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Star BUSINESS

SUGAR, LENTIL

Traders make higher profit from sales in packets

Says tariff commission

SOHEL PARVEZ

Businesses are making a higher profit from selling sugar and lentil in packages, breaching the rules of essential commodity distribution and affecting consumers, said a Bangladesh Trade and Tariff Commission (BTTC) report.

The commission said traders are selling a kilogramme of sugar at as high as Tk 95 and lentil at Tk 190 in package forms, which are higher than the prices of loose or unpackaged sugar and lentil available in the market.

In so doing, businesses are taking higher prices for packaging -- a violation of a 2011 rule, said the BTTC in its report submitted to the commerce ministry last week.

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As of August 14, the retail prices of non-branded sugar were Tk 88-Tk 90 a kg, and the non-branded lentil was Tk 100-Tk 135 in Dhaka, said the BTTC citing market prices data compiled by state-run Trading Corporation of Bangladesh.

It showed that businesses charge nearly 6 per cent higher for packaged sugar and 41 per cent higher for packaged lentils.

"As a result, consumers are suffering," said the BTTC, suggesting the commerce ministry fix the prices of sugar and pulses for the benefit of consumers.

The report comes after consumers witnessed a fresh spiral in the prices of a number of key essential commodities, including sugar in recent days.

Recently, sugar refiners informed the government about their intent to increase the price of the product citing increased import and distribution costs.

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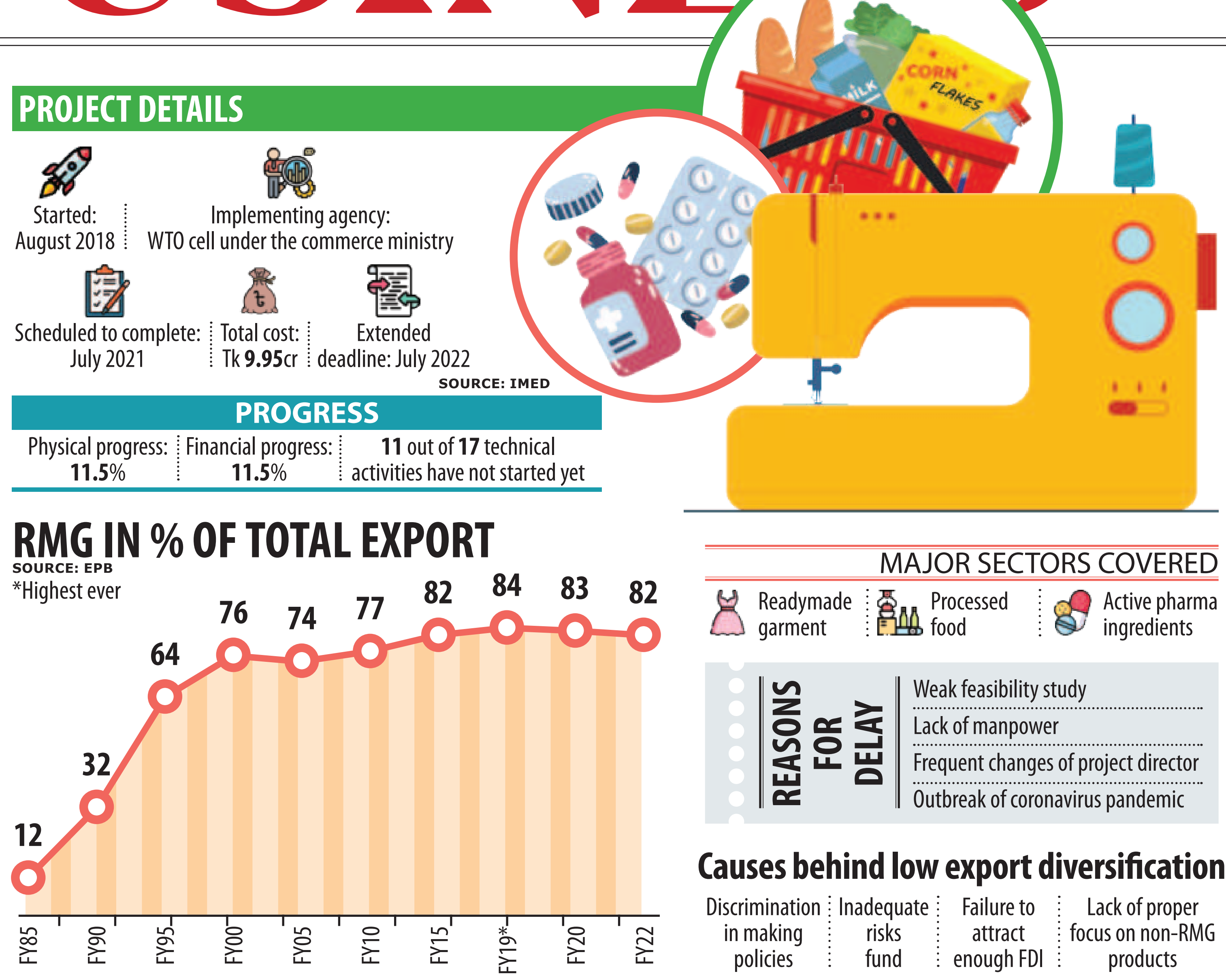

