



Clothes manufactured by local garment makers are a big draw for people seeking affordable attire ahead of Eid-ul-Fitr. The photo was taken opposite Dhaka College in the capital last Saturday. PHOTO: RASHED SHUMON

#### FOUR-MEMBER FAMILY IN DHAKA

# Monthly food expense rises 51% in four years: CPD

MD ASADUZ ZAMAN

The average monthly food expense for a four-member household in Dhaka has increased by up to 51 per cent over the past four years due to persisting high inflation, according to a study by the Centre for Policy Dialogue (CPD).

Even if the family refrains from eating meat or fish for a whole month, they would have to spend at least Tk 7,131 on food as of this February, up 51 per cent from the same month in 2019, it said.

If the family does include fish and meat in their diet, they would have to spend around Tk 22,664 as of this February, up 44 per cent from Tk 15,705 four years ago, the CPD added.

"Compared to last year, a family now has to spend a further 25 per cent only on food expenses, which is difficult for minimum wage earners," said Syed Yousuf Saadat, research fellow of the CPD who conducted the study.

"The way food expenses have increased by 25 per cent in the last one year, no one's salary or wages has actually increased to such a level, unless he/she got a huge promotion," he added.

Saadat then said the CPD calculated the data based on the "Bangladesh Urban Socio-Economic Assessment Survey" of the Bangladesh Bureau of Statistics (BBS), where they accounted for the amount of food each person consumes every day.

The average cost of purchasing 19 essential consumer goods, including rice, pulses, oil, sugar, flour, salt, fish and meat, were calculated under the survey.

Usually, a minimum wage earner gets a 5 per cent increment annually, but when expenses increase by 25 per cent in just a year, it forces them to compromise their diet.

"Even if two of a four-member family earn minimum wage, they will still face difficulty to eat a regular diet along with

purchasing non-food items," Saadat said. He suggested the concerned authorities consider increasing the minimum wage in all industries so that minimum wage earners can at least afford basic food.

Khondaker Golam Moazzem, research director of the CPD, said the living standard of fixed or limited-income groups has been badly disrupted by recent inflation as their real income has eroded.

Over the past four years, peoples' wages did not increase by more than 6 per cent annually.

And due to the rising cost of living, low and minimum-income groups are also gradually compromising on their needs.

"If the situation continues, they may have to take more stern decisions, such as returning to their village homes or sending their children to work," he added.

The economist also sees the possibility of job cuts if the situation becomes worse.

With this backdrop, the government should continue providing stimulus to

small and medium enterprises to help them survive the difficult time.

"It should also extend the scope for direct cash assistance programmes for low-income groups," Moazzem said.

In a recent budget proposal for the next fiscal year, the CPD said although the prices essential food items have decreased in the international market, they have yet to fall in Bangladesh.

"Not only the price of imported products, but also that of local products are on the rising trend," it added.

The think-tank also revealed that at least 28 imported essential food items currently face a high incidence of tax.

Considering the soaring inflation, the National Board of Revenue should reduce the duties and taxes on these essential commodities to provide some respite to consumers with low or limited income.

"If the taxes on the 28 products were reduced, people would get some relief," the CPD said.

## BGMEA seeks duty-free benefit for garment export to US

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has requested the US authorities for duty-free access to the US market for garment products made from the American cotton.

The trade body wrote in separate letters to Governor of Texas Greg Abbott, Senator from the Texas Ted Cruz, and US ambassador to Bangladesh Peter Haas on Monday.

In the letter, the BGMEA said on February 19, this year, the Bangladesh government eased the rules of mandatory fumigation tests for importing cotton from the Western Hemisphere countries or regions that cover the United States of America.

The relaxation of the rule will certainly make trade easier, reduce time and cost of importing cotton from the US, it said.

Bangladesh's garments face a 15.62 per cent tariff in the US market.

Bangladesh is the second largest apparel exporting country in the world, and its share in the global apparel trade is 6.37 per cent, according to BGMEA.

In 2022, Bangladesh's apparel export to the world reached \$45.71 billion.

## Oil sales to India soar amid Ukraine conflict: Russia

AFP, Moscow

Russian oil sales to India surged more than twentyfold last year as European buyers turned to other markets following the conflict in Ukraine, Russia's deputy prime minister said Tuesday.

Russia shifted its oil exports to India and China last year as European Union nations sought to end their reliance on Russian energy supplies after Moscow sent troops into neighbouring Ukraine.

The EU imposed an embargo on seaborne Russian oil in December alongside a price cap on Russia crude that was agreed with the Group of Seven industrialised powers.

The shift has meant cheaper Russian energy imports for China and India.

"Most of our energy resources were redirected to other markets, to the markets of friendly countries," Deputy Prime Minister Alexander Novak said in comments carried by Russian news agencies.

"If for example we take oil supplies to India, they increased 22 times last year," Novak said.

Novak, who is in charge of Russia's energy sector, also noted that supplies to China were increasing as a "result of the great work that has been done in the industry."

Russia, a major producer and key ally of the OPEC oil cartel, cut crude production by 500,000 barrels per day this month in response to the Western sanctions.

## Hybrid rice planted

FROM PAGE B1

During the early stage of hybrid rice cultivation in Bangladesh, Chinese varieties were introduced and the rice became sticky after boiling.

"Now the quality of hybrid rice is better. The amount of stickiness is low," he said, adding that these factors were encouraging growers to replace inbred rice.

Kabir said cost of cultivation of hybrid was not much higher than high yielding varieties. The cost of seed is higher, accounting for 10 per cent of the total cost, he said.

