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BUSINESS



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Credit card
spending
hits four-
month low

STAR BUSINESS REPORT

Spending through credit cards hit a four-month low in February as people have become cautious in spending based on loans in the face of spiralling inflation, several bankers said yesterday.

Many have showed the lower number of days in February than January as a reason for the fall.

In February, people bought Tk2,312 crore worth of products and services, which was nearly 8 per cent lower than January's Tk 2,506 crore, according to data of Bangladesh Bank.

However, overall credit card based loan, a high interest-bearing instrument, rose 10 per cent year-on-year last month from Tk 2,108 crore in February of 2022.

It is worth mentioning here that credit card

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Include
women's
unpaid
work in GDP
calculation

PM reiterates

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina yesterday again directed the authorities concerned to bring women's unpaid household work into the calculation of Bangladesh's gross domestic product (GDP) in the next national budget.

"Women's domestic work is now underreported. It's not acceptable," she said.

The premier made the comments while chairing a meeting of the Executive Committee of the National Economic Council (Ecne) in Dhaka. Planning Minister MA Mannan told journalists after the meeting.

She had asked to do so earlier in another Ecne meeting last week.

If the contributions, especially the household contributions of women, had been added, then the GDP would have been much higher, she said.

"This is such a job [for women], which has no

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People watch as an airplane lands at the Hazrat Shahjalal International Airport in Dhaka. International air traffic to and from Bangladesh has surged in 2022, riding on pent-up demand. The photo was taken recently.

PHOTO: PALASH KHAN

Int'l air travels surge in
Bangladesh in 2022

Thanks to easing of pandemic-induced restrictions

SOHEL PARVEZ and RASHIDUL HASAN

International air traffic to and from Bangladesh hit the highest at least in four years in 2022, riding on pent-up demand for travel by migrant workers, non-resident Bangladeshis and the upper-middle-class segment.



"In general, our capacity has increased," Rahman said, hoping that the positive trend in air transport would continue in the coming days.

Internationally, demand for air travel has continued to be strong.

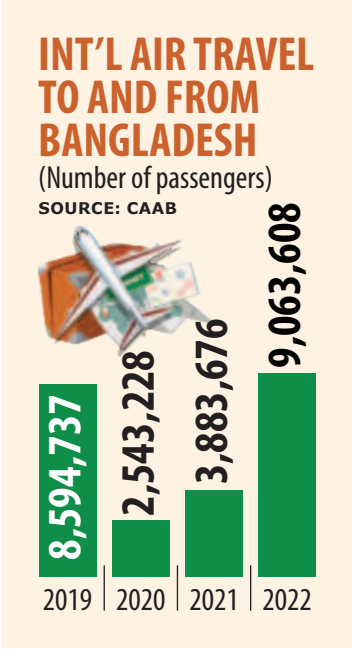
After a very healthy start in 2023, air traffic in February, measured in revenue passenger kilometres, rose 55.5 per cent compared to February 2022, led by carriers in the Asia-Pacific region, said the International Air Transport Association (IATA) earlier this month.

The global trade body said international air passenger traffic gained momentum and recovered substantially as travel restrictions were taken down and passengers expressed a very strong willingness to travel in 2022.

In Bangladesh, the movement of migrant workers, who could not travel in 2020 and 2021 for the pandemic-related restrictions, soared in 2022.

And the demand for travel by the upper-middle class, students and holidaymakers jumped too last year, said a top official of Biman Bangladesh Airlines, seeking to remain unnamed.

READ MORE ON B2



Air travels have surged after countries eased Covid-19 pandemic-induced restrictions.

Bangladesh's airports handled 90.63 lakh international passengers last year, up 133 per cent from 38.83 lakh in 2021, according to data from the Civil Aviation Authority of Bangladesh (CAAB).

The latest travel data crossed the 2019 air passenger figure, which was nearly 85.94 lakh – the year before the pandemic hit the country, wreaking havoc in the aviation industry and life and livelihoods across the globe.

The total number of flights doubled too in 2022 from that a year ago.

Airline operators say buoyancy in air travel continued in the first quarter of the current year and it is likely to continue.

"We had forecast a spike

earlier. People who came back during the pandemic have returned to their jobs. Besides, new job opportunities have been created especially in the Middle East," said CAAB Chairman Air Vice Marshal M Mafidur Rahman.

In 2022, Hazrat Shahjalal International Airport handled 78.28 lakh international passengers.

As the demand for air travel is growing, the government started construction of the third terminal so that the HSI could accommodate the increase in international and domestic air travellers.

The HSI has the capacity to handle 80 lakh passengers annually and the latest data showed that it handled more than that, if domestic passengers are taken into account.



Fashion brands are dissatisfied with sales ahead of Pahela Baishakh, saying it was higher last year and could have something to do with the first day of the Bangla month falling in the month of fasting for Muslims this time around. The photo was taken in Bashundhara City shopping complex yesterday.

PHOTO: SK ENAMUL HAQ

Pahela Baishakh
sales lose to Eid

SUKANTA HALDER

With only a day remaining before the celebration of Pahela Baishakh, the first day of Bangla year, sales of clothing and sweetmeat have not picked up and businesses say they are unlikely to meet their targets this year.

Fashion boutiques and sweets sellers said many customers are giving priority to shopping for Eid-ul-Fitr over Pahela Baishakh as the biggest religious festival of the Muslims is set to be celebrated just over a week later.

Businesses say people are limiting their expenses to Eid shopping because of increased prices of clothes and soaring living costs.

Khalid Mahmood Khan, co-founder of Kay Kraft, a retailer of fashionwear, accessories, home textile, handicrafts, and handloom-based products, said there were crowds of shoppers in shops more or less.

He said entrepreneurs thought that this year's sales would be better than that last year and that was how they had conducted preparations, but sales were not coming about as expected.

