



A man is working at a salt farm in Cox's Bazar. Bangladesh currently has 3.5 lakh tonnes of salt, which is more than four times the 60,000 to 70,000 tonnes required by tanneries during the time of Eid-ul-Azha.

PHOTO: COLLECTED

# Salt stock sufficient, no possibility of crisis: millers

## STAR BUSINESS REPORT

There is no possibility of a salt crisis for leather processing in the upcoming peak season spanning three months after Eid-ul-Azha as the country has a sufficient amount in stock, according to industry people.

Approximately 1.21 lakh heads of cattle, including bulls, buffalos, goats and lambs, have been prepared for sacrifice during this year's Eid-ul-Azha, after which tanners collect the leftover hides that make up about 50 per cent of their annual supply.

Bangladesh currently has 3.5 lakh tonnes of salt, which is more than four times the 60,000 to 70,000 tonnes required by tanneries following the major religious festival for the country's Muslim community.

Besides, even if the price of salt increases in the coming days, the increment will not exceed Tk 1 per kilogramme (kg), they said.

The Directorate of National Consumers Right Protection (DNCRP)

yesterday arranged a view exchange meeting between leather businesses and salt traders in Dhaka's Karwan Bazar in order to maintain adequate supplies of the mineral and keep prices normal ahead of Eid.

Salting is one of the most important steps in tanning as it keeps rawhides from decaying.

Nurul Kabir, president of the Bangladesh Salt Mill Owners Association, said quality salt used for leather processing is being sold at Tk 1,050 per sack weighing 75 kgs while the same amount of the slightly poorer quality is being sold for Tk 920.

"The government has allowed the import of 1.5 lakh tonnes of salt and so, there is no chance for a crisis," he said.

"Salt prices are slightly higher now as tannery owners are stocking up ahead of Eid," Kabir added.

In Narayanganj's Nitaiganj, a wholesale hub for salt, the price of each 75 kg sack of unrefined salt has gone up by Tk 100-150 to between Tk 1,080 and Tk 1,150 over the past month.

Aftab Khan, chairman of the Bangladesh Hide and Skin Merchants Association, said tanners should follow relevant guidelines regarding the hide preservation process.

"So, we have given instructions to traders to store them accordingly after purchase so that the hides are not damaged," he said.

Khan went on to say that rawhide prices are slightly higher now compared to the last Eid-ul-Azha season.

"I can say in advance that business will be better this time but as salt prices are a bit higher, we want support from traders in this regard," Khan added.

AHM Shafiquzzaman, director general of the DNCRP, said action would be taken as per the law against those who raise salt prices without cause.

"We have come to know that tannery owners have already collected 80-85 per cent of the salt they require for the next three months and so, there should not be a shortage in the available reserves," he said.

However, activities are still ongoing to

ensure that prices remain stable during Eid. For example, cases will be filed against those responsible if there is any price manipulation in the salt market centring the tanning industry.

"Rawhides of sacrificial animals are a national asset. So, the DNCRP drive to preserve hides will be strict this time," Shafiquzzaman added.

Last year, rawhide traders were forced to either dump, bury or burn huge amounts of the main raw material for leather as they had gone rotten for a lack of salt.

"But this will not happen in the upcoming Eid-ul-Azha," the DNCRP director general said.

Rawhide traders aim to collect around one crore cattle skins from this Eid season, according to the Bangladesh Tanners Association.

About 18.30 lakh tonnes of salt have been produced as of the second week of May, as per data from the Bangladesh Small and Cottage Industries Corporation.

The salt production season runs from November to May each year.

## Local firm to invest \$8.5m in Uttara EPZ

### STAR BUSINESS REPORT

Bangladeshi company Texas Clothing Ltd is going to establish a garments factory in Uttara Export Processing Zone (EPZ) in the northwest district Nilphamari by investing \$8.5 million.

Bangladesh Export Processing Zones Authority (Bepza) and Texas Clothing signed an agreement in this regard at Bepza Complex in Dhaka yesterday.

Ali Reza Mazid, member for investment promotion at Bepza, and Md Forhad Hossain, managing director of Texas Clothing, inked a deal in this regard.

