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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.

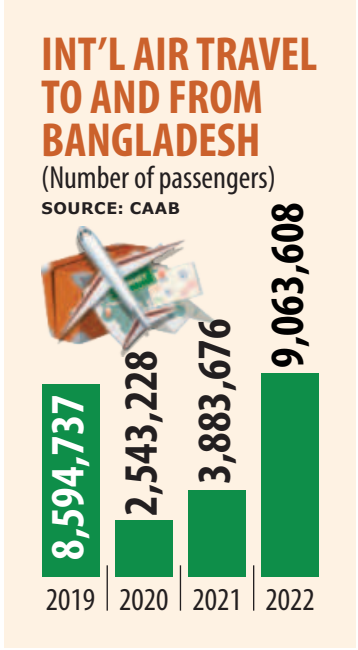
Internationally, demand for air travel has continued to be strong. After a very healthy start in 2023, air traffic in February, measured in revenue passenger kilometres, rose 55.5 per cent compared to February 2022, led by carriers in the Asia-Pacific region, said the International Air Transport Association (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.

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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 HSLA could accommodate the increase in international and domestic air travellers.

The HSLA 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.

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 (per ounce)	\$79.80 (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



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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