





Debapriya Bhattacharya
Distinguished fellow, CPD

“
Problem is that we do not have a policy package and strategy. There is a total lack of policy leadership.”



Salehuddin Ahmed
Former governor of BB

“
We went after growth but now we need to revisit as sufferings of people are not only for one year's exchange rate issue and inflation rate, but this is because of unemployment and lack of purchasing power for many years.”



Ahsan H Mansur
Executive director, PRI

“
The depth and width of the current economic problem is still not determined. I have not seen any discussion from the government side except shutting down electricity during daytime or talks on a probable famine in foreseeable future.”



MM Akash
Economics professor, DU

“
There is no chance of famine in Bangladesh. But there is localised hunger. If the prices of essential commodities increase further, the entitlement will fail.”



Sayema Haque Bidisha
Research director of Sanem

“
We need to reform the direct taxation system. Because if we cannot generate enough income and cut expenses, how will we be able to spend for people?”



Miran Ali
Vice-president of BGMEA

“
We need to free the exchange rate to whatever extent is possible.”

Falling cotton price failing to cheer exporters

EEFAYET ULLAH MIRDHA

Although cotton prices have declined sharply in the international futures markets, spinners and garment exporters in Bangladesh are not feeling elated owing to the dearer US dollar, the energy crisis and the fall in demand for finished goods. Apparel manufacturers are also receiving fewer orders from international buyers amid the slide

TAKEAWAYS

Cotton price at historical low of 73 cents per pound
Bangladesh imports \$3b worth of cotton a year

Reasons not to be happy

- Dollar price volatility
- Lower demand for yarn and fabrics
- Drop in garment work orders by 30pc
- Fall in productivity due to energy crisis
- Huge unsold stock of yarn



LEGACY ISSUES, NOT JUST EXTERNAL FACTORS, behind economic woes: analysts

STAR BUSINESS REPORT

Not only the external factors such as the Russia-Ukraine war, the energy crisis and supply bottlenecks but also the unaddressed legacy issues that are responsible for the current ills of Bangladesh's economy, said economists yesterday. They listed a surge in inflation, the fluctuation in the exchange rate, depleting reserves, fewer jobs, lack of purchasing power, inequality, lack of good governance in the financial sector and high non-performing loans as the major bottlenecks that are hurting the economy. Their comments came at a roundtable on "Bangladesh economy: the way forward" organised by The Daily Star at The Daily Star Centre in Dhaka yesterday.

"The existing economic crisis is not only a reflection of one year. Rather, it is the outcome of long perceived misplaced priority that took place in the last one decade," said Salehuddin Ahmed, a former governor of the Bangladesh Bank. "The economy went under some kinds of selective incentives, to some extent, perverse incentives, which led to some kind of distortion in the market." According to the former governor, the country went after growth instead of focusing on creating adequate jobs. "Now we need to revisit

MAJOR CHALLENGES

- High inflation
- Fluctuation of exchange rate
- Depleting forex reserves
- Fewer jobs
- Lack of purchasing power
- Inequality
- Lack of good governance in financial sector
- High non-performing loans in banks



private sector during his time at the central bank. But in recent years, the BB has allowed it to happen, saying it is sitting on a huge foreign exchange reserve. "The over-confidence has created the current problem," he said. The International Monetary Fund is now prescribing reform in the banking sector. The same recommendation has been made by local economists for years, saying that the government was walking backwards by allowing to deepen the influence of family ownership in banks. There have been a couple of narratives from the government that Bangladesh's economy had been doing pretty good until the Russia-Ukraine war erupted and they are transferring the whole blame to the external shock, said Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue. "Another narrative is that the whole world is suffering and Bangladesh is not alone. However, the narratives concealed some underlying

in demand from consumers buckling under deep inflationary pains caused by the Russia-Ukraine war. Usually, millers, spinners, traders and users brim with joy when the cotton price drops even by a few cents in the international markets since Bangladesh is a net cotton-importing country. And less than 2 per cent of the country's total cotton requirement is met through domestic production. But this time, cotton prices have plummeted almost by \$1 per pound in the global markets. The white fibre was sold between 73 US cents and 74 US cents per pound in the international futures market in the last one month, down 22 per cent from 92 cents and 95 cents in September. The price is far below than \$1.2 to \$1.3 per pound seen in March, April, May and June, as the outbreak of the war in February turned the international market volatile. "We can't take the advantage of the lower cotton price for two reasons: the dollar crisis and the lower

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STOCKS	
DSEX ▼	CASPI ▼
0.35%	0.20%
6,393.02	18,879.51

COMMODITIES	
Gold ▲	Oil ▼
\$1,676.13	\$91.70
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.39%	▲ 1.21%	▲ 0.36%	▲ 0.23%
61,185.15	27,527.64	3,141.31	3,077.82

Govt to shell out Tk 1,914cr to set up 5 jetties

MD ASADUZ ZAMAN

The government is going to undertake a major project to set up five jetties and necessary infrastructure in the economic zones in the country's south-eastern part to ensure the comfortable and safe movement of people and landing facilities and boost tourism. The shipping ministry has taken up the project, which may be placed at a meeting of the Executive Committee of the National Economic Council today. The Bangladesh Inland Water Transport Authority (BIWTA) will implement the project, in cooperation with the Bangladesh Economic Zones Authority. The project will be completed by June 2024. The government will provide the fund and the BIWTA will have to acquire 25.86 acres, according to documents of the planning ministry. The Bureau of Research, Testing and Consultation, an expert team of the Bangladesh University of Engineering and Technology, has prepared the designs of the jetties and carried out a feasibility study. The main objective of the project is to set up five jetties and other facilities in the south-eastern part, including Mirsarai and

Sandwip parts of Chattogram and Sonadia and Teknaf (Sabrang and Jaliar island) parts of Cox's Bazar. The jetties will provide infrastructure to carry the increasing volume of products and items for the local residents in Chattogram and Cox's Bazar and contribute to economic development, said Commodore Golam Sadeq, chairman of the BIWTA. "The jetties will help boost tourism and attract foreign and domestic tourists via modern landing facilities," he said. **The Bangladesh Inland Water Transport Authority will implement the project, in cooperation with the Bangladesh Economic Zones Authority** adding that the jetties will support the Bangabandhu Sheikh Mujib Shilpa Nagar. The industrial city consists of three economic zones: Mirsarai, Feni, and Sitakundu. Md Mohidul Islam, chief engineer (civil) of the BIWTA, said: "If the project is okayed, we will try to complete it within the deadline." According to the planning ministry's

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The jetties to be set up in the country's south-eastern part will ease communication and transportation of goods to and from the Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai of Chattogram.

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