

US retail gasoline prices soar

REUTERS

Retail gasoline prices in the United States rose on Tuesday and hit another all-time record, surpassing one set in March, as global refineries grappled with a bottleneck that has sent prices soaring ahead of driving season.

The average cost of a retail gallon of gasoline hit \$4.374 early Tuesday, according to the American Automobile Association, surpassing the former record of \$4.331.

Since March 30, Brent crude futures have lost 7 per cent, but gasoline futures are up 9.4 per cent, and hit a record on Friday of \$3.7590 per gallon before selling off on Monday.

Refinery closures due to both scheduled maintenance and unplanned upsets have boosted fuel prices even as the United States and other nations have taken steps to boost worldwide crude supply.

Global fuel stockpiles are dwindling as demand has rebounded to pre-pandemic levels. Supplies tightened further following the invasion of Ukraine and subsequent sanctions on Russia from the United States and allies.

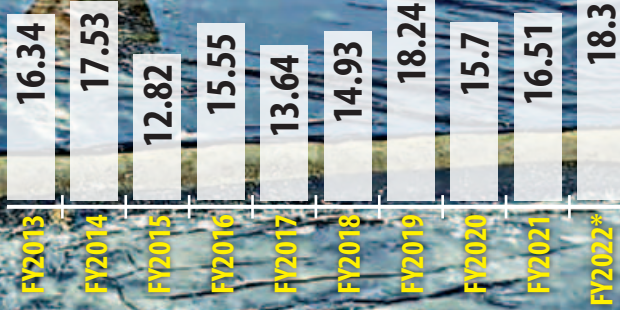
The world has lost 1 million barrels of refining capacity and 1.5 million barrels of oil supply since the pandemic, estimated Mike Jennings, chief executive officer at HF Sinclair Corp in an earnings call on Monday. "That's 2.5 per cent of world consumption... it's a big number," said Jennings.

In the spring, refiners prioritize gasoline output ahead of warmer weather when driving picks up. But in recent weeks, they have increased distillate output to meet jet fuel and diesel demand in Europe, Latin America and the United States, as Western sanctions on Moscow curtailed Russia's exports.



SALT PRODUCTION

In lakh tonnes: *Till May 08
SOURCE: BSCIC



Salt production hits 61-year high

SUKANTA HALDAR and MD ASADUZ ZAMAN

Salt production reached a 61-year high this fiscal year thanks to the conducive environment, allowing farmers to eye more profit amid good market prices.

Although the salt harvesting season has not ended yet, crude salt production reached 18.30 lakh tonnes this year, according to the Bangladesh Small and Cottage Industries Corporation (BSCIC).

The commercial production of salt in Cox's Bazar began in 1960. In the last one decade, the record amount of salt production was 18.24 lakh tonnes in fiscal 2018-19.

BSCIC chairman Md Mahbubur Rahman told The Daily Star that the annual demand for salt in the country is now 23.35 lakh tonnes.

"There will be no need to import salt in the next fiscal year as we have reached a record amount of salt cultivation," he said.

"We are pleased with the record production. We will try to be more responsible to take this industry forward. Since we have reached record production, we must work better," Rahman added.

Compared to previous fiscal years, total salt cultivation has increased by 8,637 acres in the current year while the number of salt

farmers has reached 37,231 increased by 9,534, according to BSCIC field survey data.

Salt cultivation in the current season is not yet over. Salt is now being produced in Maheshkhali, Kutubdia, Teknaf, Pekua, and Chakaria upazilas along with Cox's Bazar.

And this time salt cultivation has increased with polythene technology, according to the BSCIC.

BSCIC sources said, Zakiya Sultana, industries ministry secretary, visited different places in Cox's Bazar in early February this year to see the real situation, when the BSCIC chairman also went there.

They then formed two committees for regularly monitoring salt production.

