

star BUSINESS

PM to inaugurate 43 industrial units in EZs

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina is going to inaugurate 43 industrial units in economic zones next week involving investments worth \$1.57 billion, said a press statement of Bangladesh Economic Zones Authority (Beza) yesterday.

Of the units, the premier will inaugurate commercial operations of 14 factories on October 26.

They include four industrial units in government-owned Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Chattogram, one in Shrechhatta Economic Zone in Sylhet and nine in various private economic zones.

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Hasina will also lay foundation stones for the establishment of 29 factories, where businesses have already invested \$610 million out of their proposed investment of \$2.53 billion in public and private economic zones, said Beza.

So far, the factories have created 6,400 jobs and another 38,600 or so are expected to be created after realisation of all of the proposed investment.

Hasina will also inaugurate seven infrastructures of economic zones.

In 2015, the government set an ambitious target of setting up 100 economic zones in the next 15 years to create one crore jobs and export \$40 billion worth of goods and services.

Beza has approved setting up 97 economic zones so far, of which 68 are public and 29 private.

Until now, Beza has received \$22 billion in investment proposals in BSMSN, economic zones in Shrechhatta, Jamalpur and Maheshkhali and Sabrang Tourism Park.

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Urea stock enough, no possibility of shortage

Says BCIC chairman

STAR BUSINESS REPORT

Bangladesh has 7.37 lakh tonnes of fertiliser in stock right now and the country will face no shortage of it in the coming months, Bangladesh Chemical Industries Corporation (BCIC) Chairman Shah Md Imdadul Haque yesterday.

He spoke at a press conference at the BCIC Bhaban in Dhaka.

"The energy division has informed us that the gas situation will be eased by November," he said, adding that right now two factories out of four are producing urea fertilisers.

One factory is not in operation while another one will start production within a week, said Haque.

Bangladesh will need around 56 lakh tonnes of chemical fertilisers, including 26 lakh tonnes of urea, in fiscal year 2022-23.

A total of 2.31 lakh tonnes of fertiliser were produced as of October 15, down from 2.68 lakh tonnes in the same period last year, according to the BCIC data.

On October 15, the BCIC had 4.58 lakh tonnes of urea in stock and another 2.79 lakh tonnes were in transit.

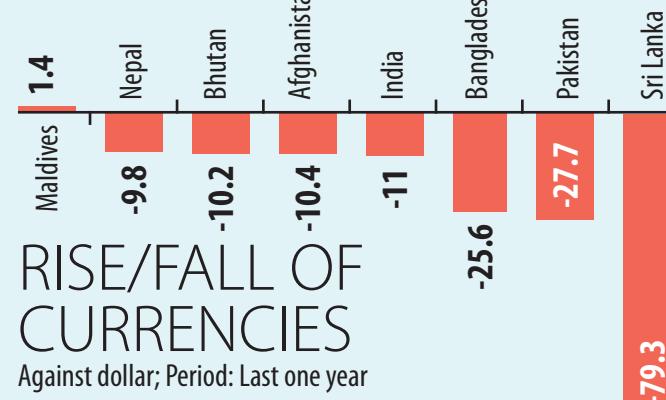
In addition to that the government is importing another 4.8 lakh tonnes of fertiliser under the government to government arrangement, the BCIC chairman said.

He said the 1,828 tonnes of fertiliser, which got hardened at Dinajpur Bugger Warehouse, will be distributed among dealers after they are repackaged.

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BB STEPS SO FAR...

- Injected \$7.62 b in FY21 and \$4.15 b so far this fiscal year
- Asked banks to take payments in advance while opening LCs for luxury items
- Took actions against some banks for exchange rate manipulation
- Banks were allowed to set separate exchange rates for exporters, importers and remitters



EXPERTS SAY...

The ongoing instability in the foreign exchange market may continue in the coming days owing to the shortage of the dollar in the market.

Ahsan H Mansur
Executive director of PRI

Govt should secure loans from multilateral lenders immediately

It should take measures to stop money laundering

Loan disbursement in productive sector should be geared up

Steps for FTA with Japan underway

REFAYET ULLAH MIRDHA

Bangladesh is working on getting either a free trade agreement (FTA) or economic partnership agreement (EPA) signed with Japan, the most promising export market in Asia, with the commerce ministry having already prepared a relevant memorandum of cooperation (MoC).

"Both Bangladesh and Japan are scheduled to sign the MoC in November this year," Senior Commerce Secretary Tapan Kanti Ghosh told The Daily Star over the phone yesterday.

This is the first step towards signing a trade deal with Japan for retaining zero-duty benefits once Bangladesh makes the United Nations status graduation from a least developed country (LDC) to a developing one in 2026.

