

# Star BUSINESS

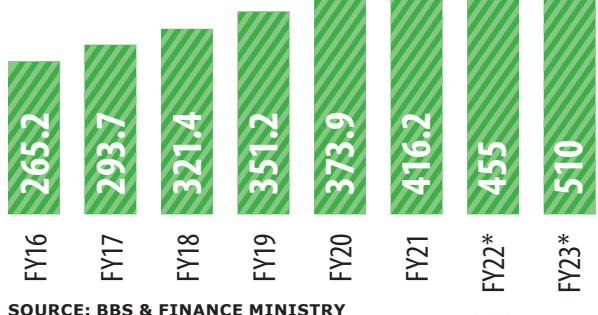
27 YEARS OF UNBOUNDED JOURNEY

Banking with a Difference

Prime Bank

## BANGLADESH'S GDP

In billion \$; \* Target

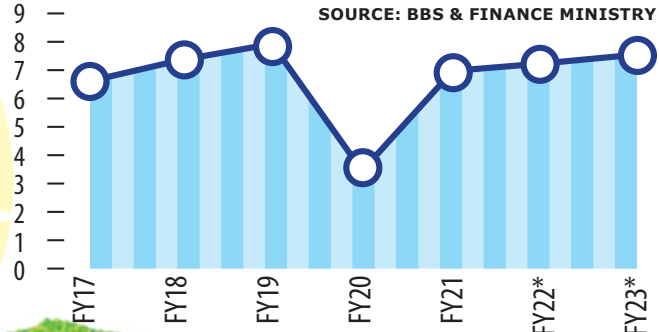


SOURCE: BBS & FINANCE MINISTRY

## GDP growth: achieved and projections

In percentage \* Target

SOURCE: BBS & FINANCE MINISTRY



## MAJOR TARGETS

FY23 (As % of GDP)

SOURCE: FINANCE MINISTRY

Public investment	6.6
Private investment	24.9
Revenue-GDP ratio	9.8
Total budget	15.4
Budget deficit	5.5

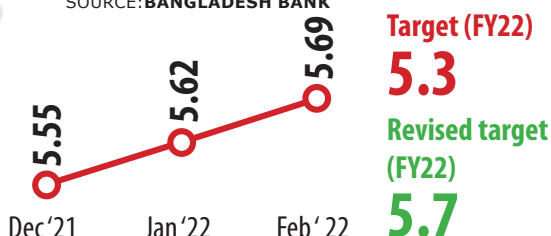


"It is possible to achieve the GDP growth target if the international situation does not deteriorate further."

Shamsul Alam  
State Minister for Planning

## AVERAGE RATE OF INFLATION

SOURCE: BANGLADESH BANK



# Target job creation, reining in inflation in new budget

Says Citizen's Platform for SDGs in a webinar

### STAR BUSINESS REPORT

The government should prioritise job creation and inflation control in the budget for the next fiscal year in a bid to help the marginalised people survive amid higher prices of essentials, said the Citizen's Platform for SDGs, Bangladesh, yesterday.

"The upcoming budget is more important to people as they are facing challenges from the price hike of commodities," said Debapriya Bhattacharya, convener of the platform, at a virtual dialogue on the expectation of the mass people from the upcoming budget.

Finance Minister AHM Mustafa Kamal is set to unveil a Tk 677,864 crore national budget for 2022-23 in June, up 12 per cent from the budget in the outgoing fiscal year.

The calls for protecting the marginalised people and the lower-income groups have grown as inflation has escalated in Bangladesh owing to the fallout of the Russia-Ukraine War and the dragging

coronavirus pandemic, both of which have disrupted global supply chains and sent commodities prices higher.

"The budget should not be an ordinary one in an extraordinary period," said Bhattacharya, also a distinguished fellow of the Centre for Policy Dialogue.

Direct and indirect unemployment has risen and the price level has gone up since the outbreak of Covid-19.

"The main priority of the upcoming budget should be creating jobs instead of making efforts to achieve the GDP growth target," Bhattacharya said.

"Only uttering words is not sufficient. A clear plan should be presented in the budget to give an outline on the number of jobs to be created in both public and private sectors."

The budget should project the number of people who will go abroad in search of jobs and the number of people who will turn to entrepreneurship, creating jobs for themselves and for others.

According to the economist, another target should be reducing the prices of essentials.

"The general public and the lower-middle-income groups are in a devastating situation. Their earnings have not risen in

raising allocation under social safety net programmes and direct assistance.

The budget should be inclusive so that marginalised people can survive and find a way out of the current situation, he added.



line with the pace of the price level."

Inflation jumped to 6.17 per cent in February, the highest in 16 months, driven by soaring costs of foods, further eroding the purchasing capacity of consumers.

Bhattacharya called for widening the open market sale operation of the Trading Corporation of Bangladesh and

Transgender people always live in a tight situation since they can't live with their families, so they deserve an incentive, said Robaet Ferdous, a professor of the mass communication and journalism department at the University of Dhaka.