There may be some other reasons behind such a situation, such as a decrease in the purchasing power of people and increase in prices. If people are free from worries, sales increase, Khan added.

SaRa Lifestyle Limited, a sister concern of Snowtex Group, a garment exporter, currently has 11 branches across the country.

This fashion brand says it has created clothes suitable for summer considering the current weather conditions of Pahela Baishakh.

Sk Rahat Auyon, deputy manager of media and public relations at Snowtex Group, said whenever Pahela Baishakh was not in close proximity with Ramadan, preparations were made separately.

Fashion boutiques and sweets sellers said many customers are giving priority to shopping for Eid-ul-Fitr over Pahela Baishakh

But the situation has been different over the last couple of years, he said.

He said now there were no separate sales for Pahela Baishakh and Eid and it was a little difficult to identify the trends separately.

Last year there was a positive impact on the business as there was a large gap between Eid and Pahela Baishakh. But there is no distinct impact on sales this year, said Soumik Das, chief executive officer of Rang Bangladesh.

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EXPANSION OF
SHARIAH-BASED
FINANCIAL
SYSTEM

	In 2017	In 2022
Deposit	Tk 214,259cr	Tk 409,949cr
Investment	Tk 201,101cr	Tk 405,202cr
Full-fledged Shariah banks	7	9
Shariah-based branches	9	11
Islamic windows	8	14

Now non-banks
making foray into
Islamic finance

AHSAN HABIB

IDLC Finance Ltd, the largest non-bank financial institution in Bangladesh, is set to launch its Islamic financing window as it looks to tap business opportunities in a segment that is growing rapidly at home and abroad.

Yesterday, the non-bank said it had received the go-ahead from the central bank to introduce the Shariah-based financing operation.

The Shariah-compliant business will be run simultaneously with the existing operations, it said in a disclosure on the Dhaka Stock Exchange.

"Shariah-based financing business has a huge opportunity in Bangladesh, so we are entering the segment," Masud Karim Majumder, group chief financial officer of IDLC Finance, told The Daily Star.

With this, IDLC Finance would make a foray into a banking segment that is growing at a steady pace in the Muslim-majority country.

Islamic finance bans interest payments, monetary speculation, gambling, short sales, and financing activities that it considers harmful to society. It can only be used to invest in Sharia-compliant assets or portfolios.

The \$2.2 trillion global Islamic finance industry was expected to grow 10 per cent to 12 per cent over 2021-2022 due to increased Islamic bond issuance and a modest economic recovery in the main Islamic finance markets, S&P Global Ratings said in 2021.

In Bangladesh, the market share of Islamic banks has increased in the total banking industry in the past one decade. At the end of December of 2022, Islamic banks represented 25.81 per cent

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STOCKS	
DSEX ▼	CASPI ▼
0.08%	0.10%
6,296.48	18,279.39

COMMODITIES	
Gold ▲	Oil ▼
\$2,002.19	\$79.80
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.52%	▲ 1.05%	▲ 0.1%	▼ 0.05%
60,157.72	27,923.37	3,297.83	3,313.57

StanChart wins three awards

STAR BUSINESS DESK

Standard Chartered Bangladesh recently won three awards -- "Best Mobile Banking Application", "Digital Bank of the Year" and the "Best Digital Upgrade" -- at The Asset Triple A Digital Awards 2023.

In recent months, the bank has completed transmission of a digital cross-border letter of credit (LC) along with an over-the-weekend loan disbursement.

The bank also offers automated cash management solutions, said a press release.

"The bank's SC Mobile Application, iBanking platform, and Digital Trade Counter make banking faster, safer, and more efficient," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

"These paperless digital solutions are available round-the-clock," he said.

The Asset Triple A Digital Awards recognises financial institutions and technology firms that have excelled in innovation and developing digital experiences for customers across the Asia-Pacific and the Middle East.

The award programme celebrates industry players who have driven digitalisation to new frontiers in increasingly tough and complex markets.

Oil price rises

REUTERS, London

Oil prices rose on Tuesday on expectations of potential economic stimulus by China, healthy demand in the rest of Asia and a drop in US crude stockpiles.

Brent crude futures rose 63 cents, or 0.8 per cent, to \$84.81 a barrel at 0840 GMT, while US West Texas Intermediate futures gained 68 cents, or 0.9 per cent, to \$80.42 a barrel.

Data from China showed consumer inflation in March at its slowest pace since September 2021, suggesting demand weakness persists amid an uneven economic recovery, which spurred expectations Beijing may take steps to boost growth.



PHOTO: REUTERS

Applicants stand in front of a panel of recruiters during a test session for cabin crew jobs at Hainan Airlines in Beijing on March 30.

Stocks continue to drop for third day

Turnover remains below Tk 450cr

STAR BUSINESS REPORT

Stocks in Bangladesh continued to drop for a third consecutive day yesterday while turnover remained below Tk 450 crore as most investors are not pouring money into stocks.

The DSEX, the benchmark index of the premier bourse in Bangladesh, was down 5 points, or 0.08 per cent, from that on the previous day to close the day at 6,196.

The DS30, the blue-chip index, dropped 0.07 per cent to 2,198 and the DSES, the Shariah-compliant index, fell 0.14 per cent to 1,342.

Of the traded securities, 34 advanced, 78 declined and 183 did not show any price movement.

Market movement yesterday was driven by negative changes in the market cap of travel and leisure, paper and printing, and jute scrips amidst positive changes in the market cap of life insurance, services and real estate and bank scrips, according to the daily market review of Shanta Securities.

Turnover, an important indicator of the market, fell around 6 per cent from that on

After the first hour the apprehensive investors went for selling off their holdings while some investors adopted a "wait-and-see" stance ahead of Eid festivals.

