



The price of gold continues to reach new highs in Bangladesh with the precious metal now costing nearly Tk 1 lakh per bhoori. Gold is considered a safe-haven asset as it acts as a store of value that has maintained purchasing power for thousands of years. PHOTO: STAR/FILE

# Gold flirting with highs near Tk 1 lakh

## STAR BUSINESS REPORT

The price of 22-carat gold has gone up in Bangladesh for the second time in about a week, reaching a record-high of nearly Tk 1 lakh per bhoori (11.66 grammes). Having been adjusted by a maximum of Tk 1,516 per bhoori, 22-carat gold will now cost Tk 99,144 for that amount, according to a press release from the Bangladesh Jewellers' Association issued yesterday.

Bajus said they revised the cost of gold considering the highly volatile changes in pure gold prices in the domestic market. The new price will come into effect across the country from today.

On March 18, Bajus had increased the price of the precious metal to its previous high of Tk 98,794 per bhoori citing the

higher cost of pure gold in local markets. According to a Reuters report, spot gold price was down 0.6 per cent at \$1,968.25 per ounce by 2:26 pm EDT (18:26 GMT), after prices moved as much as 0.4 per cent higher following data that showed US consumer spending rose modestly in February.

US gold futures settled down 0.6 per cent at \$1,986.2.

Gold has traditionally been an asset that people go to for safety. It is a safe-haven investment that offers diversification to an investor's portfolio, helping it withstand volatility or short-term swings in the prices of assets that are more vulnerable to market whims.

Safe-haven assets typically perform well during downturns and financial crises, when riskier assets underperform.

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Gold is considered to be a safe-haven asset because it has acted as a store of value, maintaining its purchasing power for thousands of years. The reality is that over the long term, the price of gold remains constant while the price of everything else goes up.

With the price of gold set to increase, the cost of hallmarked 21-carat gold bars

weighing about 12 kilogrammes will now be Tk 94,653 while 18-carat ones will be Tk 81,123 and traditional gold bars Tk 67,593, according to Bajus.

However, the price of silver remains unchanged.

Till Saturday, 22-carat gold ornaments were being sold at Tk 97,628 per bhoori. Meanwhile, 21-carat gold jewellery were going for Tk 93,195 per bhoori, 18-carat Tk 79,898 per bhoori and traditional gold Tk 66,543 per bhoori.

But from today, 22-carat gold ornaments will cost Tk 1,516 more, 21-carat Tk 1,458 more, 18-carat Tk 1,225 more and traditional gold Tk 1,500 more.

Earlier on March 23, gold price was increased by Tk 7,698 to Tk 98,794, which was the highest rate in the country's history.

## UK economy avoids recession but businesses still wary

REUTERS, London

Britain's economy avoided a recession as it grew in the final months of 2022, according to official data which showed a boost to households' finances from state energy bill subsidies but falling investment by businesses.

With the economy still hobbled by high inflation and worries about a weak growth outlook, gross domestic product (GDP) increased by 0.1 per cent between October and December after a preliminary estimate of no growth.

GDP in the third quarter was also revised to show a 0.1 per cent contraction, a smaller fall than initially thought, the Office for National Statistics (ONS) said on Friday.

Two consecutive quarters of contraction would have represented a recession.

Despite the improvement, British economic output remained 0.6 per cent below its level of late 2019, the only G7 economy not to have recovered from the Covid-19 pandemic.

"The latest release takes the UK a little further away from the recessionary danger zone although the report does not change the overall picture that the economy's performance was lacklustre over the second half of 2022 as the cost of living crisis hit hard," Investec economist Philip Shaw said.

The International Monetary Fund forecast in January that Britain would be the only Group of Seven major advanced economy to shrink in 2023, in large part because of an inflation rate that remains above 10 per cent.

Since then, a string of economic data has come in stronger than expected by analysts.

Ruth Gregory at Capital Economics said Friday's figures showed high inflation had taken a slightly smaller toll than previously thought.

"But with around two-thirds of the drag on real activity from higher rates yet to be felt, we still think the economy will slip into a recession this year," she said.

House prices slid in March at the fastest annual rate since the financial crisis, mortgage lender Nationwide said.

The Bank of England (BoE) last week raised interest rates for the 11th consecutive meeting and investors are split on the possibility of another increase in May.

Britain's dominant services sector rose by 0.1 per cent, boosted by a nearly 11 per cent jump for travel agents, echoing other data which has pointed to a surge in demand for holidays.

Manufacturing grew by 0.5 per cent, driven by the often erratic pharmaceutical sector, and construction grew by 1.3 per cent.

Individuals' savings were boosted by the government's energy bill support scheme and households' disposable income increased by 1.3 per cent after four consecutive quarters of negative growth.