The government gave recognition to them in 2011. They need specialised SME

loans so that they can start small businesses, he said.

Prof Ferdous said house owners don't rent out to transgender people normally, so separate homes are necessary for them.

"The government should allocate funds in this regard," he said, adding that if any entrepreneur employs transgender people they should be incentivised.

The platform, which comprises more than 100 non-state actors and their networks and associates, has formulated a paper, which will be submitted to the government, where the voices of the marginalised people have been included.

It proposed raising the education budget from 2 per cent of the gross domestic product to at least 4 per cent and allocating subsidies to the educational institutions to help them buy smartphones, tabs and laptops for students and digitalise the education system.

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## Tongi tailback causes loss of Tk 10cr a day FBCCI claims

### STAR BUSINESS REPORT

Traffic congestion in Dhaka's Tongi alone is causing financial losses of Tk 10 crore per day, including waste of fuel by idling vehicles, according to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Such suffering can be alleviated for Eid home-goers if ongoing road construction and repairs can be put on hold for 14 days starting April 27 centring the celebration, suggested the country's apex trade organisation.

The recommendation came at the first meeting of an FBCCI Standing Committee on Transport and Communications on its premises yesterday.

Roadworks slow down traffic and create long tailbacks, said FBCCI Senior Vice-President Mostafa Azad Chowdhury Babu, calling for highway

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In this view of the Dhaka-Tongi road, the highly trafficked thoroughfare is seen gridlocked by cars, buses and other transports travelling to and from either end. With traffic in the capital and the adjacent areas unbearable as it is, slow development works are only piling more pressure onto an already dilapidated road network.

PHOTO: STAR

## 7.5pc GDP growth target set for FY23

REJAUl KARIM BYRON and DWAIPAYAN BARUA

The government has set an ambitious economic growth target of 7.5 per cent for the next fiscal year although the country faces new headwinds owing to higher prices of commodities globally and is still recovering from the shocks of the coronavirus pandemic.

It also maintained its previous projection of gross domestic product growth of 7.2 per cent for the current fiscal year, ending in June.

The growth projection was shared yesterday at a meeting of the Fiscal Coordination Council chaired by Finance Minister AHM Mustafa Kamal. Top officials of the finance ministry, the Bangladesh Bank and other ministries were present.

"Such target is achievable," said State Minister for Planning Prof Shamsul Alam.

"We set the target after analysing everything, including the country's economic ability and taking into account the mega projects that would be implemented by this time. We will continue our efforts to achieve the goal."

The growth target is higher than the forecasts by the World Bank and the Asian Development Bank.

The WB has projected that Bangladesh's GDP would grow by 6.7 per cent in FY23, while the ADB expected the economy to expand by 7.1 per cent.

Prof Alam said attaining the goal would be possible if the international situation does not deteriorate.

He termed the Russia-Ukraine war a big problem and blamed the conflict for rising inflation.

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## POST-LDC ERA

# Strategy devised for trade deals with partners

Says govt official

### STAR BUSINESS REPORT

Bangladesh has devised a strategy for signing trade deals with major trading partners for retaining duty benefits past its United Nations status graduation from a least developed country (LDC) to a developing one in 2026, according to a government official.

The graduation will turn local exporters ineligible for duty benefits the LDCs get. In other words, duties have to be paid ranging from 8 per cent to 16 per cent depending on the export destination.

So the government is trying to sign free trade agreements (FTAs), preferential trade agreements (PTAs) and comprehensive economic partnership agreements (CEPA) with the major trading partners.

**The government is trying to sign free trade agreements, preferential trade agreements and comprehensive economic partnership agreements with the major trading partners**

For instance, the commerce ministry recently sent letters expressing interest in signing bilateral FTAs with Japan and South Korea as the two are considered to be promising export destinations, said Tapan Kanti Ghosh, senior secretary to the commerce ministry.

Negotiations are underway to sign a CEPA with India and an FTA with China, he said.

Bangladesh also wants to sign trade agreements with European Union, Singapore, the US and join Regional Comprehensive Economic Partnership (RCEP), a free trade agreement among the Asia-Pacific nations, he added.

Bangladesh should also try to avail extensions of duty facilities under the United Nations while a negotiation is underway for continuation of the facility for another 12 years under World Trade Organization (WTO), Ghosh said.

The local garment exporters should also engage their international buyers, especially the Europeans, to lobby the EU authorities for extension of duty facilities, he said.

This is because the EU is also a great beneficiary of the locally made garment items as

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STOCKS		
	DSEX ▼	CASPI ▼
	0.45% 6,554.87	0.33% 19,302.52

COMMODITIES			AS OF FRIDAY
	Gold ▲	Oil ▲	
	\$1,974.80 (per ounce)	\$106.58 (per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▼ 0.41% 58,338.93	▼ 0.29% 27,093.19	▼ 0.19% 3,335.85	▼ 0.45% 3,211.24