



Tourists throng Jaflong, a popular tourist destination in Sylhet. If tourism does not flourish, achieving Sustainable Development Goals by 2030 will be difficult for Bangladesh, experts said at a programme in Dhaka yesterday.

PHOTO: STAR/FILE

Tourism needs proper planning

Experts say

STAR BUSINESS REPORT

Proper planning for the tourism sector's development has become imperative as Sustainable Development Goals (SDGs) cannot be achieved by 2030 if tourism does not flourish in Bangladesh, said speakers at a meeting yesterday.

At least 6 SDGs are directly and the rest indirectly related to tourism, they told the first meeting of the Federation of Bangladesh Chambers of Commerce and Industry's (FBCCI) standing committee on tourism development at the FBCCI office.

Moreover, there 109 sectors directly and 1,100 sub-sectors indirectly linked with the tourism industry. Every tourist creates 10 direct and 35 indirect employment opportunities, they said.

Tour operators at the meeting urged the government to officially announce that the country was open to foreign tourists as it had for businesspeople, which would attract tourists from across the globe.

At the same time, they demanded a resumption of "on arrival visa" facilities.

During the meeting, businesspeople called for issuing licences to tour operators recognising them as exporters, easing the process of remitting money overseas, bringing tourist destinations under the tourism ministry and ensuring security.

Businesspeople called for issuing licences to tour operators recognising them as exporters

The tourism industry lacks skilled manpower and it could hire experienced managers and other staff from Sri Lanka to deal with the problem, said FBCCI Senior Vice President Mostofa Azad Chowdhury Babu.

VBCCI Vice President MA Momen emphasised on ensuring security at tourist spots and enhancing coordination among public and private efforts.

FBCCI Vice President Md Amin Helaly called for developing the standard of hospitality services by undertaking skills development programmes.

The sector must work on compliance, identify tourism products and country branding and rationalise hotel, motel and resort fares, said FBCCI Director Syed Moazzem Hossain.

At present, the tourism sector accounts for 3.5 per cent to 4 per cent of the GDP. This contribution has to be raised to 10 per cent. Therefore, a coordinated course of action has to be formulated and implemented, speakers added.

Palm oil prices start to cool off

Local wholesale and retail prices fall as Indonesia lifts ban on exports

SUKANTA HALDER and
MOHAMMAD SUMAN

Palm oil prices in domestic wholesale and retail markets have started cooling off after Indonesia announced that it would resume exports of the product.

Palm oil imports had become uncertain after Indonesia, a major global supplier of the product, banned exports on April 28.

Yesterday though, loose palm oil was being sold at Tk 165-176 per litre, down 3.67 per cent from Tk 172-182 per litre a week ago, according to data from the Trading Corporation of Bangladesh.

Similarly, super palm oil is now being sold at Tk 178-180 per litre, down 3.24 per cent from Tk 180-190 per litre a week ago, the data showed.

Uncertainty in the palm oil market started to decline after Indonesia announced the reopening of exports of the product. As such, local prices have started to fall at the same time, said Abdur Razzak, a wholesale trader at Khatunganj in Chattogram, the country's largest wholesale hub.

The product is now being sold in local markets at prices that are even lower

than the government fixed rates.

Palm oil was being sold for Tk 6,390 to Tk 6,450 per maund (37 kilogrammes) at Khatunganj yesterday, Razzak said.

But considered how the current prices are lower than government rates, the authorities should adjust the prices or it will not have any effect on either the retail or consumer level, he added.

Abul Hashem, general secretary of the Bangladesh Edible oil Wholesalers Association, said if mill owners maintain the current palm oil supply, then prices will reduce further.

"But if there is a supply crisis for any reason, the price will rise again," he said, adding that the government will also have to keep an eye on whether the import and supply chains are in order.

Tariq Ahmed, director of operations and marketing at TK Group, said palm oil shipments are yet to start as Indonesian customs officials are yet to give any notification to this end.

"As a result, many ships are waiting at their port," he added.

Ahmed went on to say the shipment of vegetable oil will start just after the issuance of a notification in this regard.

However, there is an apprehension of port congestion because of the long queue of vessels waiting to take delivery from Indonesia, said Ahmed.

The palm oil shipments should start coming to Bangladesh in June, he added.

Indonesia allowed the resumption of palm oil exports from Monday after a three-week ban, but industry players said shipments were unlikely to restart until details emerge on how much of the edible oil must be held back for domestic use, Reuters said.

