss trade ties. Bread is already a luxury for millions in Yemen, where a seven-year war has pushed the country to the brink of famine.

"Most people can barely afford the basic foods," and the war in Ukraine will only "make things worse", Walid Salah, 35, a civil servant in the rebel-held capital Sanaa, told AFP.

Russia is the world's top wheat exporter and Ukraine the fourth, according to estimates by the US Department of Agriculture.

Moscow's invasion pushed the wheat price far above its previous record high in European trading to 344 euros (\$384) a tonne on Thursday.

David Beasley, the World Food Programme's executive director, said the Ukraine-Russia area provides half the agency's grains. The war, he said, "is going to have a dramatic impact".

WFP says 12.4 million people in conflict-ravaged Syria are also struggling with food insecurity. Before its civil war began in 2011, Syria produced enough wheat to feed its population but harvests then plunged and led to increased reliance on imports.

The Damascus regime is a staunch ally of Moscow which backed it militarily during the war. "Syria imported some 1.5 million tonnes of wheat last year, largely from Russia," The Syria Report, an economic publication, said this month.

Damascus says it is now working to distribute the stocks to use them over two months. Supplies in neighbouring Lebanon won't last that long.

The country is gripped by a financial crisis which has left more than 80 percent of the population in poverty, and a 2020 port explosion damaged large parts of Beirut including silos containing 45,000 tonnes of grain.

Lebanon's current stock, in addition to five ships from Ukraine waiting to be offloaded, "can only last for one month and a half", said Ahmad Hoteit, the representative of Lebanon's wheat importers.

Ukraine was the source of 80 percent of the 600,000 to 650,000 tonnes of wheat imported annually by Lebanon, which has only been able to store about a month's worth of wheat since the port blast, he told AFP.

## Foreign aid

FROM PAGE B1

The Washington-based multilateral lender provided \$500 million for purchasing Covid-19 vaccines.

According to officials, there was not much use of the WB fund initially. But it has recently picked up and the government has spent \$130 million under Covid-19 support.

Bangladesh has set an ambitious target to receive \$12.98 billion in foreign assistance from the development partners in the current fiscal year.

But the ERD may slash the allocation target in the revised budget by \$1.5 billion as the fund use has been lower than expected.

Bangladesh spent around \$3 billion to \$3.5 billion annually from 2013-14 to 2016-17. Spending of foreign funds crossed \$7 billion per year since the fiscal year 2018-19.

The commitment of development partners also

increased by 47.55 per cent year-on-year in the past seven months to \$4.69 billion.

When a loan agreement is signed with a development partner, it is considered a commitment, meaning the fund is ready for utilisation.

The government has set a target to realise commitments for \$6 billion in foreign aid this fiscal year.

An official of the ERD said they have some agreements in the pipeline which would be signed within June 2022. Once inked, the commitment of foreign aid will cross the figure targeted.

China made the highest commitment of \$1.3 billion followed by the ADB with \$822 million and the WB with \$795 million.

During the past seven months, Bangladesh made debt repayments amounting to \$900 million, a decrease of 26 per cent from a year ago.

## Avoid duties on local

FROM PAGE B1

"However, the profits of businesses have not increased," he added.

Jashim then urged the government not to impose any new tax in 2022-23.

The FBCCI chief said the government should now assess the implementation growth of automation projects, which were taken to modernise and improve revenue management.

Md Farid Uddin, a panel adviser of the FBCCI and a former member of the National Board of Revenue, said the VAT Act-2012 has now become the Sales Tax Act due to various amendments in 2019.

He recommended a fundamental reform of the law.

At the meeting, Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, demanded that tariffs on man-made fibre be repealed in the upcoming national budget.

He also asked for the implementation of a single rate of duty on the import of spare parts, and retention of 15 per cent corporate tax on textiles until 2030.

Snehashish Barua, committee member and adviser of the Foreign Investors' Chamber of Commerce and Industry, suggested rationalisation of the advance tax rate and formulation of a single rate of VAT from the next fiscal year.

## BBS still faces challenges in imparting timely

FROM PAGE B1

The census, which is performed once a decade, offers complete data on population, its composition, workforce, density, housing and other socioeconomic indicators which are vital for formulating economic and other policies.

The last census was conducted in 2011, when the country's population stood at 15.17 crore. Currently, the estimated population is 16.8 crore, according to the Bangladesh Economic Review 2021.

The statistical agency prepared the master plan in 2018 and was supposed to publish a preliminary report on the exercise by July last year. In January 2021, it pushed back the date to October 25-31, but there has not been much headway, said BBS sources.

The BBS has also failed to ensure timely generation of the data on agriculture production.

Speaking to The Daily Star, Prof Md Aynul Islam, general secretary of the Bangladesh Economic Association, said reliable data is a key component for informed policymaking.