However, marginal salt farmers are coming back to the salt lands and expressed pleasures due to the good price. In the current financial year, salt is being sold at Tk 280 to Tk 300 per maund. In the last fiscal year, it was Tk 200-220 per maund.

Shahjahan Munir, a salt farmer from Chowfaldandi union in Cox's Bazar sadar upazila, said he cultivated salt on four acres of land this year.

"I am pleased with the current year's price, which is approximately Tk 80-100 higher per maund than the previous year," he said.

The amount of salt produced so far this

year shows that the country does not need to import the product anymore.

"Even so, if imported, the demand for our salt production will fall, we will be hampered," he added.

Echoing the same, Aurangzeb Matbar, a salt farmer from Kaiyabil union in Kutubdia upazila of Cox's Bazar, said: "We feel pleased even though our life was disrupted in the scorching heat as we can sell salt at a higher price than before."

"I have cultivated salt on 6 acres of land. I've got one and a half times more salt compared to last year using the same amount of land," he added.

However, Matbar echoed Munir's thoughts about imports.

"If the government does import salt this year, we will have to face losses commercially," said Matbar.

HM Shahid Ullah, president of the Bangladesh Salt Farmers Association, said they are not getting enough prices compared to the increase in the cost of living.

"Now we are selling salt at Tk 300 per maund. It was Tk 200 last year," he said.

"However, due to the non-import of salt from abroad as declared, we [farmers] are getting a place to sell the salt so far. This is a good thing for our farmers," Ullah said.

26 firms to get productivity, quality excellence awards

STAR BUSINESS REPORT

Twenty-six firms are going to receive the National Productivity and Quality Excellence Award 2020 as a recognition for their continuous improvement in productivity and quality.

The industries ministry, which is conferring the awards, published a gazette notification with the names of the winners on Sunday.

Besides, a trade body has also been selected for the Institutional Appreciation Award 2020 as a recognition of their contribution to the industrial sector and encouraging creativity.

The National Productivity and Quality Excellence Award has been given under five categories.

Under the Large Industry category, 15 organisations including International Beverages Private Ltd, Fair Electronics Ltd, Runner Automobiles Ltd, Envoy Textiles, MM Ispahani Ltd, Premier Cement, and Square Toiletries have won the award.

Six organisations, including Sylvan Technologies Ltd, Mascotex Ltd, Millennium Information Solution Ltd and BRB Polymer Ltd, have got the award under the Medium Industry category.

In addition, three farms, including Ahmed Food Products (Pvt) Ltd, have won the award under the Small Industry category while Super Star Electronics Ltd has claimed the award under the Micro Industry category and Eastern Tubes Ltd has won the award under State-owned Industry category.

Apart from that, the Dhaka Women Chamber of Commerce and Industry (DWCCI) has been awarded the Institutional Appreciation Award 2020.

Japan's spending dips amid worries over surging prices

AFP, Tokyo

Japan's household spending dipped 2.3 per cent in March from a year earlier as the cost of fuel and other items surge, though the fall was smaller than expected.

The decline was the first since December and due in part to the comparison with a sharp rise in spending a year earlier.

The decline was smaller than the market consensus of a 3.2 per cent drop and comes after a 1.1 per cent rise in February and a 6.9 per cent surge in January.

Analysts have warned that the pace of nominal wage increases in Japan is unlikely to track rising prices, dampening spending appetites.

In March, core consumer prices rose 0.8 per cent – the fastest increase in more than two years – as oil prices soared.

Excluding energy, however, prices were down 0.7 per cent. Some manufacturers and stores in Japan who rely on imported resources have begun to raise prices.

Bangladesh to remain RMG

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Even five years ago, Bangladesh was in a quite different situation. But now the country has improved a lot, he said, adding that he would increase the volume of items sourced from here by 11 per cent in the next five years.

Bangladesh has the flexibility, is more mature and innovative, has more green garment factories and there are products available, he added.