Bepza Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman was present.

The company will produce annually 70 lakh pieces of different garment items like woven shirt, denim pant, twill pant, jacket and woven bottom. The factory is expected to create employment opportunity for 1,450 Bangladeshi nationals, the Bepza said in a statement.

## Range Rover sees highest bid of Tk 53 lakh in auction

### STAR BUSINESS REPORT

A 2006 model Range Rover attracted the highest bid of Tk 53 lakh at the Chattogram Custom House's attempt to auction off 108 cars.

Chattogram-based trading company Farzana Trading offered the price for the 4197cc car, the reserve value of which was Tk 4.31 crore.

Luxury vehicles of different brands, including BMW, Land Rover, Mitsubishi, Mercedes and Lexus, were also up for auction, according to the list of the highest bidders.

The auction started on June 13 and it ended on June 21 where over 1,000 bidders took part. The customs house published the list of the highest bidders on the concluding day.

The second highest bid for another 2005 model Range Rover was Tk 45 lakh. Dhaka-based company Nawshi International Ltd offered the price for the 4197cc car.

The reserve value of the 2005 model Range Rover was about Tk 3.46 crore. The lowest bid in the auction was for a 1834cc 2000 model Mitsubishi mini jeep car.

## US consumer confidence falls

### AFP, Washington

Americans' feelings about the economy slumped further in June after falling sharply the month before amid concerns over skyrocketing inflation, according to a survey released Tuesday.

Amid the fastest increase in US consumer prices in more than four decades, made worse by the war in Ukraine, the consumer confidence index fell to 98.7 from 103.2, its lowest level since February 2021, according to The Conference Board's monthly survey.

## Bangladesh gets \$753m

### FROM PAGE B1

of landlocked Nepal and Bhutan with the gateway countries of Bangladesh and India.

Regional trade offers enormous untapped potential for the countries of South Asia. But regional trade accounts for only 5 per cent of South Asia's total trade, while in East Asia, it accounts for 50 per cent.

"South Asia can boost economic growth significantly and create opportunities for millions of people by increasing regional trade and connectivity," said Hartwig Schafer, vice president of the WB for South Asia.

On the Bangladesh

side, the \$753.45 million ACCESS Project will upgrade the 43km two-lane Sylhet-Charkai Sheola road to a climate-resilient four-lane road, connecting the Sheola Land Port with the Dhaka Sylhet Highway. This will cut down travel time by 30 per cent.

The project will support digital systems, infrastructure, and more streamlined processes at Benapole, Bhomra, and Burimari land ports, the three largest land ports in Bangladesh handling approximately 80 per cent of land-based trade.

It will also support the modernisation of the Chattogram customs

house, which handles 90 per cent of all import and export declarations in Bangladesh.

While the trade between Bangladesh, Bhutan, India, and Nepal grew six times from 2015 to 2019, the unexploited potential for regional trade is estimated at 93 per cent for Bangladesh, said Mercy Tembon, country director of the WB for Bangladesh and Bhutan.

"The project will help Bangladesh improve regional trade and transport and automation of processes will build resilience to crises like the Covid-19 pandemic."

On the Nepal side, the

\$275 million ACCESS Project will upgrade the 69km two-lane Butwal-Goringhe-Chanauta road, along the East-West Highway, to a climate-resilient four-lane highway. This is expected to reduce travel time by 30 per cent, thus providing better access to India's western seaports.

"Nepal has large untapped potential for regional trade and exports. Low regional trade is often a result of the high cost of connectivity," said Faris Hadad-Zervos, country director of the WB for the Maldives, Nepal and Sri Lanka.

The programme will also help advance Bangladesh and

Nepal's preparedness and subsequent implementation of the Motor Vehicle Agreement. The second phase of the programme will include Bhutan.

"A key focus of the ACCESS programme is to support solutions that can most effectively reduce dwell times at trade gateways, which is vital to lowering trade costs. This entails greater border cooperation and coordination within and between countries, cutting down the physical inspection of goods, and simplifying regulations and processes," said Erik Nora, task team leader of the programme.