"The BBS is the sole authority to provide data in Bangladesh. But several data are not provided in a regular manner, which makes it difficult to make informed policy decisions."

Islam pointed out that the GDP figures provided by the BBS have faced

questions recently.

"There is a general perception among the researchers that GDP figures in Bangladesh are overestimated. So, the BBS needs to win the trust of people. This issue should be addressed properly."

Similarly, the Household Income Expenditure Survey (HIES), which is supposed to be conducted every five years, is now seven years old.

The survey was due in 2015. The BBS completed it in 2016-17, meaning when data were finally made available, they were already three years old.

"The next HIES survey was scheduled in 2020. It is 2022, and we do not have any information on the survey," Islam said.

During the coronavirus pandemic, the dearth of updated data posed challenges to the government as there is no information on the number of new poor or job losses. But the information is important to design stimulus packages and other policies targeting poverty and vulnerability.

The labour force data used to be published quarterly. But after 2015 and 2016, it was discontinued.

The BBS was also given the responsibility to conduct a census to develop the National Household Database, which will be used to improve the beneficiary selection

process for social security programmes. The agency conducted the census in 2017 but has not released the data yet.

"The data had become outdated even before their release," Islam added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, also lauded the BBS for publishing updated data.

"However, the BBS should work independently and be accountable to the parliament. Its data should not be reviewed by any political parties or approved by a cabinet meeting, as it is a sensitive issue."

Prof Selim Raihan, executive director of the South Asian Network on Economic Modelling, says the BBS has some success in generating and publishing data and carrying out surveys.

"Its performance is better than many developing countries in the Asia-Pacific region."

However, there are shortcomings. "Not only research organisations, but many government officials have admitted to a lack of qualitative data," said Raihan, a professor of economics at the University of Dhaka.

In a broader sense, after 48 years of the BBS's journey, it is still not in a good position. The role of the state-run agency has become even more

important at a time when the government is working to achieve the Sustainable Development Goals.

"Willingness to work is a major issue to overcome the situations rather than funding," said Prof Raihan.

BBS Director-General Mohammad Tajul Islam could not be contacted for comments.

Zahid Hussain says a country needs statistics to assess development strategies.

"But when statistics are not available at regular intervals, you will face difficulty and then you will have to make a guess relying on whatever information you have."

"Statistics have not been available at regular intervals despite reforms and various projects."

Hussain says so far, there has been no controversy about poverty and employment data. "But there is a question about GDP growth, inflation and even agriculture production figures."

"I don't know how many people trust the inflation data of the BBS because consumers see a different picture when they go to the kitchen markets. So, the BBS has to publish important statistics regularly, and the problem related to credibility has to be overcome."

"Overall, there has been progress in terms of access and coverage of data, but the BBS still has a long way to go," Hussain added.

## Soybean meal

FROM PAGE B1

The relaxation created worries among farmers about whether this would raise production costs.

"Soybean meal exports have been allowed on grounds that prices are lower here than in the neighbouring country. It is a suicidal decision," said Md Shah Emran, general secretary of the Bangladesh Dairy Farmers' Association (BDFa).

The duty-free import of soybean, which leaves soybean meal once oil is extracted, is allowed in Bangladesh for edible oil producers, for which the price of soybean meal is cheaper than in India.

After the notice was issued, the price of animal feed has been growing and at least 50 per cent of farms will have to be shut down, Emran apprehended.

According to the BDFa, there are around 12 lakh small and medium farms in Bangladesh.

He said around 75 per cent to 80 per cent of the demand for soybean meal can be met by local mills.

The rest has to be imported but in spite of this, the government is allowing the export of soybean meals on a case-to-case basis, he said.

According to the BDFa general secretary, the price of soybean meal increased by 71 per cent to Tk 60 per kilogramme at present from Tk 35 per kg a year ago.

Bangladesh requires 20 lakh tonnes of soybean meal, and 80 per cent of the ingredient comes from local seed crushing mills, which import soybean seeds to cater to both edible oil and feed industries. Soybean meal accounts for 25-35 per cent of animal feed.



Onion being packed for transport to markets at Sujanagar upazila of Pabna. An early variety called “Murikata” is fast running out and with harvests of the year-round one set to begin mid-March, consumers would have to consume the key cooking ingredient at a higher price for at least the next two or three weeks until the new crop becomes available in the market. Data from the Trading Corporation of Bangladesh showed on Friday that the price of the local variety of the kitchen item rocketed 72.73 per cent to Tk 45-50 a kg at various markets in Dhaka from Tk 25-30 a month ago. The photo was taken recently.