Similarly, Shafiqur Rahman, regional operations manager of Dutch designer clothing company G-Star, said his company sources garment items worth \$70 million per year from Bangladesh and of it, 75 per cent was knitwear items.

But recently his company diversified into sourcing non-knitwear items like denim products, he said.

His company would increase the amount of items sourced from here, taking the value to \$90 million, in the next three years, registering a 30 per cent growth.

"We cannot even think of sourcing apparel items without Bangladesh," he said.

Alice Tonello, owner of Italian garment machinery manufacturer and supplier Tonello, said her company has been supplying machinery in Bangladesh over the last 28 years.

So far, her company supplied 1,500 textile and garment production and washing machineries to Bangladesh garment factories.

"Bangladesh is the most important market for us. The demand for our

machinery in Bangladesh has been growing a lot every year. Absolutely, the garment sector will continue to grow in the future as well," said Tonello, representing the second generation of the family business.

Yilmaz Demir, regional sales manager for Asia of Turkish company Bossa, said his company sells about one million yards of denim fabrics worth €5 million in Bangladesh a year.

"I have been supplying denim fabrics over the last 16 years. I am looking after business in Bangladesh for many years. Bangladesh is doing good as the factories improved production facilities," he said.

"But the prices of raw materials have increased a lot after the Covid pandemic. Bangladesh is the best," he said.

But changes in the Generalised System of Preferences for Bangladesh may be an issue for the country in the future, he added.

Rashid Iqbal, executive director of Pakistan-based denim fabrics manufacturer Naveena Export, said his company has a lot of confidence in Bangladesh because of the country's improvements in compliance with regulations.

His company ships 5 lakh metres of denim fabrics worth \$1.7 million to Bangladesh in a month. He has an office in Dhaka and has been supplying denim fabrics to Bangladeshi partners over the last 15 years.

"Bangladesh is a very strong market for us," said Rashid.

Dolly Thay, managing director of buying house

Cloths "R" Us, said work orders were shifting from China, Vietnam, Sri Lanka, Myanmar and Sri Lanka as Bangladesh has grown a lot with respect to its capacity over the last few decades.

However, the profit margin from the export of garment items is still very low, she said.

"Bangladesh should be proud of what has been achieved. Bangladesh has made huge strides towards a more sustainable garment sector," said Anne Van Leeuwen, ambassador of the Netherlands to Bangladesh.

"Often challenge people to give me another example of a sector that has turned around the image and its degree of compliance in such a short amount of time. I never get a serious reply," he said.

"But let's also not be complacent. Challenges remain. Garment workers in Bangladesh today are affected by the way sourcing takes place in Bangladesh," said Leeuwen.

"And given the scale of the industry in Bangladesh, there is plenty of work to be done in decreasing the sector's environmental impact," he added.

Mostafiz Uddin, founder of Bangladesh Denim Expo, said some 85 companies came to showcase their products, of which 30 were local and the rest foreign ones from 39 countries.

"The response from the participants is beyond my imagination," he said, adding that after a gap of two years for the Covid-19 pandemic, it was the most successful denim expo yet in the country.

The event will come to an end today, he said.

Project cost goes up for 3rd

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while the original deadline was December 2018. But so far, only 57.99 per cent of the estimated budget has been spent till October last year.

Eastern Refinery Ltd (ERL) is the implementing agency of the project on behalf of Bangladesh Petroleum Corporation (BPC) with financing from Exim Bank of China.

In a press briefing after the meeting, Planning Commission Member AKM Fazlul Hoque said although the project started in 2015, it got delayed initially as it took 18 months to get the loan agreement signed.

Explaining about the cost enhancement, Hoque said at the first pipelines were laid at 1.5 metre depth under the water level.

Later, on request from the Bangladesh Navy and Coal Power Generation Bangladesh Limited, which is constructing a coal-run power plant at the area, the pipelines were shifted and laid 6 to 8 metre deeper positions under the sea.