Prime Minister Sheikh Hasina is scheduled to visit Japan next month, when negotiations for an FTA may begin, Ghosh said.

He said senior officials of both Bangladesh and Japan have already discussed the issue through a video conference recently.

Riding on preferential trade benefits as an LDC, Bangladesh's exports to Japan, especially of apparel items, have been rising fast because of high demand

Riding on preferential trade benefits as an LDC, Bangladesh's exports to the island country in East Asia has been rising fast, especially apparel items, because of high demand.

Last fiscal year it was worth \$1.35 billion, a year-on-year rise of 14.40 per cent, according to data from the Export Promotion Bureau (EPB). Of it, \$1.10 billion was from garments.

Japan is the only Asian nation where Bangladesh's export of garments crossed the \$1 billion mark over the last few years.

Shipment of garment items to Japan from Bangladesh started leapfrogging since April 2011, when Japan relaxed its Rules of Origin for the LDCs and for knitwear sector.

Earlier, Japan did not allow zero-duty on shipment for knitwear to protect its indigenous knitwear sector.

Last week, Japanese Ambassador to Bangladesh ITO Naoki said the apparel shipments were expected to rise tenfold to reach \$10 billion by 2030.

He, however, said Bangladesh would have to

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Taka third weakest currency in South Asia

AKM ZAMIR UDDIN

The taka has been rendered one of the worst-performing currencies in South Asia in the last one year because of the plummeting foreign exchange reserves of Bangladesh for higher import payments.

The exchange rate of the local currency stood at Tk 107.5 per US dollar on October 10, down 25.6 per cent from a year earlier.

The two other currencies – the Sri Lankan rupee and the Pakistani rupee – performed worse than the taka during the period: the Sri Lankan rupee fell by 79.3 per cent, while the Pakistani rupee was down 27.7 per cent, central banks data showed.

Although the currencies of other nations in the region have performed better than the three countries, they have also faced depreciation substantially, with the Maldives being the exception. The country's currency has appreciated against the American greenback by 1.4 per cent in the past one year.

In fact, most currencies around the world have fallen against the US dollar in the recent periods, owing to rapidly rising US interest rates and a more favourable terms of trade for the world's biggest economy caused

by the energy crisis.

The US dollar is now at its highest level since 2000, having appreciated 22 per cent against the Japanese yen, 13 per cent against the euro and 6 per cent against emerging market currencies since the start of 2022, according to the International Monetary Fund.

Such a sharp strengthening of

that the ongoing instability in the foreign exchange market may continue in the coming days owing to the shortage of the dollar in the market.

Foreign exchange reserves dropped to \$36.3 billion on October 12 in contrast to \$36.5 billion on September 29. The reserves amounted to \$46.2 billion in September last year.

months."

Bangladesh is not alone when it comes to the declining trend of reserves. In fact, total foreign reserves held by emerging markets and developing economies fell by more than 6 per cent in the first seven months of this year, said the IMF.

"If remittances and export earnings increase in the months ahead, the economy will get a respite from the current stress," said Mansur.

But the export and remittance sectors are already under strain.

Overseas sales slipped 6.25 per cent year-on-year to \$3.9 billion in September, the first fall in 14 months, while remittances declined 11 per cent to \$1.54 billion, the lowest in seven months.

State-run banks are now purchasing most of the dollars from the BB to settle import bills opened by the Bangladesh Petroleum Corporation.

"We should take concerted efforts to halt the depreciation of the local currency to protect reserves. The government should manage loans from the IMF immediately to tackle the situation," said Mansur.

The Indian currency has also lost its value in recent months, but the rate of its depreciation is

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STOCKS	
DSEX ▼	CASPI ▼
0.24% 6,478.46	0.26% 19,059.80

COMMODITIES	
Gold ▼ \$1,644.15 (per ounce)	Oil ▼ \$85.60 (per barrel)
AS OF	

ASIAN MARKETS	
MUMBAI	TOKYO
▲ 1.20% 27,919.97	▲ 3.25% 27,090.76
SINGAPORE	SHANGHAI
▼ 0.03% 3,039.61	▲ 1.84% 3,071.99
FRIDAY CLOSINGS	



Movement of containerised cargo drops at Ctg port

DWAIPAYAN BARUA, Ctg

Import and export of containerised cargo through the country's premier seaport in Chattogram fell in the first quarter of the current fiscal year compared to that last year, indicating a slowdown in foreign trade resulting from global economic downturns.

Transport of imports and exports through the port also underwent a gradual downfall in the last three months till September.

Overall container handling at the port also came down to its lowest in September.

According to data from Chittagong Port Authority (CPA), 3.53 lakh TEUs (twenty-foot equivalent units) of import-laden containers were unloaded at the port in the last three months till September this year.

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