

star BUSINESS

World cups fuel demand for large screen TVs

JAGARAN CHAKMA

The demand for large-screen and premium-branded televisions has picked up in Bangladesh as sports-loving fans are gearing up to watch cricket and football world cups.

However, the sales of general TVs have not kept pace since a majority of consumers across the country have been feeling the pinch of economic pressure for several months because of the higher cost of living.

Television sales in Bangladesh usually treble during world cups, whether it is cricket or football.

Ritesh Ranjan, head of business at Transcom Digital, says the demand for high-end TVs has gone up for a week after the 2022 ICC Men's T20 World Cup kicked off in New Zealand.

Sales of general TVs have not kept pace since most consumers have been feeling the pinch of economic pressure

Bangladesh's national cricket team is taking part in the tournament.

High-end TVs usually are introduced targeting the higher-middle and high-income groups. TVs with sizes between 55 inches to 98 inches are considered premium brands.

Transcom Digital sells 800 to 1,000 units of premium-branded TVs annually. "But I believe sales will rise three times when the Fifa Football World Cup kicks off," Ranjan said.

Md Shariful Islam, chief manager (product planning) of the consumer electronics division at Samsung Electronics Bangladesh, said the sales of premium TVs have increased by around 80 per cent in the last two months.

The demand for the general segment TVs has gone up by 40 per cent during the period, he said.

Mostafa Nahid Hossain, chief business officer of Walton Television, said the sales of Walton-branded TVs centring the T20I Cricket World Cup and the Fifa World Cup have increased remarkably.

The 43-inch to 55-inch Walton TVs have huge demand, he said.

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A sales executive of a retailer briefs a potential customer about the various features of a large-screen TV at an outlet in Dhaka. The demand for high-end TVs has picked up for the 2022 ICC Men's T20 World Cup and the Fifa World Cup.

PHOTO: PRABIR DAS

Rising living cost could drive many into poverty: CPD

STAR BUSINESS REPORT

Many households in Bangladesh are at risk of falling into poverty due to soaring food and non-food prices, warned the Centre for Policy Dialogue (CPD) yesterday.

The caution comes as inflation reached 9.52 per cent, a 10-year high, in August before coming down slightly to 9.1 per cent in September, compounding the hardship for the low-income families, who were trying to recover from pandemic induced income losses.

Since the outbreak of Covid-19 in early 2020, the poor and low-income group has been facing challenges as the cost of living has climbed.

But their struggle has become harder as higher commodity prices, exacerbated by the Ukraine-Russia war and several domestic factors such as the hike in the prices of petroleum, an expensive dollar, and the market distortion by a few dominating businesses, continue to persist.

As a result, the average monthly cost of a basket of 19 common food items increased from Tk 17,530 on January 1 of 2019 to Tk 22,421 on October 16 this year for a household of four persons in Dhaka city, the CPD said in its review on challenges faced by Bangladesh amid the

slowdown in the global economy. The think tank shared its observation at a press briefing at its office.

It said the cost rose to Tk 9,059 from Tk 6,541 if the household accepts a compromised diet with no fish, mutton, beef, or chicken on their plates.

"So, maintaining even a modest standard of living is becoming prohibitively expensive for households in Dhaka," the CPD said, adding that out-of-pocket expenditure on healthcare for a household also increased in the absence of support from the government.

Organisation report, the CPD said seven million people, mostly residing in rural areas, in nine districts in Bangladesh's northeast, were badly impacted by two waves of disastrous flash floods in May and June.

Nearly 93 per cent of the impacted people were compelled to adopt at least one negative coping technique such as missing meals, succumbing to debt, and depleting productive assets as a consequence of the abrupt loss of livelihoods and supplies of food, it said.

It said inflation could have been contained better had the government removed import tariff and taxes on 29 essential food items that currently face a high tax incidence.

"Thus, a fiscal policy which is highly dependent on indirect taxes propagates economic inequality in society and forces the government to trade off revenue generation in the face of high inflation," said the CPD.

"The import tax and duties should reduce."

The CPD found that several necessities, whether they are produced locally or imported from a more developed country, are more costly in Bangladesh than in other developing or developed nations.

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Food prices rose to 9.94 per cent in August before decelerating to 9.13 per cent in September, according to the Bangladesh Bureau of Statistics.