EXPORT DIVERSIFICATION goes nowhere as govt project limps

MD ASADUZ ZAMAN

A Tk 9.95 crore project of the commerce ministry aimed at expanding the country's export basket and reducing import dependency has failed to meet its deadline for a second time due to the slow pace of implementation.

In an unpromising sign, the project has only 11 per cent progress after a three-year original schedule and a one-year extension.

The project director was changed a total of six times during the four-year duration, and although six officials could have been recruited for the task, not one person aside from a project director was appointed.

The ministry has failed to implement the project at a time when the country is still dependent on the garments sector, which accounts for about 82 per cent of total exports, according to the Export Promotion Bureau.

The project's goal is to continue assisting in export diversification and expanding the export capacity of select sectors, namely garments, food-processing and active pharmaceutical ingredients, while also reducing import dependency.

The World Trade Organisation (WTO) cell under the commerce ministry is implementing the initiative, which is being funded by the Enhanced Integrated Framework (EIF).

The EIF under the United Nations is the only multilateral partnership dedicated to assisting least-developed countries in using trade as an engine for growth, sustainable development and poverty reduction.

According to its Technical Assistance Project Proposal, the work on the project began in August 2018 and was supposed to be complete by July 2021.

Later, the project deadline was extended to July 2022.

The project could not be completed on time due to the weak feasibility study, a lack of supporting manpower, frequent change of the project director and the outbreak of Covid-19, according to a report of the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry.

The actual physical and the financial progress was 11.5 per cent as of April this year, it said.

In the implementation of the project, 11 out of 17 technical activities yet to begin operations. During the formulation of the project, the authorities did not take proper opinion from the stakeholders, IMED findings showed.

A number of training programmes were supposed to be conducted under the project, which would also appoint local and foreign experts in the garments, pharmaceuticals and food processing sectors.

Of the sectors, project officials completed six of the 40 planned training sessions for food processing and three of the 10 for pharmaceuticals and established a fashion and innovation centre for garments, according to Mohammad Ileas Mia, the current project director.

However, the authorities did not yet complete developing the curriculum for training in the garments sector.

Besides, it is yet to appoint an expert for branding and web development in the apparel industry and procure chemicals for pharmaceutical labs or enterprise solution software.

"If the project is implemented properly, there is an opportunity to create some skilled and trained manpower in the country's garments, food-processing and medicine sectors," the IMED report said.

On the other hand, if the project is not implemented properly, there is a risk of discouraging development partners from financing the project, it added.

Ileas, also a deputy secretary of the commerce ministry, acknowledged the sluggishness while blaming the lack of manpower recruitment.

He was appointed as the project director on February 16. And he moved to recruit the manpower but it was not accepted as the project was about to end.

"We have sought an extension of the project deadline to June 2023," he said.

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EXPORT BASKET

Garment's clout only grows

MD ASADUZ ZAMAN

Despite a lot of emphasis by policy-makers on cutting dependence on a single product for exports over the years, the share of readymade garments has increased gradually, putting external sales, jobs, and the economy as a whole at risk.

