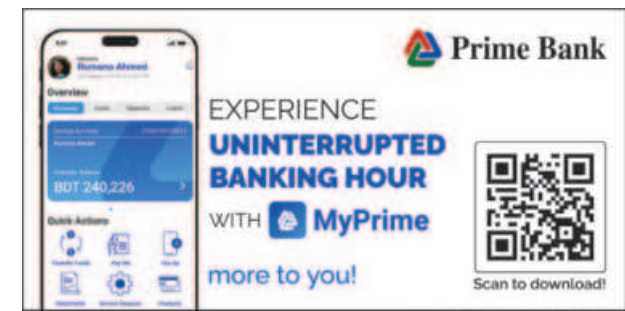


Star BUSINESS



Cargo movement through inland waterways has decreased in recent times as ongoing difficulties in opening letters of credit leading to lower imports means there is less to carry for the vessels on river routes. The picture was taken from the Shah Amanat Bridge over the Karnaphuli river in Chattogram recently.

PHOTO: RAJIB RAIHAN

Cargo movement thru waterways plunges

Industry insiders blame lower imports

JAGARAN CHAKMA

Inland water cargo vessel operations in Bangladesh plunged in the past eight months as imports have fallen significantly amid global economic uncertainties stemming from the ongoing Russia-Ukraine war, according to industry insiders.

Letters of credit (LCs) worth a total of \$45.51 billion were opened during the July-February months of the current fiscal year, down 23.45 per cent compared to the same period of 2021-22.

LC settlement fell 1.22 per cent year-on-year to \$52.01 billion from \$52.66 billion over the eight-month period, as per data from the Bangladesh Bank.

Of the total LCs issued at the time, those opened for importing consumer goods slumped by 14.53 per cent to \$5.49 billion compared to \$6.43 billion the year before.

Likewise, LC opening for intermediate goods fell 30.32 per cent year-on-year to \$3.60 billion from \$4.60 billion in FY22 while that of industrial raw materials

tumbled 30.05 per cent to \$15.55 billion from \$22.24 billion.

"Cargo vessel operations have declined 30 per cent in the past eight months as a result of declining imports amid the restrictions on the opening LCs due to the ongoing US dollar shortage," said Khandker Saiful Alam, proprietor of Max Corporation.

He said cargo vessel operations are mainly used to transport imported raw materials for various industries, which have been forced to curtail production for difficulties in opening LCs.

At present, there are around 2,000 cargo vessels in Bangladesh that use inland water routes for carrying goods, including those imported from neighbouring India.

So far, about Tk 6,000 crore has been invested in the country's cargo vessel segment, generating around 25,000 jobs directly.

Regarding the slow business, Alam said this matter is not only affecting Bangladesh but also the global economy.

"Cargo vessel operations will remain slow until normalcy returns to the overall economy."

Md Nurul Haque, proprietor of M/S Nurul Hoq Water Navigation, said the steep losses

global supply chains, the ensuing sanctions and trade restrictions put in place have further affected cargo movement.

"We carry imported goods to various factories as per

currency reserves from fast depletion.

Cargo vessel operations are in hot water also because of the recent hikes in fuel, wage and other costs amid rising inflation.

"Even the imports of industrial raw materials and food grains from India through river routes have reduced significantly," Haque added.

Various shipping agents say container movement at Chattogram port shrank by more than 28 per cent in the eight months to February, when only 168,074 twenty-foot equivalent units (TEUs) were transported.

Mehrul Karim, chief executive officer of SR Shipping Ltd, a concern of Kabir Group of Industries, said ongoing cargo vessel operations have declined due to the global economic crisis.

He said that shipping and cargo services in the country are mostly a one-way business that depends on imports.

"So, the shipping industry will not witness any improvement if the local cargo trade does not change."

they suffered during the Covid-19 pandemic have been made worse by the implications of the Russia-Ukraine war.

"As Bangladesh is a riverine country, it is easier, cheaper and more environmentally friendly to carry goods from the main ports to river ports through inland waterways compared to the road network."

