



INFLATION rings alarm bells

Hit 10-year high in Aug; govt releases 2 months' data together

REJAUL KARIM BYRON and MD ASADUZ ZAMAN

People in rural areas were hit harder by food and non-food inflation than those in urban areas over the last two months, with the overall inflation surging to a 10-year high of 9.52 percent in August.

It, however, fell to 9.10 percent in September, but people in rural areas continued to feel the pinch as non-food inflation was close to 10 percent that month, according to data released by Bangladesh Bureau of Statistics (BBS) yesterday.

Inflation has been on an upward trend over the past several months due to higher food prices amid global supply chain disruptions and uncertainties stemming from the Russia-Ukraine war.

Planning Minister MA Mannan gave the inflation data at a briefing at the Planning Commission yesterday.

Usually, the BBS publishes inflation figures of a month in the first week of the following month. But it delayed the release of the inflation data for August and September as it did not receive "green signal" from the government, said planning ministry officials.

According to the data, food inflation soared to 9.94 percent in August – the highest since April of 2012 – and decreased slightly to 9.08 percent in September.

On the other hand, non-food inflation was 8.85 percent in August but jumped to 9.13 percent in September.

In rural areas, the overall inflation was 9.70 percent in August whereas it was 9.18 percent in urban areas.

Besides, food inflation was 9.98 percent in rural areas in August compared to 9.87 percent in urban areas.

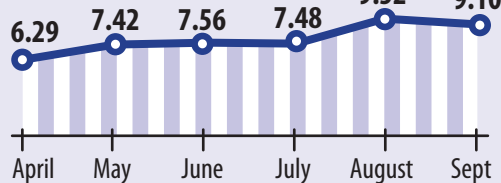
Zahid Hussain, former lead economist at the World Bank's Dhaka office, said, "The two-percentage point increase in inflation in August compared to July was a direct result of energy price increases and perhaps the exchange rate depreciation. Increased transport costs

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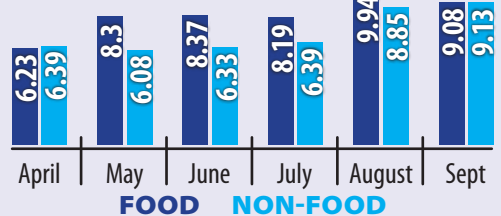
"Bangladesh is not responsible for this situation as it occurs due to the global phenomena...If the agricultural production is good, no one will die for lack of food."

Planning Minister MA Mannan

RISING INFLATION



FOOD GETTING COSTLIER



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FY23 GROWTH FOR BANGLADESH

IMF lowers forecast to 6pc

REJAUL KARIM BYRON and DWAIPAYAN BARUA, Ctg

The International Monetary Fund has cut Bangladesh's growth forecast to 6 percent for fiscal year 2022-2023.

In its latest World Economic Outlook report published yesterday, the Washington-based lender downgraded the projection of its April forecast of 6.7 percent growth citing high energy and food prices, inflation, higher interest rates, and Russia's invasion of Ukraine.

It said inflation in Bangladesh would reach as high as 8.5 percent in the

current fiscal year.

The IMF's projection is in the same tune as that of the World Bank.

On Thursday, the World Bank also slashed the gross domestic product (GDP) growth forecast for Bangladesh for the current fiscal year to 6.1 percent from 6.7 percent because of inflation, energy shortage, slowdown of the recovery from the pandemic, and the war in Ukraine.

Last month, the Asian Development Bank also cut its projection for Bangladesh's GDP growth to 6.6 percent for this fiscal year from 7.1 percent.

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STORY ON GLOBAL GROWTH OUTLOOK - PAGE 2



"The increase in inflation in August relative to July was a direct result of energy price increases and perhaps exchange rate depreciation. Increased transport costs drove up food prices across the country."

Zahid Hussain, economist

FOOD INDEX



Save money, produce food PM urges all, warns of tough days ahead

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday asked everyone to put in their best effort to increase food production amid a strong prediction of a severe food crisis followed by a famine worldwide next year.

"...during my recent visits to the UK and the USA I had talked to many world leaders and heads of organisations, and everybody was very much anxious about the issue (food security). They think that 2023 will be a very dangerous year when there might be famines and food crisis," she said.

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BERC may hike bulk electricity price tomorrow

ASIFUR RAHMAN

Amid a deepening power crisis in the country, Bangladesh Energy Regulatory Commission may hike the bulk electricity price tomorrow.

If the price is hiked, the six power distributing companies will have to buy electricity at higher prices.

The BERC members held a meeting yesterday to decide the electricity price, but they could not reach an agreement, said a member who attended the meeting.

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BNP ready for Ctg rally, AL vows to 'resist violence'

STAFF CORRESPONDENT

The BNP is set to hold its first divisional meeting in Chattogram city today amid warning from the local Awami League that it would resist any violence in the name of political programmes.

Leaders of the opposition party said they would hold a "historic" rally in the port city's Polo ground with the participation of tens of thousands of leaders and activists.

The rally is the first of 10 rallies, to be organised by the party in its as many organisational divisions protesting the price hike of essentials and fuel, and killings of four leaders of the BNP and its associate bodies in recent months.

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