International Leasing Securities

the day before to Tk 442 crore.

Prime Islami Life Insurance increased 9.96 per cent followed by Pragati Life Insurance that rose 7.9 per cent, Midland Bank up 6.97 per cent and Meghna Life Insurance gained 4.07 per cent.

Al-Haj Textile Mills topped the list of losers by shedding more than 9.99 per cent. Legacy Footwear, Orion Infusion, Gemini Sea Food, and Samata Leather Complex suffered substantial losses as well.

Aamra Networks was the most-traded stock on the day with its shares worth Tk 29 crore transacted. Olympic Industries, Apex

Footwear, Eastern Housing, and Gemini Sea Food followed suit.

The Dhaka stocks observed another downbeat session amid volatile trading. The market started with a marginal gain but after the first hour the apprehensive investors went for selling off their holdings while some investors adopted a "wait-and-see" stance ahead of Eid festivals, said International Leasing Securities in its daily market review.

The optimistic investors' move to uplift the index failed as the sale pressures in IT, paper, travel and jute sectors pushed down the market in latter part of the session.

The investors' attention was mostly centered on food (accounting for 19.1 per cent of the turnover), IT (17.3 per cent) and life insurance (8.9 per cent) sectors.

The stocks on Chittagong Stock Exchange also dropped yesterday. The Caspi, the all-share price index of the bourse in the port city, edged down 18 points, or 0.10 per cent, to close at 18,279.

Of the issues, 22 rose, 46 retreated and 63 did not see any price movement. Turnover rose 102 per cent to Tk 10 crore.

Chinese airlines on big hiring drive as travel rebounds

REUTERS, Beijing

Chinese airlines undertaking the biggest hiring drives in more than three years as travel rebounds are facing a deluge of applicants for cabin crew roles as fresh university graduates turn to the relatively high-paying career in a bleak job market.

In contrast to Western countries, where cabin crew roles are relatively low-paid and mostly do not require a university degree, becoming a flight attendant in China typically requires a bachelor's degree and preferably passing a challenging government-administered English test.

During the pandemic, the total number of flight attendants in China fell by around 11,000, or an 11 per cent drop from the pre-pandemic level of 108,955 in 2019, according to data from the Civil Aviation Administration of China (CAAC), due to attrition rather than the widespread layoffs seen in the West.

Carriers including Xiamen Airlines, China Southern Airlines and Spring Airlines are now on a hiring spree as domestic travel recovers and they plan to resume flights to popular international destinations.

They can pick from an overwhelming number of applicants at a time when a record 11.58 million college graduates are about to enter one of the country's worst job markets in decades. The gloomy global economic outlook has weakened export demand and companies in sectors like technology, education and property are cutting staff.

Hainan Airlines, which plans to hire more than 1,000 flight attendants this year, has already received more than 20,000 applications, it told Reuters.

During the pandemic, the total number of flight attendants in China fell by around 11,000, or an 11 per cent drop from the pre-pandemic level of 108,955 in 2019

Its job fair held in Jinan in February attracted 900 candidates and the company hired just 60 people, meaning a selection rate of around 6 per cent.

China Southern, which plans to hire 3,000 cabin crew this year, said it already had more than seven times as many applicants by the end of December. Before the pandemic, around 10 per cent of cabin crew applications were typically successful, industry experts said.

"There have always been a large number of young girls and boys who want to do this job, as the income is not bad, usually between 10,000 (\$1,454) and 20,000 yuan a month, and it is fun, allowing you to fly around the world," said Li Hanming, an independent expert on China's aviation industry.

In 2021, only 6.1 per cent of fresh college graduates earned more than 10,000 yuan a month, the Global Times reported in February, citing education consulting and research institute MyCOS.

Wang Shenbo, who applied for a flight attendant role at Hainan Airlines, said the majority of his classmates were continuing to study for a master's degree in hopes of getting even better paid jobs.

"Some of them are not interested in the work of flight attendants, unlike me... and many of my classmates have found a job but are dissatisfied with the salary level," he told Reuters.

Despite the surge in job seekers, airlines may find it difficult to deploy new hires immediately because of year-long ground training courses, which could slow their efforts to boost capacity quickly and keep airfares high, Li said.



Hassan O Rashid, managing director of Prime Bank, exchanged signed documents of an agreement with Md Abdul Wahab, director of the Covid-19 Emergency and Crisis Response Facility Project, SME and Special Programmes Department of the Bangladesh Bank, at the BB headquarters in Dhaka recently over disbursing loans for the small and medium enterprises under a refinancing scheme of the central bank funded by the Asian Infrastructure Investment Bank. Abu Farah Md Nasser, deputy governor of the BB, was present.

PHOTO: PRIME BANK

Bitcoin pushes past \$30,000

REUTERS, Singapore

Major cryptocurrency bitcoin breached the key \$30,000 level for the first time in 10 months on Tuesday, adding to its steady gains as investors raised bets that the US Federal Reserve will soon end its aggressive monetary tightening campaign.

Bitcoin peaked at \$30,438 in Asian trade and was last 2 per cent higher at \$30,262. It has gained about 6 per cent since the start of the month, after rising 23 per cent in March.

The token's surge follows Friday's closely-watched US nonfarm payrolls report that showed employers

maintained a strong pace of hiring in March, pointing to a still-resilient economy.

However, banking sector turmoil sparked by last month's collapse of Silicon Valley Bank has raised market expectations that the Fed is unlikely to lift interest rates much higher for longer as it looks to ease stress on the sector.

"The reason behind the broad-based rally in crypto is traders' optimism toward central banks' monetary policy," said Tina Teng, markets analyst at CMC Markets.

"Bets for a sooner Fed pivot on rate hikes have been dramatically strengthened following the bank

turmoil in early March."