However, Hoque went on to say the BPC would bear the additional cost and it is not related with

BB toughens stance

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reserves, which stood at more than \$48 billion in August last year.

But the higher-than-expected import payments are now squeezing the reserves.

the Chinese loan.

The Ecneec meeting also okayed the third revision of the project of establishing 100 technical schools and colleges at 100 upazilas, raising its cost to Tk 2,520.40 crore from the original budget of Tk 924 crore.

The project that started in January 2014 was originally planned to be complete by June 2016 while the new deadline is December 2024.

A total of 11 projects were approved yesterday involving a total of Tk 5,825.74 crore.

Briefing reporters after the meeting, Planning Minister MA Mannan said the prime minister in the meeting gave direction not to go for constructing new roads, rather she emphasised on taking maintenance projects of the existing roads.

"In the meeting, she (the prime minister) said that a lot of roads have been built and our target now should be maintaining these roads. She asked to protect, repair, strengthen, upgrade and widen these roads. That was her main message," he added.

Inequality contradicts 'high'

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Policy Dialogue, identified some flaws in the estimation of per capita income and GDP growth rate.

"First, there is an estimation problem. High estimates of GDP growth rate and per capita income are not supported by the real figures on the correlates and proxy indicators," said Bhattacharya.

Such correlates include poor implementation of annual development programme, weak off-take of private sector credit, sluggish import of capital goods and raw materials, tepid growth of energy use and so on, he said.

"Moreover, the data set usually used for deriving the GDP growth estimate relates to at best the first six months of the fiscal year. Whereas we know that since February 2021 Bangladesh economy has been facing a number of challenges which may affect the GDP growth rate."

Second, there is a distributional flaw, said Bhattacharya. There are reasons to believe that asset and income inequality has further exacerbated in Bangladesh during the pandemic period. In that case, a huge section of the society will not be able to identify themselves with the estimated per capita income figure for 2021-22.

"Indeed, the estimated GDP figure for Bangladesh is now more than twice the LDC graduation threshold. As we campaign for continued access to LDC related preference and

privileges, the international development partners point out that we should not be needing these in post-graduation phase with such high per capita income."

This implies that high per capita income estimates may penalise Bangladesh. It will be particularly sad if these figures are not robust, he added.

The per capita income is found based on the average income of all people of Bangladesh, said Prof Anu Muhammad, former chairman of the economics department at Jahangirnagar University.

It does not reflect the real scenario of the masses, especially due to the fact that there prevails huge disparity among them, he said.

The per capita income of a country or income per person is calculated by adding the income from all domestic sectors – including agriculture, manufacturing and services – and remittance sent by Bangladeshi expatriates and then dividing that total by the population.

As the Bangladesh economy suffers from a huge income inequality, the per capita income is rising in spite of the erosion of mass people's real income for higher prices.

When people struggling to cope with rising market prices see higher income disclosures by the government in newspapers, they take it to be a "brutish

joke". The total income in the country is rising due to the accumulation of assets within a small fraction of the people, he added.

Rise of per capita income does not mean rise of income of all people at the same ratio and "this is why we don't see the per capita income as the lone indicator of development", said Sadiq Ahmed, vice chairman of Policy Research Institute (PRI).

"As income inequality rises and inflation levels go higher, many people fail to find a match between themselves and the higher per capita income," he said.

Higher inflation adversely affects peoples' real income, he said. The Consumer Price Index stood at 6.22 per cent in March, up from 6.17 per cent a month ago, according to the Bangladesh Bureau of Statistics (BBS). This is the highest since October 2020.

Food inflation rose 12 basis points to 6.34 per cent, the BBS data shows.

Actually, benefits of the GDP growth underwent an unequal distribution due to the pandemic, he said.

Much of incomes of many people had been lost while that of some grew and it is not occurring only in Bangladesh but also in the global arena too, Ahmed added.

So, the government should focus on better income distribution and social safety net expenditure, he recommended.