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BUSINESS

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DRIVERS OF INFLATION

Rising petroleum oil, gas prices

Higher food, edible oil prices

Hike in commodity prices globally

Devaluation of the taka

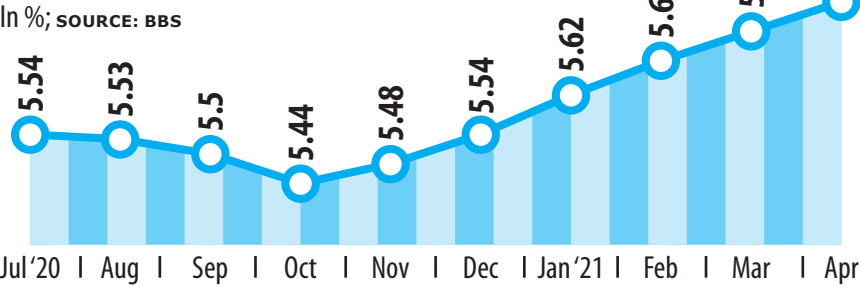
Pent-up demand

Soaring shipping costs

HIKE IN THE PAST 12 MONTHS

US	UK	Germany	India	Sri Lanka	Pakistan	Bangladesh
From 4.2pc to 8.3pc	From 1.5pc to 9pc	From 2pc to 7.4pc	From 4.2pc to 7.8pc	From 5.5pc to 33.8pc	From 11.1pc to 13.4pc	From 5.6pc to 6.3pc

AVERAGE INFLATION



Govt to reprioritise 1,800 projects
Move to ease pressure on forex reserve: Mannan

STAR BUSINESS REPORT

The government will reprioritise 1,800 projects currently being implemented in different sectors to reduce pressure on the central bank's foreign exchange reserves and stymie volatility in the economy, said Planning Minister MA Mannan yesterday.

All the projects are not equally important and there will be no problem if the implementation deadlines are deferred, he said.

The minister also said the government would reduce spending on the purchase of goods for different projects to save money.

Mannan said the government would continue to provide subsidies to the agriculture sector through the upcoming budget for the next fiscal year so that production remains unaffected.

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Govt to miss inflation targets in FY22, next year

REJAUL KARIM BYRON and REFAYET ULLAH MIRDHA

The government has set an inflation target of 5.5 per cent for the next fiscal year although the prices of basic commodities are sitting at elevated levels for higher commodities prices globally amid lingering supply chain disruptions and the Russia-Ukraine war.

And economists say the goal for FY2022-23 might not be achieved and containing inflation will be a major challenge for the government in the coming months as a result.

The government is set to miss the revised inflation target of 5.7 per cent for the fiscal year ending in June this year. It had set a 5.3 per cent inflation target at the start of the fiscal year.

Zaid Bakht, a former research director of the Bangladesh Institute of Development Studies (BIDS), said: "It will be very difficult to attain the inflation rate of 5.7 per cent because of the hike in raw material prices and imported items."

"It is expected that the goods whose prices have not

increased yet will also go up due to the price spike of the imported goods in the international markets."

Inflation has been increasing gradually since October, rising from 5.4 per cent in the month to 5.81 per cent in April on average, according to data from

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the Bangladesh Bureau of Statistics (BBS).

Point-to-point, inflation shot up to 6.29 per cent in April, the highest in 18 months. It was 6.22 per cent in

March.

In a report recently, the finance ministry said inflationary pressures might be noticed primarily on the price level of basic commodities in the local markets because of the price hike of commodities globally.

However, if food production, including that of rice, remains unchanged next fiscal year like a year ago, the prices of basic commodities will also decline and it will not have any adverse impact on inflation.

The ministry also assumed that inflation will remain at a tolerable level because of the continuation of the usual production of agriculture and manufacturing goods and their normal marketing.

Under such assumptions, the government is setting a 5.5 per cent inflation target for FY23.

However, analysts say the country may face even higher inflation in near future because of the higher prices of imported goods and other consumable items owing to the higher US dollar exchange rate alongside the higher global prices.

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MADANI AVENUE, 100 FEET

STOCKS		WEEK-ON WEEK
DSEX	CASPI	
3.42%	3.34%	
6,451.53	18,891.73	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
0.08%	1.27%	0.16%	0.42%	
55,769.23	27,761.57	3,231.97	3,195.46	

DAY-OLD CHICKEN (DOC)
PRODUCTION AND DEMAND

Weekly production: 1.8cr to 1.9cr
Weekly demand: 1.7cr to 1.75cr

PRICES OF DOC (BROILER)

Tk 10-Tk 11 (now)
Tk 17-Tk 18 (May)
Tk 30-Tk 35 (April)

RETAIL PRICES OF CHICKEN MEAT IN DHAKA

This week (per kg): Tk 135-Tk 150
Previous week: Tk 140-Tk 160

SOURCE: BREEDERS & TCB

Focus on bottom 40pc
Economist Rizwanul also stresses crisis preparedness

SOHEL PARVEZ

Coronavirus infections have declined significantly. But the world is yet to fully recover from the health crisis. Recently, the war in Ukraine has created worries of a global food crisis and fears of a recession in major economies as inflation rages.

Bangladesh, which is dependent on international markets for a number of commodities as well as for exports, is also feeling the heat of global inflation, which is at its highest since 2008.

"So, crisis preparedness has become vital for the government," said Rizwanul Islam, an economist.

"We have to live with the pandemic

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HIGH FEED COSTS
Appetite for poultry farming wanes

SOHEL PARVEZ

In the wake of surging production costs resulting from high feed prices, the appetite for farming to produce chicken meat is waning among farmers as the demand for chicks declined, poultry industry operators said yesterday.

Operators said the prices of major ingredients of feed – maize, soybean meal and soybean oil – has shot up to exorbitant levels, requiring higher investment.

At the same time, many have become uncertain over whether they would be able to recover their investments.

Industry operators said a decline in farming would affect the supply of chicken in coming months, forcing consumers to pay more to buy the meat, one of the cheapest protein sources, which would further affect their buying capacity.

Consumers have already been paying increased prices to buy eggs as production declined in the face of higher production costs.

"I am just at the break-even point now. Making profit has become very tough against the backdrop of spiralling feed prices," said Abu Taher, a small farmer in Gazipur, a poultry farming district near the capital.

Yet, the 46-year-old farmer who has been engaged with poultry farming for 20 years now buys a 50-kilogramme bag of feed at Tk 3,165, up 49 per cent from a year ago.

Because of the high feed cost, three farmers from his locality

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Debt Capital Market Transaction

Syndicated Term Facility

USD 27 Million

For

Meghna Ceramic Industries Limited

A concern of MGI

Lead Arranger & Agent

Prime Bank

Participants

BRAC BANK, Prime Bank, SBI

The announcement appears as a matter of record only

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