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Air Astra to start flights from Nov 24

STAR BUSINESS REPORT

Bangladesh is going to avail the services of a new private airline for the first time in nine years with Air Astra set to begin its journey in the country through an 8:00am flight from Dhaka to Cox's Bazar on November 24.

With this, Air Astra will become the third private airline in Bangladesh.

The airlines will initially operate three weekly flights on the Dhaka-Cox's Bazar-Dhaka route and two on the Dhaka-Chattogram-Dhaka route.

M Mahbub Ali, state minister for civil aviation and tourism, announced the inauguration of Air Astra at the domestic terminal of Hazrat Shahjalal International Airport in Dhaka yesterday.

Air Vice Marshal M Mafidur Rahman, chairman of the Civil Aviation Authority of Bangladesh (CAAB), and top officials of CAAB



were also present at the programme.

The minimum one-way fare of the Dhaka to Cox's Bazar flight has been fixed at Tk 4,799 while the minimum one-way fare from Dhaka to Chattogram is set at Tk 3,694.

Harun-ur-Rashid, a Bangladeshi businessman living in Japan, is investing in the airline while US-Bangla Airlines, the largest private airline of the country, is providing technical assistance.

After three months, Air Astra will expand its operations to all seven domestic destinations, adding new aircraft to its fleet.

The new airline has already received the delivery of two ATR 72-600 in Dhaka and two more are scheduled to be delivered within the year.

By 2023, the fleet of Air Astra will grow to 10.

Currently two private airlines -- US Bangla Airlines and Novoair -- are operating flights on domestic and international routes, along with the state-owned Biman Bangladesh Airlines.

With the country's economic progress, more people are taking an interest in availing flights every year.

According to CAAB

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Retailers in Bangladesh are going through a difficult period as sales have dropped significantly owing to the tightening of belts by consumers across the country for the higher inflation and deepening economic uncertainty. The photo was taken from a retail shop in Chattogram on Monday.

PHOTO: RAJIB RAIHAN

Retailers in tight spot as shoppers tighten belts

SUKANTA HALDER

Retailers in Bangladesh are feeling the pinch as consumers have been buying less for the last few months because of the continuous increase in the prices of daily necessities and growing uncertainty.

Bangladesh has been facing a major macroeconomic crisis since late February after the Russia-Ukraine war began, which sent consumer prices to a decade high in August, squeezing the buying capacity of the households in a country where 20.5 per cent of the population live below the poverty line officially.

The figures, however, doubled the official figure at the height of the coronavirus pandemic two years ago, according to a number of studies. And the situation for many of them has worsened for the war-induced crisis before they made a complete recovery from the fallout of the pandemic.

Last month, the Centre for Policy Dialogue even warned that many households in Bangladesh are at risk of falling into poverty due to soaring food and non-food prices.

Amid such a bleak situation

and gloomy prospect, consumers have no other choice but to cut their expenses to remain above the water. This, in turn, has hurt the sales and profit margins of retailers.

Retailers say their sales have dropped 25 to 50 per cent in the last six months compared to

The number of retailers affected by the sales slump is hard to come by since no survey was carried out. But during visits to various retail shops in Mirpur, Mohammadpur, New Market, Farmgate and Mouchak, the presence of customers was found to be thinner compared

as households have been hit twice, by rising prices and falling incomes, and increasing food prices.

"Sales were 30 per cent lower than what it was at this time last year," said Mohammad Sujon, manager of Rana Garments Shop at Nurjahan Super Market in New Market, adding that profit has also declined due to the increase in the price of goods.

Aminul Islam, a grocery shop owner in Jamalpur, says sales have dropped by at least 30 per cent.

Abul Kalam Azad, who runs a retail shop in a village in Sirajganj, says people are buying less.

"But I have had to employ more capital to run the business."

Abdur Rauf, a shopkeeper in the Bastuhara area of Khalishpur of Khulna, said sales have been decreasing for the last seven-eight months. "But the business situation has turned very bad since September."