"As the burden of rising prices weighs heavily on their meagre incomes, these households continue to struggle," said CPD Executive Director Fahmida Khatun.

"Apart from the high price of basic food items, the escalated price of non-food items is putting a huge burden on households."

Non-food inflation rose to 91.3 per cent in September.

The CPD thinks the existing minimum wage for workers in all industries would not be sufficient for affording a regular diet for a family of four even if it is assumed that workers get a 5 per cent annual increment of their basic wages.

Bangladesh maintains a poverty rate of 20.5 per cent estimated in December 2019 and the government has not published any poverty data assessing the impact on the poor although non-government studies found a spike in the number of poor people.

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Forex reserves below \$36b

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves dipped below \$36 billion on Wednesday due to increased import payments compared to slower-than-expected export earnings.

The reserves stood at \$35.98 billion, down from \$36.11 billion a day ago, according to data from Bangladesh Bank.

The country's reserves stood at \$46.19 billion on October 19 last year.

The reserves have been decreasing even though Bangladesh Bank has been repeatedly injecting US dollars into the market for the last couple of months to help businesses clear their import bills.

The central bank has so far injected more than \$4.57 billion into the market this fiscal year after supplying a record \$7.62 billion in the last fiscal year.

The country's forex reserves stood at \$46.19 billion on October 19 last year

Imports surged to \$12.7 billion in the first two months of this fiscal year, up 17 per cent from a year prior.

Meanwhile, exports grew 24 per cent to \$8.13 billion and remittance flow rose 12.25 per cent to \$4.13 billion.

A high official of a commercial bank said remittances have declined in recent periods, putting extra pressure on the reserves.

The taka has been rendered one of the worst-performing currencies in South Asia in the last one year because of the country's plummeting foreign exchange reserves.

The exchange rate of the taka stood at Tk 105 per dollar on October 19, down 22.6 per cent from a year ago.

Only two other currencies – the Sri Lankan rupee and 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, showed central bank data.

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Tea production hits record

SUKANTA HALDER

Bangladesh's tea production surged to a record high of 14.74 million kilogrammes (kgs) in September this year, according to state-run Bangladesh Tea Board (BTB).

Year-on-year, this is an increase of about 17 per cent.

The previous record was of October 2021, when 14.58 million kgs were produced.

The BTB attributed it to favourable weather, distribution of subsidised fertiliser, regular monitoring of the Ministry of Commerce and BTB and efforts of garden owners and workers overcoming a labour strike in August.

Garden owners earlier had claimed that the strike would affect production and cause losses in business.

The tea workers went on a two-hour strike every day from August 9 demanding an increase in wages.

Afterwards, they embarked on an indefinite strike in gardens across the country from August 13.

Later, a meeting between Prime Minister Sheikh Hasina and representatives of garden owners fixed the minimum daily wage of workers at Tk 120. Earlier it was Tk 100.

Though workers returned to work, there is resentment among a lot of them for different conditions attached to the daily wage and facilities claimed to be provided by garden owners mostly not being what it was in reality.

Although the strike temporarily halted production, work quickly resumed at gardens, said Maj Gen Md Ashraful Islam, chairman of the BTB.

Production is much better also for the increase in workers' wages and for labour welfare being ensured, Islam said.

He added that the capacity of the industry has increased a lot due to the continuous efforts of garden owners,

Govt looks to cut trade gap with Malaysia. Imports double in FY22

STAR BUSINESS REPORT

The potential of Bangladesh's exports to Malaysia remains untapped due to the high duty imposed on goods sent from the country, according to Commerce Minister Tipu Munshi.

Meanwhile, the value of imports from Malaysia more than doubled in the last fiscal year, indicating that bilateral trade is heavily tilted in favour of the southeast Asian nation.

So, Bangladesh has already sent a list of goods for duty waiver in a bid to export more products to Malaysia and thereby reduce the large trade gap between the two countries.

"If a duty waiver is provided on those products, then the trade gap may narrow to some extent," Munshi said after meeting with Haznah Md Hashim,

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Workers pluck tea leaves in Tentulia. Some 45 per cent of the tea produced in Bangladesh is consumed at the household level while the rest at tea stalls, restaurants, and offices. The photo was taken last Monday.

PHOTO: MOSTAFA SHABUJ

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