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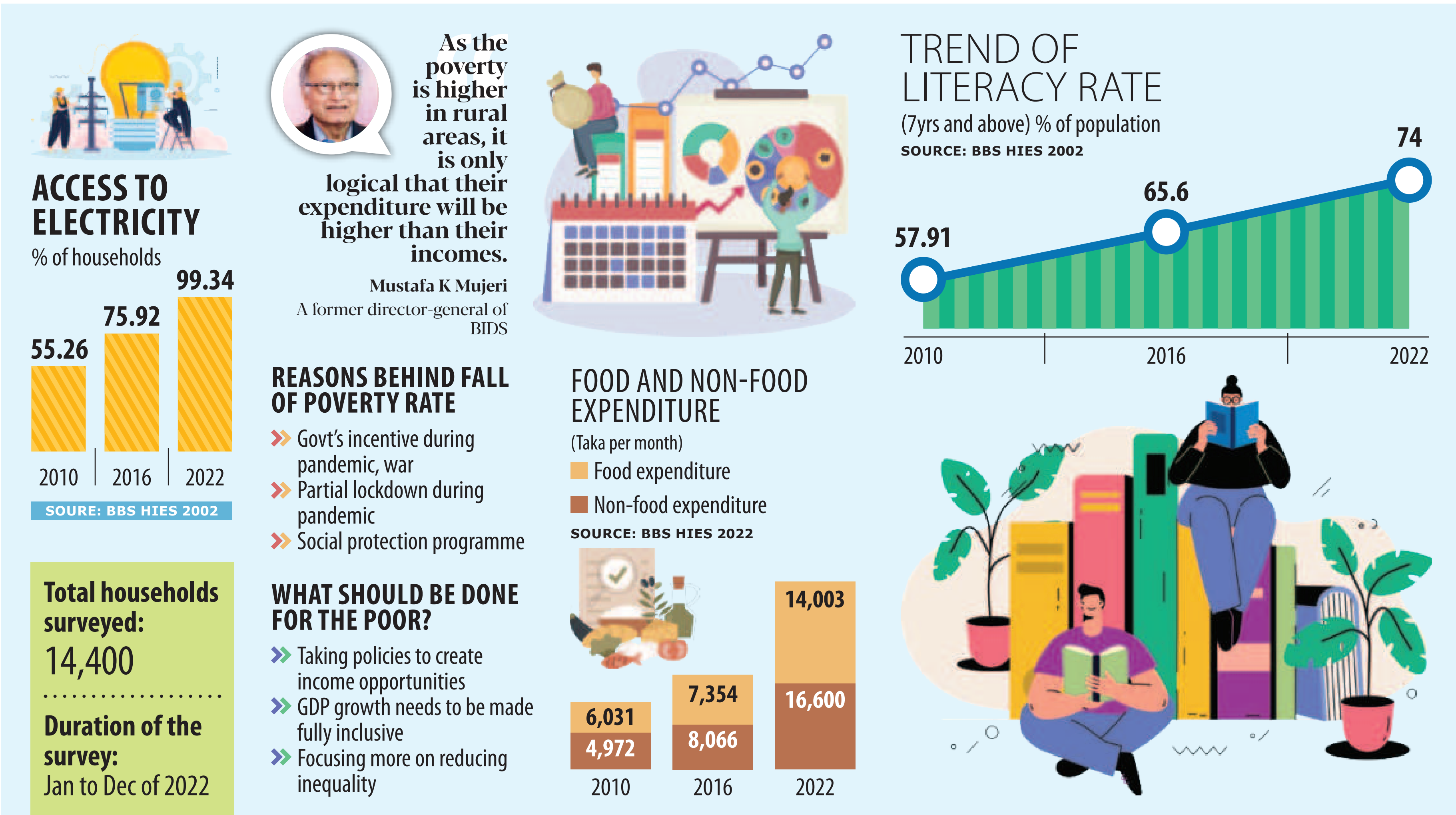

Household income, expenditure nearly triple in 12 years

Shows BBS Household Income and Expenditure Survey 2022

MD ASADUZ ZAMAN *and* AHSAN HABIB

Monthly average household income and expenditure in Bangladesh doubled in the last six years and nearly tripled in 12 years, official figures showed yesterday.

The average monthly household income rose to Tk 32,422 in 2022, up more than 102 per cent on 2016, according to the latest data from the Bangladesh Bureau of Statistics (BBS).

The average monthly income was Tk 15,988 in 2016 and Tk 11,479 in 2010.