The garment sector accounted for 68 per cent of the national exports in the fiscal year of 1996-97 and it fetched 82 per cent of the $52 billion export receipts in the last fiscal year, data from the Export Promotion Bureau showed.

A lack of focus on prioritising potential products away from non-garment items, policy discrimination, and inadequate funds are the major factors that have discouraged new exporters, analysts say.

"The risk of over-reliance on just one export item is even greater in the current uncertainty in the global economy," said Rizwanul Islam, a former special adviser for the employment sector at the International Labour Office in Geneva.

"We have seen how the overall economy and workers in the garment sector suffered in the first year of the coronavirus pandemic. The global economy is in danger of entering into a recession again if not already, and the future is uncertain, to say the least."

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The export-to-GDP ratio rose for some years: from about 10 per cent in 1996 to 20 per cent in 2012 before falling to 10.7 per cent in 2021, according to Rizwanul.

"This means that the contribution of exports to GDP has declined substantially. What is worrisome is that this has happened during a period of accelerating GDP growth," he said.

"We are impressed by the growth of exports or export earnings, but we are overlooking the fact that they are not driving the growth to the extent they did in the late 1990s and the first decade after 2000."

During the 2008-09 global recession, the garment industry escaped largely unscathed. But questions remain whether it would be able to do the same this time as a global recession looms amid the ongoing war in Ukraine, persisting energy crisis and higher inflation.

Rizwanul highlighted the stagnation of job growth in the garment industry, the biggest employer among industries in Bangladesh.

As the garment industry has to maintain its competitiveness in the export market, it is focusing more

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STOCKS

DSEX ▲	CASPI ▲
0.28%	0.11%
6,259.46	18,390.39

COMMODITIES (AS OF FRIDAY)

Gold ▼	Oil ▲
$1,748.10 (per ounce)	$96.72 (per barrel)

ASIAN MARKETS (FRIDAY CLOSINGS)

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.08%	▼ 0.04%	▼ 0.82%	▼ 0.59%
59,646.15	28,930.33	3,246.51	3,258.08

Spare businesses from stiff policies

Industry leaders urge govt

STAR BUSINESS REPORT

Businesses yesterday urged the government to spare them from stiff policies as they were navigating through difficult times for the ongoing energy and dollar crisis, inflation and increasing order cancellations.

They said they were worried over energy security and that the government should rethink its energy policy.

"Industries and businesses should be deregulated as we have to go through so many unnecessary formalities in doing business," Abul Kasem Khan, former president of the Dhaka Chamber of Commerce and Industry (DCCI).

"For example, there is no need for a trade licence, which is problematic to conduct business. The more we ease the rules in doing business, the more business will expand, revenue will be collected and the country will be benefited," he said.

"To catch one unscrupulous business, we are choking the honest 99 businesspeople," he said at a discussion titled "New Challenges in the Economy of Bangladesh" organised by Economic Reporters' Forum (ERF) at its auditorium in the capital.

"We want to be tax compliant but want to avoid tax complications. Sometimes it is reaching the level of harassment," said Khan.

He also stressed adopting a 10-year masterplan on offshore energy exploration and substituting imported liquefied natural gas with local coal.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters

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The rise in export container handling charges will have a retrospective effect, applicable for services availed since August 6, the day the new fuel prices came into effect.

PHOTO: STAR

EXPORT SECTOR

ICDs now hike container handling charge by 25pc

STAFF CORRESPONDENT, *Ctg*

Private inland container depots (ICDs) have raised charges for their services involving handling export-laden containers by 25 per cent citing the August 5 hike in fuel prices.

The change was decided upon by Bangladesh Inland Container Depots Association (Bicda) and Bangladesh Freight Forwarders Association (BAFFA) at the latter's Dhaka office yesterday.

The rise will have a retrospective effect, applicable for services availed since August 6, the day the new fuel prices came into effect.

Bicda earlier said charges for five types of services which required the use of diesel, such as vehicular and equipment operations, needed to be

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