Ether, the second largest cryptocurrency, stood near last week's roughly eight-month peak of \$1,942.50. It was last 0.75 per cent higher at \$1,925.80.

Crypto investors are eagerly anticipating a major revamp to the Ethereum blockchain this week that is set to allow them to gain access to more than \$33 billion of ether currency.

Dubbed Shapella, the software upgrade will let market players redeem their "staked ether" - coins they have deposited and locked up on the network over the past three years in return for interest.

Dollar slides against euro and pound

REUTERS, London

The dollar gave back the previous day's advances against the euro and pound but held some gains against the yen on Tuesday as traders' attention turned to US inflation data due on Wednesday for signs of how close US rates are to peaking.

The euro was up 0.4 per cent at \$1.0903 and the pound was up 0.5 per cent at \$1.2439 as most European markets returned from the long Easter weekend.

Both currencies over the break had slipped from their early April peaks after resilient US labour market

released Friday bolstered the case for a Federal Reserve rate hike next month, and also eased fears about a sharper slowdown in the US economy.

"The Fed's early May meeting is beginning to loom and the data on the way to that is very much the focus," said Jane Foley, head of FX strategy at Rabobank.

She said the euro's ability to jump clear of \$1.09 would depend on the upcoming data and what it meant for US interest rates.

"Bank earnings will also be important, they don't often reach across to FX markets directly, but they might give the recent jitters,"

Foley added.

Tuesday's moves were also affected by European markets' reopening after the break, said Simon Harvey, head of FX analysis at Monex Europe, given the limited liquidity on Friday and Monday with most European markets closed.

He said algorithms trading currencies based on the difference between European and US rates might have sold euros for dollars when US Treasury yields rose after the jobs data while European bond markets were closed. European bond yields rose sharply on Tuesday catching up after the break.

Int'l air travels surge in Bangladesh

FROM PAGE B1

The state carrier transported around 30 lakh passengers in 2022 which was higher than its target for the year, according to the official.

"We have a huge flow of outbound travellers. Many migrant workers, who were stuck, could fly. Many skilled and unskilled workers also left for jobs abroad."

"We also see a new segment of air travellers in Bangladesh," said the official, adding that many Bangladeshis flew to Bangkok, Singapore, Kuala Lumpur and Dubai on holidays.

As the buying capacity of the middle class has increased, they are also travelling to destinations such as the UK, Canada and the US, according to the official.

CAAB data showed that the number of outbound travellers from Bangladesh was 49.84 lakh in 2022, registering a 144 per cent year-on-year increase.

Bangladesh's aviation industry is expected remain on a positive trend as trade and connectivity are growing

and per capita income is rising.

"It is a very good market for any airline," the Biman official said.

Apart from Biman, nearly 30 foreign carriers and two private carriers -- US-Bangla Airline and Novo Air -- operate international flights.

An official of a top international carrier operating in Bangladesh said the movement of workers to the Middle East, particularly Saudi Arabia, increased in 2022.

"A big chunk of migrant workers from Bangladesh went to Malaysia as well. We have seen many people travelling to Saudi Arabia for Umrah this year."

Data from the Bureau of Manpower Employment and Training showed that more than 11.35 lakh Bangladeshis left the country for jobs abroad last year, nearly doubling from 6.17 lakh migrant workers who flew abroad the previous year.

An official of Singapore Airlines said many non-resident Bangladeshis visited the country in 2022 as the Covid situation was stable in Bangladesh.

"Air travel has grown significantly."

In 2022, 40.79 lakh travellers came to Bangladesh which was double from 20.37 lakh seen in the previous year, according to the CAAB.

Despite the surge, officials of the two foreign carriers said, the overall air travel market was yet to return to its pre-pandemic level globally.

In Bangladesh, several foreign airliners cut flights during the pandemic and they are yet to reopen and operate in full capacity.

The Singapore Airlines official said there would be an increased flow of air passengers from Bangladesh for business purposes once China reopens fully.

Imran Asif, chief executive officer at Air Astra, said air travel from Bangladesh surged in 2022 for pent-up demand.

"Like other countries, Bangladesh was also affected by the Russia-Ukraine war."

"Airline operating costs have increased, so have fares. If the airline had not increased, air travel from Bangladesh would have been higher."



A worker collects mustard oil trickling down a row of mechanised screw and hydraulic presses at an oil mill in Hatkhola area of Barishal city for sale at Tk 240 per litre. Around 3,96,594 tonnes of rapeseed and mustard seeds were produced around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken on Sunday.

PHOTO: TITU DAS

China consumer inflation falls below 1% in March

AFP, Beijing

China's consumer price inflation fell below one percent in March, official figures showed Tuesday, a sign of weak demand as the world's second largest economy tries to recover from its pandemic-driven slump.

The March consumer price index (CPI) — the main gauge of inflation — came in at 0.7 per cent, down from the one percent seen a month earlier, according to the country's National Bureau of Statistics (NBS).

Beijing is targeting an average inflation rate of three per cent for 2023, which is still far below the current rates of many developed economies.

Analysts had expected a faster pace in March, with economic activity picking up again after the abandonment of zero-Covid restrictions at the end of 2022.

The producer price index (PPI), which measures the cost of goods leaving factories, shrank for the sixth consecutive month, with prices falling 2.5 per cent — indicating lower margins for businesses.

"Economic recovery is on track but not strong enough to push up prices," Zhiwei Zhang of Pinpoint Asset Management wrote in a note.

No alternative to central bank digital currency

Former BB governor says

STAR BUSINESS REPORT

There is no alternative to a central bank digital currency (CBDC) as it will be very prominent in the global financial system in the coming decades, said Atiur Rahman, former governor of Bangladesh Bank, yesterday.

