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PHOTO: STAR/FILE

Govt confiscated funds of Regent Airways to realise dues

Kamal tells parliament

STAR BUSINESS REPORT

The government has confiscated funds in a bank account of Regent Airways to collect dues, Finance Minister AHM Mustafa Kamal told parliament yesterday.

In response to a question from Awami League MP Mohammad Habib Hasan, the minister said Regent Airways owes the government Tk 32.46 crore in travel taxes but Tk 1.37 crore has been recovered from the account.

Hasan wanted to know whether there were any unpaid dues of travel tax of any domestic airline. He also wanted to know what steps the government has taken to collect the dues.

Due to Regent Airways being shut down, the dues have remained unpaid, said the finance minister.

In the wake of the global spread of the novel coronavirus, Regent Airways postponed all its international and domestic flight operations in 2020.

Speaker Shirin Sharmin Chaudhury chaired yesterday's question-answer session in parliament.

Results of 2022's labour force survey expected in March

STAR BUSINESS REPORT

The Bangladesh Bureau of Statistics (BBS) is expected to release its Labour Force Survey (LFS) 2022 by the end of March this year, according to a top official of the planning ministry.

The government survey provides data on a quarterly basis on the overall scenario of the country's labour market, including employment and unemployment status of the population.

It also provides estimates of the structure of employment, time-related underemployment, non-economic activities, non-conventional forms of work, volunteer work and the key labour market indicators in Bangladesh, according to the BBS.

"We have conducted the LFS survey from January to December last year," said Shahnaz Arefin, secretary to the statistics and informatics division of the planning ministry recently.

"We hope we can deliver our survey's preliminary results by the end of March



this year," she said.

The BBS, the lone government agency for compiling data, conducted the survey on a sample of 30,816 households from 1,284 primary sample units across the country.

Contacted, Aziza Rahman, project director of the LFS 2022, said the questionnaires used in data collection and the concepts relevant to this survey

were of a global standard.

"A new and innovative disability module has been introduced in the 2021-22 LFS questionnaire to incorporate data in this area especially," she said.

In addition, the migration module has also been incorporated as per International Labour Organization (ILO) guidelines, she said.

Sustainable Development Goal (SDG) labour market indicators pertaining to goals 5 and 8 are incorporated in this survey through which it will be possible to provide data of nine SDG indicators from this survey, she added.

Moreover, from this survey, the recruitment costs and income of Bangladesh's migrant workers will also be generated through specified modules.

The target population of this survey was 15 years and older living in the sampled households in order to obtain estimates on many socio-demographic variables classified by sex, age, educational attainment, occupation and industry, according to the BBS.

Rid Dhaka of vehicles over 15 years old: Barvida

STAR BUSINESS REPORT

Old vehicle importers yesterday urged Bangladesh Road Transport Authority (BRTA) to gradually phase out from Dhaka vehicles which were over 15 years old for a healthier capital.

The Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida) also demanded a reduction in vehicle registration fee which was increased last week.

The Barvida also wanted the authority to cancel a "dual registration system", meant first for importers when the vehicles arrive and then for customers when the vehicles are sold.

The association placed the demands at a meeting with BRTA Chairman Nur Mohammad Mazumder at the BRTA headquarters.

Barvida President Md Habib Ullah Dawn led a delegation comprising its secretary general, Mohammed Shahidul Islam, and members of its executive committee.

Develop skills of farmers for more productivity

Speakers say; agri-mechanisation summit on January 27-29

STAR BUSINESS REPORT

Bangladesh should give priority on the efficient skills development of farmers to increase agricultural productivity and reduce the cost of cultivation, said MA Momen, vice-president of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI).

Momen made the comment during a preparatory meeting at the FBCCI office yesterday about the upcoming "Indo-Bangladesh Agri Mechanisation Summit".

The FBCCI in cooperation with the Indian High Commission, Dhaka will organise the three-day summit which will kick off at the International Convention City Bashundhara in the capital on January 27-29.

"Bangladesh has a lot of potential in the agriculture sector. Now we have to move towards mechanisation of agricultural production, food processing, storage, and testing," he said.

Citing the name of India, who is one of the leading countries in the production of agri machinery, Momen said their skills and technology can contribute to the agricultural mechanisation of Bangladesh.

The summit will create an opportunity to develop cooperation between the stakeholders of both countries, he added.

Amin Helaly, another vice-president of the FBCCI, said agri-mechanisation is now a burning issue in Bangladesh.

"Mechanisation in the post-harvesting period is more essential here. Due to the labour crisis and poor processing capacity, a significant number of crops are damaged at the farm level," Helaly said.



Prime Minister Sheikh Hasina visited the stall of Brothers Furniture at the 27th Dhaka International Trade Fair in Purbachal on January 1 after inaugurating the fair. The furniture company is offering up to 15 per cent discount on all products till January 31. Tipu Munshi, minister for commerce, and Md Monirul Islam Bakshi, head of marketing and sales of Brothers Furniture, were present.

PHOTO: BROTHERS FURNITURE

US banks get ready for shrinking profits

REUTERS, New York

US banking giants are forecast to report lower fourth quarter profits this week as lenders stockpile rainy-day funds to prepare for an economic slowdown that is battering investment banking.