Indonesia, the source of 60 per cent of the world's palm oil, halted exports of crude palm oil and some derivative products on April 28 in an attempt to bring down soaring local prices of cooking oil. The ban rattled global edible oil markets at a time of supply shortages stemming from the war in Ukraine.

Indonesia's trade ministry yesterday issued rules stating that companies must obtain an export permit that would be granted only to those able to meet a so-called Domestic Market Obligation (DMO).

The regulation did not disclose

details of what that DMO would entail, but said permits would be valid for six months and companies must report their shipments realisation monthly.

President Joko Widodo last week announced the ban would be withdrawn and expressed confidence that bulk cooking oil was generally heading towards the target price of 14,000 rupiah (\$0.95) per litre.

By the end of April, traders had opened letters of credit (LC) to import about 90,000 tonnes of palm oil from Indonesia. After the country imposed a ban on palm oil exports, there was uncertainty in the import of this product.

According to the Bangladesh Bank, about 90,000 tonnes of oil import debentures were opened in the four days before the export ban was imposed.

The ban came into effect before the oil could be shipped and as a result, these imports got stuck.

In the first 10 months of the current fiscal year, 90 per cent of Bangladesh's palm oil imports came from Indonesia.

After the country stopped exporting, traders were waiting for the ban to be lifted instead of importing from alternative sources.

Old age allowances grossly inadequate

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Due to the prolonged wait between disbursements, he often has to buy the inhalers on credit or get his sons to pay for them.

"What can you do with Tk 500 these days anyway? It gets finished before it even comes to my hand," said Huda, who requires other medicine as well.

Local doctors have advised him to seek better treatment but doing so is seemingly impossible given his current financial capacity.

"So, I am somehow surviving the agonies of chest congestion with the help of low-cost inhalers. Only death can cure my problems," he told this correspondent.

While agreeing that getting the allowance is still better than nothing, Huda said it must be raised in order to better serve its purpose.

According to officials of the local district social services office, around 96,635 people in the district are getting old age allowances.

Of these individuals, 39,349 are women, including the widowed and destitute, while 45,249 people get allowances for being financially insolvent with disabilities.

Besides, some 183 Hijra and 393 Bede people are also getting government allowances. A number of government institutions are engaged in implementing the state's Tk 107,610 crore social safety net programmes.

These include cash transfer programmes,

namely the old age allowance, allowance for widowed, distressed and destitute women, and allowance for financially insolvent persons with disabilities.

The government has allocated Tk 39,637 crore in the current fiscal year for cash transfer programmes, which also include pensions for retired government employees and their families.

Meanwhile, the state's total budget for old age allowances is Tk 3,444 crore for the ongoing fiscal. The government aimed to provide the money to 57 lakh senior citizens this fiscal year, up 16 per cent from the previous year.

Similarly, the allowance for widowed, distressed and destitute women increased to Tk 1,495 crore while the number of recipients rose 20 per cent to 24.75 lakh this fiscal year.

This correspondent spoke to nearly 17 people who were enjoying various government allowances, especially in Rajshahi, a northern division. Most of them shared similar stories.

Huda went on to say that he has two sons and one daughter that have their own family struggles to deal with.

"They cannot help me all the time," he said.

Still though, his youngest son looks after him by providing three meals a day, clothes to wear and emergency treatment when needed.

Lacking a smartphone of his own, Huda receives his old age allowance through mobile financial services

on his son's device.

Huda had withdrawn his allowance just days ahead of the recent Eid-ul-Fitr celebrations and offered to his son to pay for any expenses. However, his son denied the gesture and insisted that he spend it on himself.

"So I bought a shirt, lungi and paid some medical bills," Huda said.

Not everyone is as lucky to have a supportive family though as this correspondent found that few people who receive disability checks are on good terms with their relatives.

A 48-year-old beneficiary, preferring anonymity, said his family only behaves good with him for three days a month, namely the day before, the day of and the day after he receives an allowance for being a financially insolvent person with disabilities.

"They don't take care of me on other days or even let me spend the money. They keep it all in exchange for meals," said the man who is just one of the 18 lakh people getting allowances under the cash transfer programme for financially insolvent disabled persons.

The government has allocated a budget of Tk 1,820 crore for the programme this year.

The man used to sell peanuts to earn a living but eventually became confined at home as people constantly humiliated and stole from him due to his disability.