"There will be further experimentation of the CBDC across the globe, which will establish it as an important solution to emerging needs and increasing digitalisation needs," he added.

"Central bank-backed digital currencies will offer the general public broad access to digital money that is free from credit risk and liquidity waste. It will also significantly increase cross border trade," he said.

"The right path for us is to follow the CBDC-related development around the globe and learn as much as possible. Especially, learning from the neighbour is important as they have the same ecologies," he added.

He was speaking at a seminar titled "Transforming the Paper Currency to Digital: Takings from and Makings of Central Bank Digital Currency" organised by the Scholars Bangladesh Society

Central bank-backed digital currencies will offer the general public broad access to digital money that is free from credit risk and liquidity waste

Atiur Rahman
Former BB governor

and Emerging Credit Rating Ltd at Intercontinental Dhaka.

Bangladesh, as a rapidly digitalising country, having mobile financial service, agent banking and other fintech firms, should be also among the early starters of the CBDC, he added.

"No doubt there are many advantages of digital currency. Bangladesh will go ahead, will very slowly go on adopting the method of learning by doing," he said.

"I think the central bank, with their human resource and regulatory strength,

will lead the process," he added.

Jamaluddin Ahmed, chairman of Emerging Credit Rating Ltd, said the adoption of mobile financial services by central banks has revolutionised financial transactions in the country.

Now it's time to explore the CBDC, he added.

"Currently, 122 countries around the world are on the path to adopting digital currency policies," he added.

"Digital currency will save our money and transactions will be more efficient. A task force consisting of banking experts and technical experts should be formed to introduce digital currency in the country," he added. Kamal Quadir, founder and CEO of bKash, said trust was at the core of financial transactions.

"Just as it is written on paper money that 'must be obliged to pay the bearer on demand', similarly even if the transaction is done digitally, the customer's trust must be gained," he said.

He said bKash has earned that trust.

It is because every transaction bKash makes is under central bank monitoring. Customers should be ensured security of money in digital transactions, he added.

Deeper financial turmoil would slam global growth IMF warns

REUTERS, Washington

The International Monetary Fund on Tuesday trimmed its 2023 global growth outlook slightly as higher interest rates cool activity but warned that a severe flare-up of financial system turmoil could slash output to near recessionary levels.

The IMF said in its latest World Economic Outlook report that banking system contagion risks were contained by strong policy actions after the failures of two U.S. regional banks and the forced merger of Credit Suisse. But the turmoil added another layer of uncertainty on top of stubbornly high inflation and spillovers from Russia's war in Ukraine.

"With the recent increase in financial market volatility, the fog around the world economic outlook has thickened," the IMF said as it and the World Bank launch spring meetings this week in Washington.

"Uncertainty is high and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled," the Fund added.

The IMF is now forecasting global real GDP growth at 2.8 per cent for 2023 and 3.0 per cent for 2024, marking a sharp slowdown from 3.4 per cent growth in 2022 due to tighter monetary policy.

Both the 2023 and 2024 forecasts were marked down by 0.1 percentage point from estimates issued in January, partly due to weaker performances in some larger economies as well as expectations of further monetary tightening to battle persistent inflation.

The IMF's US outlook improved slightly, with growth in 2023 forecast at 1.6 per cent versus 1.4 per cent forecast in January as labor markets remain strong. But the Fund cut forecasts for some major economies including Germany, now forecast to contract 0.1 per cent in 2023 and Japan, now forecast to grow 1.3 per cent this year instead of 1.8 per cent forecast in January.

PC shipments plunge globally

AFP, San Francisco

Shipments of Apple Macs plunged during the first quarter of this year as the global personal computer market suffered due to tough economic conditions, market research reports said on Monday.

Weak demand, excess inventory, and a worsening macroeconomic climate contributed to a "precipitous drop in shipments of traditional PCs" in the first three months of this year, according to the report from IDC.

PC shipments globally tallied 56.9 million, some 29 per cent less than the same period a year earlier, the research firm said.

Shipments of Apple Mac computers, which are in the premium segment of the market, shrank more than 40 per cent in the quarter, IDC and Canalsy, another research firm, reported.

"Consumers and businesses will remain cautious about outlays on new PCs in the short term," said Canalsy analyst Ishan Dutt.

Pahela Baishakh sales

FROM PAGE B1

He said many buyers were pondering whether to buy a dress only for one day this Pahela Baishakh. At the end of April 13, it can be fully understood how the sales have been for Pahela Baishakh this year, he said.

As people will celebrate the Bangla New Year during the month of fasting, it is a bit difficult to cite the exact volume of Pahela Baishakh-centric sales from those linked to Eid-ul-Fitr.

Uzzal Das, owner of the Lanthon Fashion House at Aziz Super Market in Shahbagh, said demand from the masses who used to make purchases was now even less.

"In 2018 or 2019, I used to invest about Tk 10 lakh only on the sale of the seven days before Pahela Baishakh. This time I have invested about Tk 1.5 lakh," he said.

At one time, out of 270 showrooms in Aziz Super Market, about 200 showrooms used to stock up on products in their shops around Pahela Baishakh. "I didn't even see 20 showrooms do it this time," Das added.

According to a survey of Bangladesh Fashion Entrepreneurs Association, a platform of fashion organisations, conducted in 2012, fashion houses across the country make sales of around Tk 6,000 crore throughout the year.

More than 50 per cent of the sales come during Eid-ul-Fitr and at least another 25 per cent ahead of Pahela Baishakh, it found.

Pahela Baishakh has become one of the biggest occasions for sales of sweetmeat makers on the back of a rising trend among corporates to send gift hampers to their clients and vendors.

Mahbubur Rahman Bakul, country director of Premium Sweets, said, "If you compare this year with the sales or advance orders of Pahela Baishakh in the last 22 years to 23 years, the business situation is quite bad."

