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Include women's unpaid work in GDP: PM

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Prime Minister Sheikh Hasina yesterday asked the authorities concerned to incorporate women's unpaid household works into Bangladesh's gross domestic product (GDP).

Women do domestic chores all their life but their work has remained unreported for a long time, the premier said.

Talking to reporters at a press briefing at the planning ministry, Planning Minister MA Mannan said the premier made the comments while chairing a meeting of the Executive Committee of the National Economic Council in Dhaka.

Mannan also shared the results of the preliminary report of the latest Labour Force Survey 2022 in the meeting.

Many developed Nordic countries like Finland and Norway have already acknowledged women's domestic contribution, the prime minister said

In response, the planning minister said he will assign the Bangladesh Institute of Development Studies to work on it.

If women's contribution is taken into consideration, Bangladesh's GDP would even be \$900 billion, Mannan said.

At the meeting, the premier also expressed her joy at the increasing participation of women in the labour force of Bangladesh.

Welcoming the move, Prof Sharmind Neelormi of Jahangirnagar University's economics department said this was a much-awaited issue for the country.

"But it should not be implemented hastily just before the country's upcoming national budget for 2023-24 fiscal year," she said.

Some developed nations have already undertaken the proper approach on including women's unpaid work in their national accounting system, she said.

Better not to rush on the matter, lest it leads to mistakes, she added.

At the meeting, the premier also welcomed the increasing participation of women in the labour market. Women account for some 42.85 per cent of the labour force at present whereas earlier it was 36 per cent.

In another note, the premier asked the authorities concerned to take necessary measures for realising tolls from the regional highways.

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AT A GLANCE

Food inflation rises **96** basis points to **9.09%** in March
 FY22 ended with average inflation of **6.15%**
 BB targets to keep inflation within **7.50%** in FY23

Monetary policy needs to be fully dedicated to reining in inflation through the interest rate channels.

World Bank

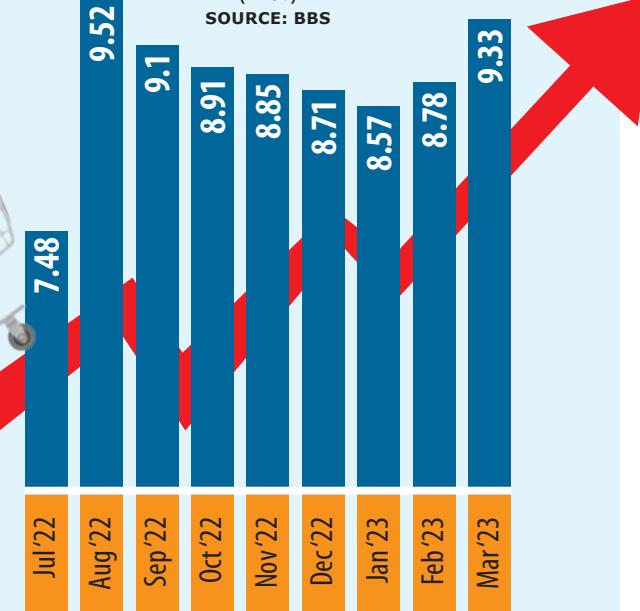
Non-food inflation falls **10** basis points to **9.72%**
 Inflation target for FY22 was **5.3%**

GLOBAL INFLATION (In 2023)

➤ Inflation to be **4.4%** in advanced economies
 ➤ Inflation to be **8.1%** in emerging, developing economies

MONTHLY INFLATION RATE

(In %) SOURCE: BBS



Inflation jumps to 7-month high in March

MD ASADUZ ZAMAN, MAHMUDUL HASAN and MD FAZLUR RAHMAN

Inflation in Bangladesh jumped to a seven-month high of 9.33 per cent in March as food prices rose and the adjustment of oil, gas, and electricity prices took hold, highlighting the pains low-income households are going through.

The Consumer Price Index (CPI) rose 55 basis points from the 8.78 per cent reported in February.

This means the spike in the CPI was just behind the 10-year high of 9.52 per cent seen in August last year, led by higher commodity prices in the global markets and the resulting increase in the prices of petroleum, gas, and electricity at home.

Planning Minister MA Mannan shared the inflation figures yesterday after the meeting of the Executive Committee of the National Economic Council in the capital.

The government released the data on a day the World Bank and the Asian Development Bank also published their projection about consumer prices. According to the two multilateral lenders, the CPI would average 8.6 per cent and 8.7 per cent respectively at the end of the financial year ending in June.

Mannan said the inflation rate increased by 55 basis points and the wage rate has gone up by seven basis points.

"The rise in the wage rate might give some relief to the people."

Food inflation rose 96 basis points to

9.09 per cent in March as demand rose owing to Ramadan.

Non-food inflation, however, fell 10 basis points to 9.72 per cent, according to a document from the planning ministry.