PHOTO: AHMED HUMAYUN KABIR TOPU

# Higher onion price to persist until new crop arrives

Poor supply to blame for the latest price hike

AHMED HUMAYUN KABIR TOPU, Pabna

The price of onion has been surging in Pabna for the last couple of weeks as the level of stock at the farmers’ end is fast-depleting owing to the lack of storage capacity for the perishable item.

As a result, consumers would have to consume the key cooking ingredient at a higher price for at least the next two or three weeks until the new crop becomes available in the market.

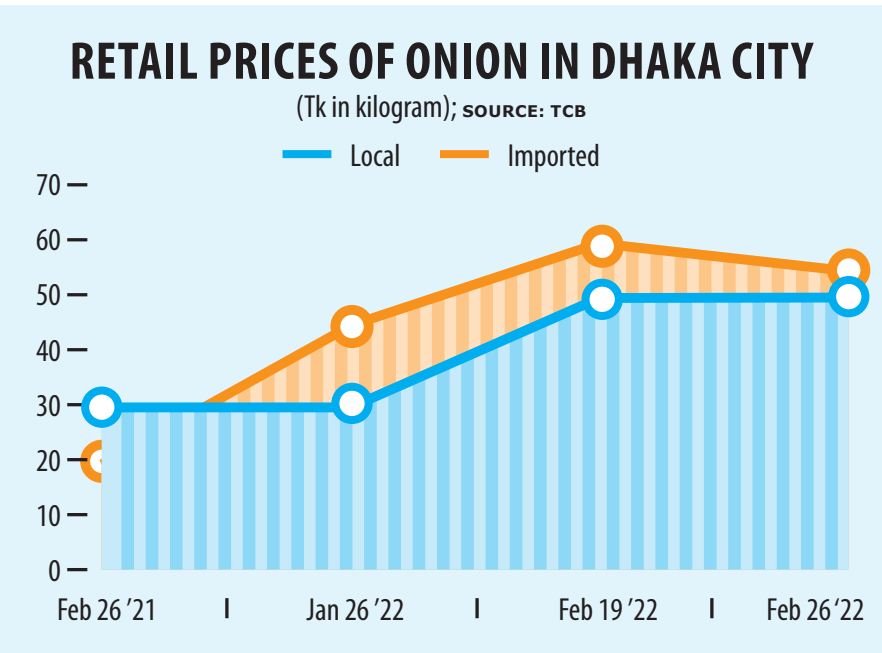
In Pabna, each kilogramme of onion is selling at Tk 50 to 55 in the retail market, up from Tk 30 to 35 in early February, according to traders.

The north-western district is not the lone district that is witnessing a sudden spike in onion price.

Data from the Trading Corporation of Bangladesh showed on Friday that the price of the local variety of the kitchen item rocketed 72.73 per cent to Tk 45-50 a kg at various markets in Dhaka from Tk 25-30 a month ago.

The imported variety is selling at Tk 50-55 a kg, up from Tk 40-45 a month ago.

A month ago, the Sujanagar wholesale market, the biggest wholesale hub in Pabna, used to get a supply of 3,000 to 4,000 tonnes of onion each haat day. Now, the supply has dwindled down to 1,000 to 2,000 tonnes, according to Md Abdur Rashid, a wholesaler.



“Due to the poor supply, the price has gone up by Tk 300 to Tk 400 per maund in the last two or three weeks.”

Md Selim Hossain, a wholesaler at the Pabna Boro Bazar, also blamed the lack of adequate supply for the upward trend of the vegetable in the wholesale market.

Mohammad Montu, a retailer at the Abdul Hamid Road Market in the district headquarters, bought a maund of onion at Tk 1,100 to Tk 1,200 a couple of weeks ago. He is now buying the same item at Tk 1,500 to Tk 1,550.

“The price has been soaring for the last couple of weeks. As the price has gone up in the wholesale market, we are bound to sell a kg of onion at Tk 50,” he said.

Despite the higher price of the crop, many farmers have missed out on the opportunity to make higher profits.

One of them is Mohammad Kamruzzaman, an onion grower at Durgapur village in Sujanagar. He cultivated the Kondo variety of onion this year on five bighas of land.

He completed harvesting in January. And because of the lack of a storage facility, he has had to sell his entire crop by the middle of February.

He sold a maund of onion at Tk 800 to Tk 900 in the wholesale market a month ago. “The price has rocketed just after I had sold all of my produce.”

“Many farmers have also done the same as I did as they don’t have any storage facility.”

An estimated 1.80 lakh tonnes of Kondo variety of onion were produced on 8,505 hectares of land in the district, according to Md Idris Ali, a development section officer of the Department of Agricultural Extension in Pabna.

The Kondo variety meets the demand for onion before harvesting the main crop.

A total of 44,810 hectares of land have been brought under the cultivation to grow the main crop with a goal to produce 6.35 lakh tonnes of onion, said Ali.