"This effect has been caused by Pahela Baishakh falling in the middle of Ramadan and a few days ahead of Eid-ul-Fitr. This is the first time I have seen such a bad situation in my business life

for so many years," he said.

Consuming hilsa, the national fish of Bangladesh, has become a trend in Pahela Baishakh celebrations.

Traders say the price of hilsa fish has increased due to a lack of supply in the market whereas demand was high.

Khokon Chandra Samaddar, a wholesale fish trader at Jatrabari fish market in the capital, said the price of hilsa fish has increased by Tk 200 to Tk 300 per kilogramme from yesterday on the occasion of Pahela Baishakh.

He said yesterday a hilsa fish of Myanmar weighing 800 grammes was sold at Tk 1,200 and whereas one caught locally at Tk 1,400.

Samaddar said another reason behind the increase in prices was that fish was not available as per the demand. For this reason, there is a big impact on the price.

"There is a demand for 30 maunds (one maund equals around 37 kilogrammes) of fish in my shop every day but I am getting only 5 maunds," he added.

Now non-banks making foray

FROM PAGE B1

share in terms of deposits and 29.20 per cent when it comes to investments, data from the Bangladesh Bank said.

It was 23.13 per cent and 23.81 per cent, respectively, in 2017.

At present, nine banks have full-fledged Shariah-based operations and eleven banks have opened Shariah-based branches. Besides, 14 conventional banks have Islamic banking windows, according to the central bank's latest quarterly report on Islamic banking.

In 2017, seven banks were full-fledged Islamic banks and nine banks had Shariah-based branches. Only eight banks had Islamic banking windows.

There are 35 NBFIs in the country. Of them, Islamic Finance and Investment, Hajj Finance and Aviva Finance have full-fledged Shariah-based operations.

"People have trust in IDLC Finance, but when we go to them, many don't want to keep deposits with us since we run operations under the traditional

system. Thanks to the new window, we will be able to cater to this group of customers," Majumder said.

Total deposits in the Islamic banking segment stood at Tk 409,949 crore in 2022, up more than 91 per cent from Tk 214,259 crore in 2017, central bank data showed.

Investments (loans and advances) totalled Tk 405,202 crore at the end of 2022, up from Tk 201,101 crore five years ago.

A mid-level official of the central bank said that banks and NBFIs are launching Islamic windows or branches or turning into full-fledged banks or non-banks as most of the people in the country are Muslim and many of them don't want to keep money with conventional banks.

"The Islamic financing system seems progressively attractive and profitable compared to conventional banks as the former gets the opportunity to maintain a lower statutory liquidity ratio (SLR)

and a higher investment-deposit ratio (IDR)."

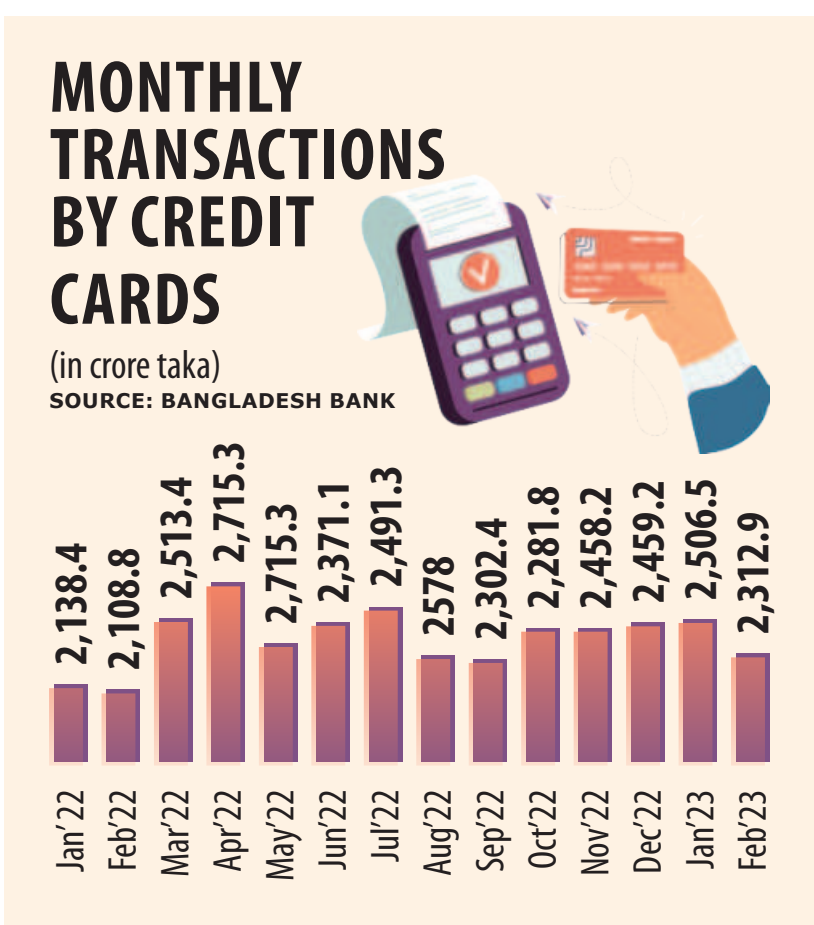
Traditional banks have to maintain a 13 per cent SLR, which is defined as the ratio of a bank's liquid assets to a bank's net demand and time liabilities, whereas it is 5.5 per cent for Islamic banks.

Similarly, the loan-deposit ratio for conventional banks is 87 per cent whereas the IDR is 90 per cent for Islamic banks.

Majumder said it is true that running a Shariah-based window, alongside a conventional operation, is challenging since a separate advisory board would be needed, separate products would have to be introduced, and different books would have to be maintained for the former.