Four American banking giants – JPMorgan Chase & Co, Bank of America Corp, Citigroup Inc and Wells Fargo & Co – will report earnings on Friday.

Along with Morgan Stanley and Goldman Sachs, they are the six largest lenders expected to amass a combined \$5.7 billion in reserves to prepare for soured loans, according to average projections by Refinitiv. That is more than double the \$2.37 billion set aside a year earlier.

"With most US economists forecasting either a recession or significant slowdown this year, banks will likely incorporate a more severe economic outlook," said Morgan Stanley analysts led by Betsy Graseck in a note.

The Federal Reserve is raising interest rates aggressively in an effort to tame inflation near its highest in decades. Rising prices and higher borrowing costs have prompted consumers and businesses to curb their spending, and since banks serve as economic middlemen, their profits decline when activity slows.

The six banks are also expected to report an average 17 per cent drop in net profit in the fourth quarter from a year earlier, according to preliminary

analysts' estimates from Refinitiv.

Still, lenders stand to gain from rising rates that allow them to earn more from the interest they charge borrowers.

Investors and analysts will focus on bank bosses' commentary as an important gauge of the economic outlook.

A parade of executives has warned in recent weeks of the tougher business environment, which has prompted firms to slash compensation or eliminate jobs.

Goldman Sachs will start laying off thousands of employees from Wednesday, two sources familiar with the move said Sunday. Morgan Stanley and Citigroup, among others, have also cut jobs after a plunge in investment-banking activity.

Miga offers

FROM PAGE B1

Amid escalated imports, the reserves slipped below \$33 billion this week after the central bank cleared international import bills. It was \$44.95 billion in early January of 2021.

The government is trying to ensure a smooth supply of imported items such as rice, wheat, edible oil, sugar, lentil, onion, chickpeas and dates, amid a dollar shortage in the banking sector.

The import of edible oil, sugar, lentil, onion, chickpeas and dates dipped in July-November as traders face difficulties in opening letters of credit (LCs) amid the US dollar shortage. This led traders and importers to warn that there might be a shortage of the items during Ramadan when their demand usually surges.

Following requests from the business community, the commerce ministry has already suggested the central bank set aside US dollars to be used by private importers before the fasting month to purchase key essentials from the international markets.

Interbank lending rate goes past 9% cap

FROM PAGE B1

The BB has recently told banks verbally that they can set a maximum of 12 per cent interest on retail loans. But, the majority of them are yet to implement the instruction since the central bank has not issued any official order to this effect.

Mansur suggested the central bank withdraw the interest rate cap immediately as such a move will help banks raise the interest rates on loans and deposits.

Although some banks have imposed lending rates between 7 per cent and 7.5 per cent to mobilise deposits, the rates are not working largely as a section of depositors are not keen to park their funds with banks because of the recent spate of scams in the banking sector and the higher inflation rate.

Inflation surged to a 10-year high of 9.52 per cent in August before easing to 8.71 per cent in December,

which has rendered the deposit rate negative.

Sizable private sector credit off-take, falling deposit growth on the back of negative real interest rates on deposits and increased bank spending on the US dollar somewhat squeezed up the banking system liquidity, said the BB in a report recently.

If the interest rate cap is withdrawn, banks will be able to set higher interest rates on deposits, thus attracting funds. Similarly, the initiative will push up the interest rate on loans, which will ensure the profitability of banks.

"If the inflow of the US dollar increases, the ongoing liquidity shortage will ease," Mansur said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says that the interest rates in the interbank money market are going up almost every day.

"This is not a normal phenomenon.

It is difficult for banks to make a profit due to the liquidity stress."

Rahman said the imposition of the 9-per cent interest rate cap has helped small borrowers receive loans smoothly. "Time has come to reconsider it given the ongoing situation."

A central bank official says that the central bank had earlier verbally instructed banks not to impose more than a 9 per cent interest rate in the interbank money market.

"But the situation is different now, so the central bank is not raising any objection to this end."

A managing director of a bank says that ensuring corporate governance in the banking sector is essential to restore the confidence of depositors.

"The central bank should take strict measures against delinquent borrowers to improve the financial health of banks."

Bangladesh a 'true global champion'

FROM PAGE B1

according to a finance ministry press release.

Seck opined that the economic capacity of Bangladesh is much better compared to other countries in Asia.

He also praised the various time-befitting steps of Prime Minister Sheikh Hasina in tackling the pandemic.

Terming the World Bank as one of the important development partners of Bangladesh, the finance minister said that there are many important sectors where the World Bank could work in Bangladesh such as the river-based economy.

Kamal said despite the hard challenges of the global economy, the size of the country's GDP has increased a lot while Canadian agency Visual Capitalist has placed Bangladesh as the 35th largest

economy of the world based on the data of the International Monetary Fund.

The finance minister mentioned that US President Joe Biden has also praised the economic growth of Bangladesh.

Seck opined that the economic capacity of Bangladesh is much better compared to other countries in Asia

Kamal requested the World Bank country director to take some iconic projects for Bangladesh.

Besides, they discussed the progress in probable funding for the "Beautification of Dhaka" project to ensure the navigability of rivers around the city and thus enhance the aesthetics of the capital.