"If disabled were given

enough money so that could live alone, they could have enjoyed the government benefit more," said Sheikh Abu Tarek Mukul, president of the Badhan Protibondhi Shangstha.

Rezia Begum, another resident of Noboganga, said her old age allowance seems like a drop in the ocean.

"I cannot say that the allowance isn't helping me survive, but for an honourable life the amount needs to be increased," she added.

Sayama Haque Bidisha, professor of economics at the University of Dhaka, said the allowance and allocation for each recipient of social protection programmes should be increased.

"The allowance is inadequate to make a positive impact on low-income people considering the current inflation rate," she said at a discussion held by Bangla daily Prothom Alo.

"So, allowances should be inflation adjusted," she added.

The Centre for Policy Dialogue (CPD) recently stressed on the need for increased allocations for social safety net programmes in its recommendations for the budget for fiscal year 2022-23.

"Given the high-level of food price inflation and rise in living costs, the government should increase the allowance, particularly for the elderly, widows and marginalised women," the CPD said.

The independent think-tank proposed that the government raise the allocation to Tk 1,000 per recipient and include 20 lakh more people under its coverage.

"This should increase the coverage of widows, oppressed women and physically handicapped people. The programme should cover eligible beneficiaries of all upazilas," it said.

The civil society organisation also suggested expanding the coverage of social protection schemes to urban areas.

"In the national budget for FY2022-23, the government should raise the allocation targeting slum dwellers, floating people, pregnant women, and similar marginalised groups," the CPD added.

It also recommended introducing social protection for workers and initiatives to implement a universal pension scheme.

Rouble gains 4pc vs dollar

REUTERS

The Russian rouble firmed around 4 per cent against the dollar and euro on Monday, heading back towards multi-year highs hit last week, supported by capital controls and an upcoming month-end tax period.

By 1050 GMT, the rouble was 4 per cent stronger against the dollar at 57.85, not far from 57.0750, its strongest mark since late March 2018, hit on Friday.

It had gained 4.4 per cent to trade at 60.05 versus the euro, nearing its strongest point since June 2015 of

59.02, also reached on Friday.

The rouble has firmed about 30 per cent against the dollar this year despite a full-scale economic crisis in Russia, making it the world's best-performing currency - albeit artificially supported by controls imposed in late February to shield Russia's financial sector after its decision to send tens of thousands of troops into Ukraine prompted unprecedented Western sanctions.

The rouble is being driven by export-focused companies that are obliged to convert their foreign currency revenue after the sanctions froze nearly half of Russia's gold and forex reserves.

No need to submit papers

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abroad through formal channels.

It hiked the rate to 2.5 per cent from 2 per cent in January this year in the face of falling inflows following the reopening of economies and the lifting of pandemic restrictions.

The government initially imposed rules, one of which was that remitters would have to submit relevant papers.

In November 2019, it said remitters sending home more than Tk 150,000 worth of foreign currency would have to submit relevant documents within 15 days to the respective bank.

Later it tightened the condition saying those sending home \$5,000 or Tk 5,00,000 and above

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as remittance would need to submit relevant documents.

Now recipients of remittance sent by the NRBs and migrant workers will not have to submit any document to avail the incentive for any amount of money. They will get the incentive when receiving remittance, said the Bangladesh Bank official.

Is hiking policy rate the next tool

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Hossain also called for the lending cap to be withdrawn in order to squeeze the money supply. An increase in the lending rate will also discourage imports.

A huge surge in imports has put the foreign currency reserves under pressure and made the forex market volatile. This has forced the central bank to devalue the taka six times this year.

The ceiling on the

deposit rate, which is set in keeping with the inflation rate, has to be scrapped as well in order to attract deposits from the public, according to Hossain.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, also supported the idea of hiking the policy rate and making the lending rate flexible.

"If the lending rate can't be made flexible, there will still be room for the policy rate to increase."

"Even if such a move does not bring visible differences, it creates a psychological value in the case of taming inflation. The cut in the policy rate even goes on to discourage banks from extending retail loans even if when there is little demand."

Salehuddin Ahmed, a former governor of the central bank, thinks that the higher inflation is largely not the result of demand; rather, it has

been driven by supply constraints.

"So, the central bank should take more time before taking any decision on the policy rate."

Ahmed, however, suggested removing the lending cap.

Md Habibur Rahman, chief economist of the central bank, says the money supply in the market has already tightened.

"So, the central bank has no plans to raise the policy rate at the moment."