Showkat Hossain, director of Union Bank, and ABM Mokammel Hoque Chowdhury, managing director, hand over a cheque worth Tk 10 crore to Ahmad Kaikaus, principal secretary to the prime minister, for the flood-affected people of the country at the Prime Minister's Office in Dhaka recently. Prime Minister Sheikh Hasina attended the event virtually from the Gono Bhaban.

PHOTO: UNION BANK

## Stabilisation need of the hour

### FROM PAGE B1

Inflation, which surged to an eight-year high of 7.42 per cent in May, will be tackled if import payments are restrained, he said.

"A disaster will hit the economy if the central bank tries to keep the cheap money available in the market," he warned.

The former official of the International Monetary Fund says nobody has thought six months ago that Bangladesh's foreign exchange regime would face the crisis it currently experiencing.

"The situation will worsen after six months if the central bank continues to follow the ongoing relaxed monetary programmes."

Credit growth to the private sector, which stood at 12.94 per cent in May against the full fiscal-year target of 14.8 per cent, will have to be contained, according to Mansur.

"Now is not the time for pursuing higher GDP

growth. Rather, we all should pay attention to restoring macroeconomic stability."

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said higher import payments have already left an adverse impact on the foreign exchange reserves.

Between July and April, imports went up by 41 per cent to \$68.66 billion, bringing the reserves down to \$41.7 billion on June 28, whereas it was \$46.15 billion on December 31.

"The central bank should take measures to restore stability in the foreign exchange market," Hossain said.

Salehuddin Ahmed, a former governor of the BB, urged the central bank to ensure the money supply to the productive sectors.

"Special refinance schemes for the small and medium enterprises and the agriculture sector should be rolled out to

keep the economy afloat," he said.

"Such money supply will help generate jobs and give a breathing space to the public as they fight against a spike in inflation."

Mustafa K Mujeri, a former chief economist of the BB, said although there is some excess demand in the economy, the inflation is largely cost-push, led by food inflation.

"Under the current circumstances, demand management by using the policy rate and the bank interest rate will not be that effective to contain inflation. The main task should be to find a balance between demand management and maintaining the recovery effort and growth momentum."

He urged the central bank to ensure a smooth import of essential commodities and encourage finding alternative sources of imports to tackle the price hike.

## 3cr people in Bangladesh

### FROM PAGE B1

Bangladesh, according to the report.

About 53 per cent of the adult population in Bangladesh had an account in 2021, up from 50 per cent in 2017, when the preceding World Bank report was published.

Some 43 per cent women and 49 per cent of poor adults had an account in 2021 as per the report.

The gender gap in the use of digital payments by account owners varies substantially across developing economies.

In six economies, including four in South Asia, it reaches double digits. In India and Sri Lanka, countries with no gender gap in

account ownership, it is 17 percentage points and 18 percentage points respectively.

Bangladesh and Nigeria have large gender gaps in the use of digital payments, at 15 percentage points and 16 percentage points respectively, on top of a gender gap in account ownership of about 20 percentage points.

However, gender gaps have decreased despite the lack of growth in overall account ownership.

Bangladesh, for example, showed no growth in overall account ownership between 2017 and 2021, although the growth in mobile money accounts of women

narrowed the gender gap to 19 percentage points.

Similarly, Pakistan saw its gender gap narrow from 28 percentage points to 15 percentage points, despite a flat overall account ownership.

In developing economies such as Bangladesh, India and Malaysia, there is virtually no difference in account ownership between adults living in urban and rural areas.

However, Bangladesh saw increases in mobile money account ownership from 2017 to 2021, with 69 per cent of unbanked adults having a mobile phone.

In South Asia, for example, women are 22 percentage points less

likely than men to have a mobile phone.

India and Bangladesh are near the South Asian average, with gaps in mobile ownership of 19 percentage points and 20 percentage points respectively. In Pakistan, women are half as likely as men to have a mobile phone.

A field experiment in Bangladesh found that factory workers saved more when they received their wages through direct deposit. But there was no such effect for the control groups paid in cash, said the report.

Citing a recent study, the WB report said the shifting of education subsidies from cash to digital channels had an