Haque went on to say that while Russia's invasion of Ukraine has had an impact on

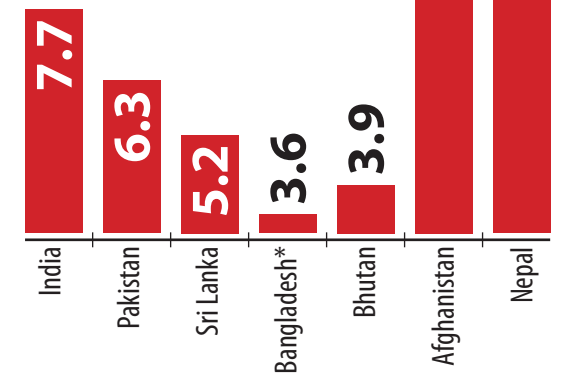
the orders from clearing and forwarding agents but importers are being unable to open LCs due to the US dollar crunch, which is impacting cargo vessel operations."

Because of the US dollar shortage driven by escalated import bills against lower export and remittance receipts, the central bank has tightened rules to discourage the imports of non-essential and luxury items in order to save the foreign



Unemployment rate in S Asia

In %; *BBS
SOURCE: WB



Unemployment rate keeps raising eyebrows

MD ASADUZ ZAMAN

Masudur Rahman completed his post-graduation in economics from Sirajganj Government College last year.

He is still looking for jobs to support the income of his six-member family. He is currently managing his expenses based on the income he generated by offering private tuition.

Rahman considers himself "unemployed". But, according to the definition of the Labour Force Survey (LFS) 2022 of the Bangladesh Bureau of Statistics (BBS), he is not unemployed. Rather, he is employed.

According to the definition, a person is to be considered unemployed if he or she did not work at all during the previous week (not even for an hour) or was temporarily absent from work.

And, the BBS says, a person is termed as unemployed if he or she is currently available to take up employment or the person seeks jobs or seeks to set up a business or agricultural undertaking in the previous four weeks.

The employment includes part-time, informal, temporary, seasonal or casual jobs within the national territory or abroad.

Aziza Rahman, project director of the LFS survey, said the BBS conducted the survey in line with the International Labour Organisation's (ILO) definition.

On this basis, the BBS last week released its LFS-2022, which shows that the unemployment rate in

READ MORE ON B3

STOCKS		WEEK-ON-WEEK
DSEX	▼	0.14%
CASPI	▼	0.46%
		6,206.80
		18,288.34

COMMODITIES		AS OF FRIDAY
Gold	▼	\$1,969.46
Oil	▲	\$75.74
		(per ounce)
		(per barrel)

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 1.78%	▲ 0.93%	▲ 0.05%	▲ 0.36%	
58,991.52	28,041.48	3,258.90	3,272.86	

Export trophy policy amended

STAR BUSINESS REPORT

The commerce ministry has published an amended national export trophy policy raising the minimum value of products and services that have to be exported for eligibility alongside bringing more goods and services under its purview.

The ministry gazetted the policy on March 29.

The government has been awarding trophies and certificates to merchandise and services exporters recognising their contributions to the nation through the creation of millions of jobs and earnings of billions of dollars in foreign currency every year.

"Two major changes were made as the minimum value of the goods exported and categories were increased," said Md Abdur Rahim Khan, additional secretary to the commerce ministry, over the phone.

The minimum value was increased for each sector as the value of exports of local companies has been increasing, Khan also said.

At the same time, new export sectors are also performing strong for the diversification of goods exported from the country.

As a result, the product categories under which exporters are awarded have also been increased to 36 from a previous 32.

For instance, in the amended policy, separate categories for female exporters and furniture, tourism and hospitality sectors have been included for the awards.

Every category has three trophies – gold, silver and bronze. The one earning the highest through exports receives the gold trophy, the first runner up silver and the

READ MORE ON B3



Abul Kashem, a farmer in Gangarampur Kayemkholahula village of Batiaghata upazila, desperately tries to remove rainwater from his watermelon field with a bucket on Friday after a hailstorm the night before hit the area. The untimely rains, hailstorms and water stagnation have come as a threat to the watermelons that have not reached maturity yet, leaving growers worried.

PHOTO: HABIBUR RAHMAN



WEEKLY INTERVIEW



PRICE LABELLING 'Everyone should stay aware of rules'

SUKANTA HALDER

Local fashion brands with large-scale operations typically add price tags from their factories or warehouses before delivering products to showrooms, according to Shaheen Ahmed, president of the Fashion Entrepreneurs Association of Bangladesh, yesterday.

However, brands with a single outlet may be

READ MORE ON B3