In its Bangladesh Development Update released in Dhaka yesterday, the World Bank said pent-up demand increased aggregate demand, and a rise in the price of imported goods and subsequent energy and transport price increases

research organisation, carried out a survey on 1,600 families in eight divisions from March 9 to 18.

It found out that the food habit of 90 per cent of the families has changed.

Some 73 per cent of the families had been concerned about not having enough food in their homes between September 2022 to February 2023. And the number of families who had no food at least for a day increased during the period, according to the survey.

Selim Raihan, executive director of the Sanem, said it was obvious that inflation would go up since the price of goods spiralled in February and March.

"In our survey, we found that the income of the households remained unchanged from September to February but the food expenditure increased drastically."

The economist warned that the higher inflation for such a lengthy period would push many into acute food insecurity.

Inflation in Bangladesh has been at an elevated level since July last year.

Prof Raihan pointed out flaws in market monitoring.

"Companies have increased the prices of oil, eggs, sugar, and rice disproportionately. But we haven't seen any effective measure when it comes to market monitoring."

On various occasions, many local economists have raised questions about the inflation numbers released by the

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World Bank, ADB stress reforms for sustainable growth

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The World Bank and the Asian Development Bank yesterday emphasised structural reforms of trade policies, public finance management, domestic resource mobilisation and the banking sector in Bangladesh in order to ensure sustainable growth in the upcoming years.

Abdoulaye Seck, country director of the WB for Bangladesh and Bhutan, called for removing the interest rate cap, launching a market-based exchange rate and regulatory reforms in the banking sector.

And Edimon Ginting, country director of the ADB, said: "The ongoing geopolitical crisis offered an opportunity to Bangladesh to increase economic resilience by carrying out key reforms."

Their comments came at separate events in Dhaka: the WB organised a programme to unveil "Bangladesh Development Update: Trade Reform: An Urgent Agenda", while the ADB held an event to publish the Asian Development Outlook April 2023.

In its report, the World Bank said trade has been a driving force behind Bangladesh's economic growth, job creation, and poverty reduction in recent decades. However, recent years have seen a decline in trade performance and an over-reliance on ready-made garment exports, raising concerns about the sustainability of the growth.

The erosion of competitiveness based on low wages and the impending loss of trade preferences due to the expected graduation from the grouping of the least-developed countries (LDC) are challenging the status quo.

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Maize farmers in Faridpur are busy drying the crop now that the harvesting period is over. However, yields are not all that good this year due to drought during the cultivating season. Each bigha is yielding about 45 maunds of maize, which is currently selling for up to Tk 1,300 per maund (roughly 37 kilogrammes). This picture was taken recently from the Harirampur area of Charbhadrasan upazila in Faridpur.

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Bangladesh yet to utilise Japan's China Plus One policy

JAGARAN CHAKMA and REFAYET ULLAH MIRDHA

In 2008, the Japanese government announced the "China Plus One" policy, focusing on relocating its sunset industries from China to other countries.

The aim was to mainly reduce the over-dependence on China as the cost of production has gone up significantly for a shortage of skilled workforce there. Moreover, Japan wanted to diversify from its single-sourcing destination apprehending disruptions.

The shift was necessary as 83 per cent of all Japanese foreign investments was centred on China, with most of it starting to be made since the early 1980s.

Aided by government incentives, 33,050 Japanese companies with more than \$57 billion in investments started relocating to different Asian countries and elsewhere, according to the Japan External Trade Organisation (Jetro), which works to promote mutual trade and investment between the country and the rest of the world.

Though investment of Japanese firms in Bangladesh now stands at \$380 million, it is 0.1 per cent of what they invested in Asia, according to Jetro

The recipient Asian countries were mainly Vietnam, Cambodia, Myanmar and Thailand. The Jetro's development strategies around foreign direct investment and integration in global value chains alongside considerable strides in the area of inclusive and sustainable development.

Some 15 years on, Bangladesh is yet to take advantage of the Japanese policy.

"No Japanese company shifted manufacturing plants to Bangladesh from China under the China plus one strategy," said Yuji Ando, chief country representative of the Jetro.

However, Japanese companies have set up operations in Bangladesh on their own. Their numbers rose from 245 in 2015 to 338 at present.

Though their investment now stands at more than \$380 million, it is just 0.1 per cent of what Japanese companies have invested in Asia, according to the Jetro.

Hope lies in the fact that the government has established a dedicated Japanese Economic Zone at Araihazar in Narayanganj. The zone, owned jointly by the Bangladesh Economic Zones

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Taka slips further as BB sells dollars

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The taka has weakened further against the US dollar as the Bangladesh Bank has started selling the American greenback to banks at Tk 103.

The move is aimed at adjusting the exchange rates gradually in line with the market demand and supply.

The latest depreciation of the local currency comes a month after the central bank sold the greenback to banks at Tk 102 per USD.

The central bank is selling the dollars to banks to help them meet their foreign currency requirements, particularly for import payments, amid the foreign exchange crisis that has been lingering for a year.

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