

Exports to Russia returning to normalcy

REFAYET ULLAH MIRDHA

Many thought exports from Bangladesh to Russia would come to a halt after the Russia-Ukraine war began in February as the transcontinental nation was slapped with numerous sanctions and embargoes that restrained its import activities.

However, shipments to Russia have since almost returned to full swing thanks to the establishment of alternative shipping channels and payment systems.

Russia emerged as a high potential export destination for Bangladesh in recent years but the war briefly paused the shipment of goods, especially apparel items.

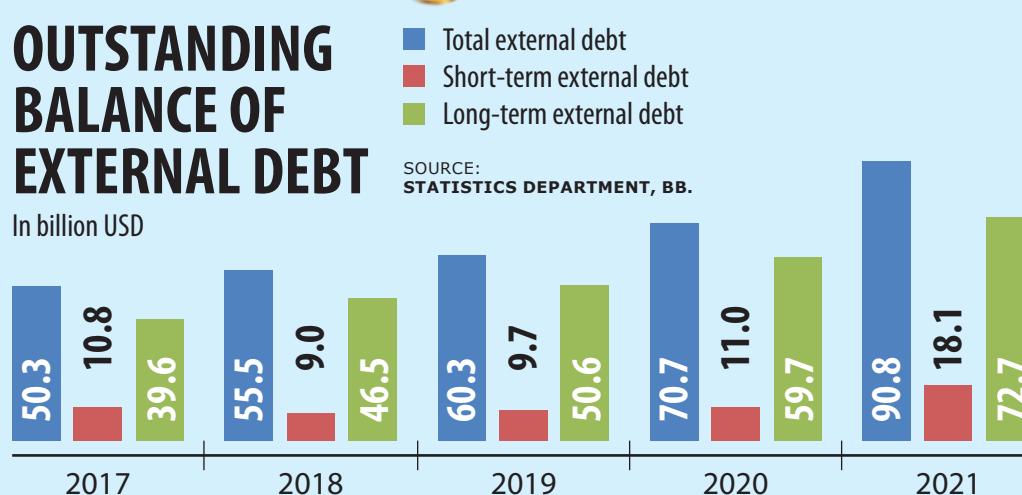
However, Bangladesh shipped goods worth \$33.52 million to Russia in the first two months of the ongoing fiscal year

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OUTSTANDING BALANCE OF EXTERNAL DEBT

In billion USD



SOURCE: STATISTICS DEPARTMENT, BB.

RISK FACTORS

- Rising external debt may create risk for forex reserves
- Growing short-term external debt may entail higher risk
- Price hike may pose threat to economy
- Geopolitical tension may bring adversity
- Bangladesh may face trade risk in post-LDC era

Rising external debt poses risks to forex reserves

Says BB's Financial Stability Report

AKM ZAMIR UDDIN

Rising external debt may pose some risks to Bangladesh's foreign exchange reserves in the future as higher debt servicing will be required on accumulated loans, said the Bangladesh Bank yesterday.

The country's external debt has been rising since 2016 in tandem with notable economic growth.

Outstanding external debt stood at \$90.8 billion in 2021, up 28.4 per cent from a year ago.

Short-term external debt surged 64.6 per cent last year while long-term external debt increased by 21.8 per cent.

"Growing short term external debt may entail higher risk due to their potentiality of being reversed in the near-term and may, thereby, create sudden pressure on foreign exchange reserves," said the BB's Financial Stability Report for 2021.

A central banker, who worked on preparing the report,

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STOCKS	
DSEX ▼	CASPI ▼
1.01% 6,413.01	0.86% 18,895.35

COMMODITIES	
Gold ▲ \$1,665.4 (per ounce)	Oil ▲ \$86.87 (per barrel)

ASIAN MARKETS			
MUMBAI ▲ 0.85% 58,410.98	TOKYO ▼ 1.16% 26,775.79	SINGAPORE ▼ 0.78% 3,015.75	SHANGHAI ▲ 0.42% 3,084.94

Improve quality of infrastructures, services

Economists stress requisites for next stage of development

STAR BUSINESS REPORT

Bangladesh needs to improve the quality of infrastructures and services, raise the efficiency in the banking sector, train the workforce, lift competitiveness and ensure accountability in all spheres to advance to the next stage of economic development, economists said yesterday.

"In order to move to the next level of development, the workforce of the country has to be trained and their productivity has to be raised," said Prof Wahiduddin Mahmud, a former adviser to a caretaker government.

"Technological knowledge should be higher. If we continue sending people abroad without training them, poverty alleviation will not be possible."

The noted economist spoke at a book launching ceremony at the Hotel Amari organised by the Policy Research Institute (PRI) of Bangladesh.

The book -- The Odds Revisited--The Political Economy of Development o Bangladesh, authored by KAS Murshid, a former director general of the Bangladesh

Institute of Development Studies (BIDS) -- has been published by Cambridge University Press.

Prof Mahmud said the low efficiency in the banking sector is not supportive for the country to advance to the next level.

Accountability at institutions has not been ensured, so even if

"We also need to raise competitiveness to go to the next level of development."

He added that infrastructure played a major role in the development journey of Bangladesh though the quality of services is not good enough.

The book provides a detailed review of macro and sectoral developments over the past 50 years and new material and insights into the rise of Bangladesh's capitalist class, a socioeconomic perspective of the role of Dhaka based urbanisation, and the rise of a new middle class.

Prof Mahmud said there was no single factor for the development of Bangladesh's economy.

"The government, the private sector, remitters and the agriculture sector all contributed to the economic success."

He described the garment sector as one of the major contributors to economic progress. "The garment sector has flourished with the help of policy support."

He said the government has played role in mechanising the agriculture sector but it received

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infrastructures have been built, the service and quality have not improved, he said.

"Now, accountability needs to be ensured at institutions."

Hossain Zillur Rahman, also a former adviser to a caretaker government, echoed Prof Mahmud.

"The government has built schools and hospitals but the quality of education and healthcare service remains a big challenge," said Rahman, also the executive chairman of the Power and Participation Research Centre.



Bangladesh has been good at building infrastructures such as schools, hospitals, roads and bridges. But the infrastructures have not served the targeted beneficiaries well all the time. The bridge in the picture is one such example where the absence of the connecting roads has made it inaccessible to the people.

PHOTO: STAR/FILE

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মিউচুয়াল ফান্ড

প্রথমবারেই
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