"But we are confident about doing well. The Islamic finance system has witnessed phenomenal growth in Bangladesh in recent years and the momentum is expected to continue in the coming decades as well."

Credit card spending



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spending fell only 1.4 per cent in February last year compared to January 2022's Tk 2,138 crore.

The number of transactions by credit cards also declined on month to month basis in February this year, showed the central bank data.

Mohammad Razimul Haque Razim, head of cards of the City Bank Ltd, has blamed the fall in credit card spending on the reduced purchasing capacity of the people caused by ongoing high inflation.

Many cautiously cut their spending by credit card to reduce pressure on their wallets, he said.

Razim said credit card loan is a revolving credit, which has high interest. "But if a customer clears all dues on

time, there would be no interest as well."

As of February this year, banks issued 21.58 crore credit cards, which was higher from January and from the same month a year ago, data by the central bank showed.

Md Abu Bokar Siddik, head of cards of Mutual Trust Bank Ltd, said February has 28 days whereas January 31 days, which was the main reason of experiencing a fall in credit card use.

However, Md Abed ur Rahman, head of cards of Midland Bank, said a section of credit card users have already exhausted their credit limit.

Many have become cautious in spending because of the rising cost of living, he added.

Inflation in Bangladesh climbed

8.78 per cent year-on-year in February, snapping a declining trend of the previous five months.

In March, consumer prices jumped to a seven-month high of 9.33 per cent, according to Bangladesh Bureau of Statistics.

Syed Mohammad Kamal, country head for MasterCard in Bangladesh, said credit card transactions in March was good and April would be good also for Ramadan, which is an Eid shopping season.

The BB data showed that foreign currency transaction through credit card declined in February.

In February, this year, foreign currency transaction fell to a five-month low of Tk 557 crore, which is also lower by 10 per cent from the previous month's Tk 620 crore.

However, overall foreign currency transaction by cards more than doubled year-on-year from Tk 256 crore in February 2022.

Include

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fixed work hours, no rest, no leave, no salary and no pension," said Hasina while sharing her definition of women's unpaid work.

Mannan said they may not be able to evaluate the love and affection of the mother. But women's work like washing of clothes, cooking etc can be brought into the calculation, he said.

"We have already passed directives to the Bangladesh Institute of Development Studies (BIDS) to do some work on how this could be incorporated," said the minister.

However, shedding light on this issue, Shamsul Alam, state minister for planning, said the Bangladesh Bureau of Statistics estimates the GDP following a system of national accounts in light of the Statistical Commission of the United Nations.

Due to limitations in the international formula, he suggested forming a shadow satellite account and thus estimating the contributions of women pricing their labour in financial terms.



All of the 157 plots of the newly built Narsingdi Industrial Estate (Extension) are up for grabs for entrepreneurs. In total, there are 1,003 vacant plots in 80 industrial estates across the country, prompting the Bangladesh Small and Cottage Industries Corporation to seek applications from entrepreneurs to allot them. The photo was taken yesterday.

PHOTO: JAHIDUL ISLAM

1,003 BSCIC plots lying empty

The agency is seeking applications from entrepreneurs

SUKANTA HALDER

The Bangladesh Small and Cottage Industries Corporation (BSCIC) is seeking applications from entrepreneurs to allot 1,003 plots lying vacant in various industrial estates across the country.

On March 6, the state-run agency ran an advertisement on its website as well as in newspapers to draw the attention of entrepreneurs.

Interested entrepreneurs will have to apply within 45 days from the publication of the advertisement.

Established in 1960, the BSCIC started its journey to develop industrial plots equipped with utility connections and connectivity for SMEs with a view to spurring industrialisation. The agency has 80 industrial estates having 11,922 plots.

Despite the availability of utility connections and other services at the estates, many plots sit idle.

The Rajshahi-2 industrial estate has the highest number of empty plots at 239.

Masudur Rahman Rinku, president of the Rajshahi Chamber of Commerce and Industry, blames the higher price of the plots for the lower interest among entrepreneurs.

The chamber wrote a letter to the industries ministry recently, requesting it to reduce the price of the plot.

Rinku claimed adequate loans are not available from private banks. "Overall, entrepreneurs are less interested about the plots. So, even after the estate is ready, many plots are still vacant."



The BSCIC Industrial Estate in Bhairav of Kishoreganj has the second-highest number of vacant plots of 234. It stood at 157 at the Narsingdi Industrial Estate (Extension).

Abdul Momen Molla, president of the Narsingdi Chamber of Commerce and Industry, also expressed concerns about the higher price of plots.

A meeting was held at the district administration office recently on the allotment of plots. During the meeting, Molla requested the authorities to allocate plots to genuine entrepreneurs.

There are 77 vacant plots in the Sreemangal Industrial estate out of a total of 122.

"Most of the plots in the BSCIC estate

are vacant because there are fewer local entrepreneurs," said Kamal Hossain, president of the Moulvibazar Chamber of Commerce and Industry.

"Besides, the Habiganj Industrial Park is not far from Sreemangal. Many entrepreneurs have invested in that park."

He said the prices of plots are two to three times higher in the estate than outside of the estate.

"Many entrepreneurs are also facing problems in getting gas connections. So, they are less keen about securing plots in the industrial estate."

Abdul Matin, acting director for industrial promotion and extension of the BSCIC, said a policy has been prepared to remove the anomalies in the allotment of

plots.

"The policy is in the final stage. If it is implemented, many problems will be solved."

The official said in some areas, industrial estates have been established at the request of influential people. "But when the industrial estate was ready, there weren't enough entrepreneurs to take the plots. As a result, many plots are vacant now."

"The problem has existed for long. It will be resolved in phases."