“The harvesting will begin in the middle of March. Once the new crop hits the market, the price will fall.”

Pabna is the largest onion producing district in Bangladesh, accounting for a third of the local production.

## Scale effect of domestic market, tipping point and paths of industrialisation

KAZI IQBAL

The size of the economy matters. The size of the domestic market, popularly known as the “scale effect” in growth theory, has a strong bearing on the paths of industrialisation of an economy.

Although in an open economy, production structure does not necessarily correspond to the preference patterns of the consumers, we observe a strong association between them in Bangladesh’s economy.



This is largely due to the emergence and growth of domestic enterprises and conglomerates in recent years, producing a wide range of products for the local economy, thanks to the burgeoning consumer class.

I hypothesise that the size of the consumer class has crossed a tipping point or a threshold when the growing local demand has started to support a large number of industries – the Malthusian curse may have turned into an opportunity.

Two factors determine the effective demand for industrial products of an economy: the size of the population with “purchasing power” (N) and their per capita income (Y).

Suppose that the size of the local industry M increases with the size of the effective demand, which is the product of N and Y: M(NY). This M(.) is nonlinear and after some critical value, (NY)\*, M grows at a faster rate.

I believe our economy has surpassed this (NY)\* and this has occurred over the last five years or so. Because of the economies of scale, firms can now produce at lower average costs than before competing with the imported goods. The massive investments in plants, machines and technology have become profitable due to the sheer size of the market.

I believe foreign investors always look for such thresholds in deciding where to invest and when to invest. An increase in foreign direct investment (FDIs), which are characterised by “jumping tariff”, also indicates that Bangladesh may have crossed such thresholds.

If a sector is protected but the size of the sector is large then foreign investors locate their plants in the protected country to avoid the trade barriers. This type of FDI can be of both joint-venture with local partners or purely foreign-owned.

The mobile phone set market of Bangladesh comprising 170 million subscribers is an example of such a protected sector which is subject to about 58 per cent tariff rate for the imported smartphone. But the locally assembled and manufactured handsets bear about 15 per cent taxes.

Samsung, Nokia, Xiaomi, Vivo and a few other global mobile phone set manufacturers have invested in Bangladesh in recent years to assemble and manufacture sets in order to avoid tariffs.

The market for automobiles, which is subject to very high tariff rates, has also been receiving “jumping tariff” FDI by Hyundai Motor Company,

**Bangladesh’s economy has now come to the point where the benefits of large market size have begun to materialise. We need to think hard about how we can use the market size more effectively in our favour**

READ MORE ON B2

## NOT SO SWIFT EU energy concerns spark Russia sanctions rift

AFP, Berlin

The West has agreed an onslaught of sanctions over Russia’s invasion of Ukraine, but resistance from key EU nations fearful of severing their power sources has resulted in them holding off on deploying the “financial nuclear weapon” of banishing Moscow from the SWIFT banking transfer system.

Ukraine has expressly called on Western allies to expel Moscow from the system that banks rely on to transfer money.

But US President Joe Biden revealed this week that while it remains an option, “right now that’s not the position that the rest of Europe wishes to take”.

Former European Council President Donald Tusk lashed out at EU capitals over their failure to agree on the toughest sanctions such as cutting Russian banks off from SWIFT, exposing a rift within the bloc over its response.

“In this war, everything is real: Putin’s madness and cruelty, Ukrainian victims, bombs falling on Kyiv. Only your sanctions are pretended (sic),” Tusk tweeted.

“Those EU governments, which blocked tough decisions (i.e. Germany, Hungary, Italy) have disgraced themselves.”

But German Finance Minister Christian Lindner laid out starkly the preoccupation of Europe’s biggest economy: suspension of SWIFT “would mean that there is a high risk that Germany will no longer receive gas, raw material supplies from Russia”.

READ MORE ON B2



European gas imports from Russia would be at risk if the country is cut off from the SWIFT bank transfer system.

PHOTO: AFP

## Western banks face Russian triple whammy

REUTERS, Milan

Western executives watched with horror as Russian tanks rolled into Ukraine on Thursday. Bank bosses like Frédéric Oudéa of Société Générale and UniCredit’s Andrea Orcel have more to fear than most.

The 8 per cent fall in the STOXX Euro 600 Banks Index on Thursday and a 3 per cent decline in share prices of American lenders like JPMorgan reflects a triple whammy of risks. The selloff is partly down to a gloomier economic outlook. A protracted conflict could push up energy and food prices, dampen consumer confidence and slow the pace of central bank rate hikes. Money market prices suggest investors now think the US Federal Reserve is less likely to raise policy rates by 50 basis points in March. Delays would postpone a much-anticipated windfall for Western banks, whose lending margins improve with higher interest rates.