Md Mukul Hossain, a grocery shop owner in Pabna town, said his sales turnover stood at Tk 30,000 to Tk 35,000 a day a couple of months ago. But this has fallen to Tk 22,000-Tk



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State-run fuel, power companies make higher profits

AHSAN HABIB

Most state-run listed power and energy companies secured higher profits year-on-year during the July to September period while ripple effects of the Russia-Ukraine war, including skyrocketing energy prices, had been turning lives of the masses topsy-turvy.

In the last few months, entrepreneurs had been urging to reduce energy prices. However, the government had stated that it had no financial scope to do so.

As a result, the private sector had been having to absorb the pressure, which was subsequently adversely affecting their profits.

In this situation, the listed state-run energy companies disclosed their financial reports showing that their performance in making a profit was better.

Among six listed state-run energy companies, four saw higher profits in the first quarter of the financial year although most of the private-run companies witnessed lower profits.

When the government increased the fuel price the last time, the prices were in a downtrend in the global market so it was assumed that the government will make profits from the price adjustments, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

Per barrel crude oil soared to \$121 in June this year which was downed to \$88 in August and to \$82 at the end of September, shows the Oilprice.com data.

On August 5, the government hiked fuel prices by up to 51.7 per cent, the highest in the country's history, reasoning price hikes in the global market.

"However, when the mass people are suffering from lower purchasing power through higher inflation rate then the government-run companies are making huge profits, this is not expected," said Moazzem.

The government should launch the process of price adjustment of the fuels with the global market. In the short-run, it can reduce the prices which will give comfort to the people, small and medium enterprises (SMEs) and businesses, he added.



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STOCKS	
DSEX ▼	CASPI ▼
0.56% 6,218.32	0.26% 18,482.11



COMMODITIES	
Gold ▲	Oil ▲
\$1,776.25 (per ounce)	\$85.22 (per barrel)



ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.40% 61,872.99	▲ 0.09% 27,990.17	▲ 0.44% 3,275.28	▲ 1.64% 3,134.08	

Underwear 5th most exported item



REFAYET ULLAH MIRDHA

Over the last decade Bangladesh has been enjoying the benefits of a shift in work orders from China and some other countries in many product categories.

This has come about as the cost of production in China has gone through the roof while there prevails a dearth of skilled workers in the apparel sector. Workers in China are preferring working with sophisticated technologies in the garment sector.

The underwear sector is directly benefitting from the shift of work orders from China and Sri Lanka, growing silently over the last few years.

Currently, underwear is the fifth item exported the most from Bangladesh.

It is a glowing example of diversification of garment items in recent years.

Only a few factories used to produce underwear for some select international retailers and brands as this was not a regular export item for the country.

Now more than 500 factories are regularly producing underwear as demand for the locally made items is growing in the West for their competitive prices.

Usually, the prices of underwear, such as like lingerie, are more than normal attires as specialised fabrics are

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A rice-laden vessel berths at the under-construction Patenga Container Terminal (PCT) of Chattogram Port yesterday. The authority for the first time allowed a vessel at a container jetty of PCT as a temporary measure to give priority to unloading of food grains as the port's main jetties currently remain occupied.

PHOTO: RAJIB RAIHAN

GARMENT SECTOR
Retailers, brands ask for innovation

STAR BUSINESS REPORT

International clothing retailers and brands have asked for innovation, improvement of efficiency and use of synthetic raw materials so that they can source garment items for a long term from Bangladesh.

Bangladesh has already achieved a lot in garment trade as the country is the second largest supplier of apparels worldwide after China.

Now the time has come to make the achievement sustainable with innovation and bringing variation in products and quality of goods, said the retailers and brands.

They were addressing a discussion on "RMG Roadmap: Towards a Prosperous Future" held at a Made in Bangladesh Week 2022 at International Convention City, Bashundhara in Dhaka.

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