The BoE expects Britain's economy to have contracted by 0.1 per cent in the first three months of 2023 but it forecasts slight growth in the second quarter.

The outlook has improved thanks in large part to falling international energy prices and a strong jobs market.

## Unemployment rate



Thanks to the latest unemployment rate, Bangladesh's unemployed population stands at 26.3 lakh, down from 27 lakh five years ago. PHOTO: STAR/FILE

FROM PAGE B1 Bangladesh is 3.6 per cent, the lowest in South Asia.

World Bank data showed that the highest unemployment rate in South Asia prevails in Nepal at 12.2 per cent. It is 11.7 per cent in Afghanistan, 7.7 per cent in India, and 6.3 per cent in Pakistan.

Bangladesh's unemployment rate was 4.2 per cent in 2016-17 when the previous LFS was published.

Thanks to the latest unemployment rate, Bangladesh's unemployed population stands at 26.3 lakh, down from 27 lakh five years ago.

"This unemployment definition does not serve any purpose for the

country since it does not reflect the reality," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"The rural poor can't remain unemployed and they have to do something like working in land and working as a rickshaw-puller or as a hawker. These are not quality jobs. They are just doing these to get by."

The economist terms the reduction in unemployment as per definition of the BBS as valueless.

"Most of our employment is underemployment. They are not unemployed but they are working in order to survive. They are seriously under-employed."

Mansur recommended Bangladesh find out the figure of the educated unemployed in its context. The unemployed people should be categorised as per their educational qualifications.

"If it is done then we will find that the unemployment rate is 24-25 per cent in Bangladesh."

Speaking about ILO's definition, Mansur said: "It is the global practice. But it is not beneficial for us since it applies to the industrialised or developed countries."

The unemployment data raised eyebrows particularly because the national statistical agency carried out the survey throughout 2022, a

year when the economy was yet to recover fully from the devastating coronavirus pandemic and came under fresh pressure owing to the Russia-Ukraine war. Both have hurt the economy and businesses hard, thus the employment sector.

Although the impacts of the pandemic have petered out, there has been no sign of the war disappearing anytime soon.

Sayema Haque Bidisha, a professor of the economics department at the University of Dhaka, also says the official unemployment rate does not portray the real picture.

"We can produce the unemployment data in line with the definition of the ILO so that it remains in line with those in other countries."

Prof Bidisha, however, recommended the government not to rely on the ILO definition alone when it comes to policy-making. "Our circumstances should be taken into account."

She suggested including the underemployment in the calculation of the unemployment to get the real picture.

Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling, says there is a lot of debate about the definition of the ILO and it will not disappear soon.

He said the number of under-employed people was cited to be one crore in the 2016-17 report. So, he requested the BBS do the same.

Md Matiur Rahman, director-general of the BBS, says it can't set a local definition suddenly since it has been going on for a long time. "Our data is being used globally."

He said the LFS questionnaires were designed by a group of experts of the country almost two years ago.

"The under-employment data will be included in the final report," he added.

## Everyone should stay aware

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putting price tags at the showroom as they bring products directly from suppliers in the absence of warehouses, he said.

He was talking to The Daily Star over the Directorate of National Consumers Right Protection (DNCRP) recently warning against keeping pricing guns at showrooms.

Exchanging views with representatives of fashion outlets at its Dhaka office last Thursday, the DNCRP said price tags should be attached at the factory level, not at showrooms or retail outlets.

The DNCRP said during market drives over the past year, price tags were found to have been changed, in most cases to raise the prices of

products.

The DNCRP will temporarily shut down any outlet found having pricing guns during drives, said officials of the watchdog.

"The greater the offence is, the greater the punishment will be. Businesses should understand that if shops have to be closed for a day ahead of Eid, how much profit will be lost," said the DNCRP.

Now single outlets have to adopt alternative measures, said Shaheen Ahmed, also the owner of Anjans.

It will be better if everyone remains aware of this as the rule is the same for all, be it small or large-scale operations, he said.

At present, the association has over 100 members.

## Export trophy policy

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second runner bronze, the gazette said.

Besides there is a separate "Bangabandhu Sheikh Mujib Export Trophy" for the company with the highest export earnings.

Total export earnings of the awarding year, previous years' earnings, exports to new markets, inclusion of new products to the export list and compliance to different regulations are considered during the selection.

Companies defaulting on loans and paying income tax are not eligible. In this regard, the selection committee takes into account certifications from the National Board of Revenue.

Any company found responsible for environment pollution loses eligibility for five years starting from the year in which the Department of Environment penalised that entity. A no-objection certificate is required from the environment ministry in this regard.