Farmers also need to apply more fertiliser, he said, adding that the agronomy, or the science of soil management and crop production, of hybrid rice cultivation was almost the same.

"But they can cover the cost when it comes to overall production," said Kabir.

FH Ansarey, managing director of ACI Agribusiness Division, said an increase in the price of paddy had encouraged growers to invest more

on hybrid cultivation.

Prices data compiled by the by Food and Agriculture Organization showed that wholesale rate of a quintal or 100 kilogrammes of coarse rice was Tk 4,326 in February this year, up from Tk 4,155 a year ago.

"We expect good sales in the coming Aman season too," he said.

Anwar Faruque, a former agriculture secretary, said an increased number of companies were in the seed business.

"Their promotional campaigns also had an impact," he said.

DAE Director General Badal Chandra Biswas said increased coverage of hybrid was a positive development as overall production would rise.

Regarding increased acreage of Boro, he said new areas had come under Boro cultivation this year. Many tobacco farmers had switched to rice this year, he said.

"We have also seen farmers planting rice after harvesting potato," he said.

## RMG export orders fall



Suppliers who make high-end garment items are faring well while the producers of low-end and basic products are performing poorly, said an exporter.

FROM PAGE B1

The earnings are growing on the back of a spike in shipments for high-end value-added garment items. For instance, many of the local exporters are supplying winter jackets worth \$50 apiece, a massive development for the apparel sector. This was almost unthinkable even five years ago.

The shipment is growing to new destinations as the demand for locally made garment items has increased in Asian nations, according to the BGMEA chief.

The shipment to emerging markets was \$849 million in 2008-09 and their share in the total apparel exports was 6.87 per cent. The amount jumped to \$6.37 billion in 2021-22 and the share surged to 14.96 per cent, BGMEA data showed.

In July-February of FY23, the shipment to the non-traditional market was \$5.69 billion and the share was 18.13 per cent.

The shipment to India rose to \$753.92 million in July-February, up 61.57 per cent year-on-year. It grew 47.65 per cent to \$1.08 billion in Japan, BGMEA data showed.

Jabbar said Bangladesh has been performing strongly despite the war largely because of the shipment of value-added garment items. "As a result, the impacts of the war on the overall earnings have not been noticeable."

Moreover, local entrepreneurs have invested \$5 billion to \$6 billion in the garment industry in recent years, he said.

"Most of the fund has been used in modernising factories. The investment has started to pay off."

Currently, the investment in the

garment sector stands at \$25 billion and a similar amount has been pumped into the primary textile sector, which includes the spinning, weaving and dyeing industries.

Another \$25 billion in new investments may come in the textile and garment in the next five years as the sector looks to raise apparel shipments to \$100 billion.

Siddiqui Rahman said exports are growing as suppliers are receiving back payments that were due during the peak of Covid-19.

Buyers are paying higher prices following the price hike of raw materials, freight charges and utilities."

Exporters hope that the orders will rebound from July as stores are expected to finish selling the old stocks while the shipping for the next winter season will kick in.

PHOTO: STAR

## Global banking volatility eases

REUTERS

Immediate investor concerns over the banking sector eased on Tuesday, lifting stock prices, with the European Central Bank's supervisory chief saying recent sector volatility underscored the need to step up regulatory scrutiny.

European banks were up 1.2 per cent, adding to Monday's 1.4 per cent gain, with UBS 1.6 per cent higher after its CEO said the Swiss bank sees its government-orchestrated Credit Suisse takeover as a growth opportunity. Credit Suisse shares rose 1.7 per cent.

The safe-haven US dollar, meanwhile, lost ground against a basket of major currencies for a second day, while the price of gold also fell as investors shifted back into riskier assets.

Top US banking regulators said on Monday they planned to tell Congress that the overall financial system remains on a solid footing after recent bank failures but will comprehensively review their policies in a bid to prevent future collapses.

## Traders' access

FROM PAGE B1

renewable energy, automobile manufacturers and repairing industries, handicrafts, energy-efficient device makers, jewellers, toy industries, cosmetics and toiletries, furniture makers, and mobile, computer and television servicing industries.

Under the scheme, banks and NBFIs receive funds at 2 per cent from the central bank, while borrowers get loans at a maximum interest rate of 7 per cent.

But lenders with more than 10 per cent of default loans can't access funds under the scheme. Besides, they will have to have at least three years of business experience.

There are 78 lakh SME units across the country.

## Bid to develop cold chain

FROM PAGE B1

losses, as reported by The Food and Agriculture Organization of the United Nations, with post-harvest loss of 26 per cent for fruits and 12-30 per cent for fish.

These inefficiencies can have a severe impact on the country's food security and economy so the cold chain infrastructure needs to develop, said Ershad Hossain, managing director and CEO for City Bank Capital.

Many corporates want to add to the infrastructure. "We will give the financial advice while Venture37 technical advice," he said.

"This partnership will not only enhance the competitiveness of the temperature-controlled logistic sector but will also create new opportunities for businesses and

investors alike," he added.

Venture37 is already providing technical assistance under a project of the United States Department of Agriculture named Bangladesh Trade Facilitation Project.

In 2021, the USDA launched a \$27 million project to support the government to expand cross border trade in agricultural goods by simplifying and automating import and export processes and improve capacity of laboratories and warehouses.

The five-year scheme, Bangladesh Trade Facilitation Project, also aims to work on fostering private and public investment in cold storages facilities and temperature-controlled logistics to make international trade of agricultural products more efficient.