According to the BSCIC notification, entrepreneurs will have to pay 20 per cent of the total value of the plot during the application. The rest of the amount could be paid in a single installment or in 10 installments over five years.

The plots will be distributed by the district plot allocation committee. Each plot is leased out for 99 years.

A factory must be built on the plot within 18 months of getting the allotment.

Currently, 4,511 factories are operational in the industrial estates and a fifth of them manufacture goods for the export markets, BSCIC data showed.

About 30 per cent of import-substitute products made in the country also come from these estates, which also account for 11 per cent of the country's exports.

The industries in the estates represent garment, poultry, food-processing, jamdani, hosiery, active pharmaceutical ingredients, light engineering and electrical products, plastics, printing, and chemicals sectors. Collectively, they have created more than 850,000 jobs.

Japanese urged to invest more in Bangladesh

STAR BUSINESS REPORT

A delegation of Bangladesh yesterday urged Japanese businesspeople to invest more in the country, especially in its economic zones.

They made the call at the Japan-Bangladesh Public-Private Joint Economic Dialogue. Japan hosted the fifth edition of the economic dialogue virtually with an aim to enhance economic relations between the two countries, according to a press release from the Prime Minister's Office (PMO).

Md Tofazzal Hossain Miah, principal secretary to the prime minister, led the Bangladesh delegation.

Top officials of the Bangladesh government, including secretaries of different ministries and heads of different departments and trade bodies, were also present at the dialogue.

Hirai Hirohide, vice-minister for the international affairs of Japan's economy, trade and industry ministry, led the Japanese delegation.

During the dialogue, the Prime Minister's Office pointed out the policy support and the incentives provided from the government in the agribusiness and logistics sector

Iwama Kiminori, Japanese ambassador to Bangladesh; Kokubu Fumiya, chairman of Japan-Bangladesh Committee for Commercial and Economic Co-operation of Japan Chamber of Commerce and Industries; representatives from different foreign affairs ministry of Japan and other ministries and heads of Bangladesh offices of JICA and JETRO were present at the dialogue.

During the dialogue, speakers mentioned that Prime Minister Sheikh Hasina's visit to Japan in 2014 marked the beginning of a new horizon of economic relations between the two countries.

During the dialogue, the Prime Minister's Office pointed out the policy support and the incentives provided from the government in the agribusiness and logistics sector.

FH Ansarey, president of the agribusiness division of ACI Limited, and M Masrur Reaz, chairman and chief executive officer of Policy Exchange Bangladesh, presented the investment opportunities in the agribusiness and logistics sector of Bangladesh respectively.

The dialogue discussed plans to expand the business of Japanese investors in Bangladesh and expressed satisfaction on the progress made in the activities of Bangladesh Special Economic Zone in Narayanganj.

Legacy Footwear gets nod to raise paid-up capital

STAR BUSINESS REPORT

Legacy Footwear Ltd has received the regulator's nod to increase the paid-up capital by Tk 30 crore.

Paid-up capital is the amount of money a company has received from shareholders in exchange for shares of stock.

The Bangladesh Securities and Exchange Commission has accorded its consent to Legacy Footwear to raise the paid-up capital through the issuance of three crore ordinary shares of Tk 10 each, said the footwear manufacturer in a filing on the Dhaka Stock Exchange.

The paid-up capital now stands at Tk 13.08 crore.

Shares of Legacy Footwear declined 9.93 per cent to Tk 88 on the bourse yesterday.

Foreign currency account facility for local shippers, airlines

STAR BUSINESS REPORT

The central bank has allowed banks to open foreign currency accounts in the names of shipping companies, airlines and freight forwarders to support their global operations.

In view of the growing trend of global operations by shipping companies and airlines, banks may open FC accounts in the names of the companies having global operations, said the Bangladesh Bank in a notice yesterday.

Up to 75 per cent of the inward remittances of the companies can be kept as deposits in the accounts. The remainder has to be encashed in the local currency.

The BB allowed outward remittances from the accounts and the money can be disbursed in connection with the management of ships or aircraft.

Banks have also been permitted to open FC accounts in the names of Bangladeshi shipping companies and airlines renting ships, containers or aircraft to operators abroad.

These accounts can be used to credit 50 per cent of the inward remittances and the rest has to be encashed. The balances held in the accounts can be used to meet genuine expenditures abroad pertaining to relative ships, containers or aircraft, said the notice.

Up to 75 per cent of the inward remittances of the companies can be kept as deposits in the accounts. The remainder has to be encashed in the local currency



Cattle reared round the year by smallholders are currently being sourced by a growing group of farmers who run short-term fattening operations for the sacrificial market centring Eid-ul-Azha which is around three months away. The fattening process involves feeding cattle a protein balanced, high-energy diet for a period of about 90 days or more under confinement to increase live weights and improve the degree of finish and thus obtain better prices. The photo was taken from Kasniya Bil area of Moglabazar union in Dakshin Surma upazila of Sylhet recently.

PHOTO: SHEIKH NASIR

Kay & Que posts 76% decline in Q3 profit

STAR BUSINESS REPORT

Kay & Que (Bangladesh) Limited's profit fell more than 76 per cent year-on-year to Tk 5.66 lakh in the third quarter of the current financial year.

The profit stood at Tk 23.68 lakh in the same period a year earlier.

Thus, the earnings per share slipped to Tk 0.11 for January-March of 2022-2023 against Tk 0.46 in the same quarter of 2021-22, according to the unaudited financial statements.

Due to the absence of stone sales and the decrease of CNG sales, the overall profitability and the EPS declined in the quarter compared to the same period a year earlier, said Kay & Que in a filing on the Dhaka Stock Exchange (DSE).

It generated a profit of Tk 18.53 lakh in the July-March period, down more than 47 per cent from the Tk 35.52 lakh it made in the identical nine-month period of FY22.