On the other hand, monthly average household expenditure increased to Tk 31,500 in 2022, up 100 per cent from Tk 15,715 in 2016. It was Tk 11,200 in 2010, said the national statistical agency as it released the key findings of the "Household Income and Expenditure Survey 2022".

"As the poverty is higher in rural areas, it is only logical that their expenditure will be higher than their incomes," said Mustafa K Mujeri, a former director-general of the Bangladesh Institute of Development Studies (BIDS).

The poverty rate in rural areas is 20.5 per cent and it is 14.7 per cent in urban areas, BBS data showed.

"It indicates that the government should work more to reduce poverty in rural areas and create additional opportunities for the people who have been left behind," Mujeri said.

Riding on steady economic growth in the past two decades,

> The ultra-poor people used to work in the agriculture sector. Now we see a shortage of labour in the sector. This is because these people are moving to the non-agriculture sector where jobs are available.
>
> Shamsul Alam
> State minister for planning

Bangladesh has made significant progress in many social indicators, cut the poverty rate, and raise calorie intake. However, income inequality has widened.

The Gini Coefficient related to income rose to 0.499 in 2022, up from 0.482 in 2016 and 0.458 in 2010, BBS data showed.

The BBS conducted the survey among 14,400 households from January 1 to December 31 last year.

Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue, thinks the data collection period is important.

"The data may have been collected in the early part of 2022 when the economy was witnessing a post-covid recovery, albeit fragmented, so this has possibly led to project a brighter development achievement," he said.

"The reference period of the survey may not cover the second part of 2022 when the economy was experiencing the initial adverse pressure of the war in Ukraine and global economic stress."

According to the economist, one should, instead of average achievement figures, take a disaggregated look by income categories of the households.

"This will reveal the wide disparity underlying the average figures."

Bhattacharya said this would be particularly relevant given that income inequality has increased over the last decade as testified by the newly reported Gini index.

The Gini index measures the extent to which the distribution of income or consumption among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

"There is also an alternative truth that is coming from micro studies, perceptions and views of people who have been left behind. These views and perceptions often challenge the averages obtained through national census data," Bhattacharya added.

Mujeri, also the executive director of the Institute for Inclusive Finance and Development, said income inequality has been rising for many years though the poverty rate dropped successfully and the GDP is growing.

"It means the growth is not fully inclusive and we are lagging behind when it comes to improving the living condition of the people who have been left behind."

The economist recommended creating more opportunities for the poor and the marginalised. "From the government side, additional and effective policy and approach is needed."

The poverty rate has declined to 18.7 per cent and the extreme poverty rate stood at 5.6 per cent in 2022, according to the BBS.

In 2016, the poverty rate was 24.3 per cent and the extreme poverty rate was 12.9 per cent.

The coronavirus pandemic might have had some short-term

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Power, telecom suffer, banks gain amid dollar crisis

AHSAN HABIB

The business sector in Bangladesh has been going through severe challenges for the past four years, which, for many, have been the toughest period in decades, with the coronavirus pandemic being the dominant factor in the early part before the Russia-Ukraine war broke out. Today, we are running the fourth report of a series to present how various sectors fared in the face of the two unprecedented shocks.

The loss of value of Bangladeshi taka against the US dollar due to the shortage of the greenback amid the global economic turmoil has affected various industries as their cost of imports and repayment of foreign loans soared.

Financial data by listed companies showed that power generation, telecom and manufacturing companies were the main victims of the recent volatility in the dollar market.

On the other hand, banks booked higher profit through the dealing of the greenback.

Among the listed companies, fuel and power companies had to bear extra costs of Tk 1,128 crore in the June-December period of 2022 due to the depreciation of the local currency.

In the telecom sector, Grameenphone and Robi Axiata spent Tk 454 crore in 2022 for the same reason. The companies' profits had also been impacted by the extra spending incurred from the foreign exchange losses.

> Fuel and power companies had to bear extra costs of Tk 1,128 crore in the June-December period of 2022 due to the depreciation of the local currency

At a time when the manufacturers were facing the storm, the banks were making money from foreign exchange trade.

The listed banks logged an income of Tk 4,328 crore from the foreign exchange dealings in the January-September period of 2022 whereas it was Tk 1,446 crore in the same period of the previous year.

Power and fuel, steel and infrastructure companies and almost the whole manufacturing sector were impacted by the foreign exchange volatility, said Humayun Rashid, managing director and CEO of Energypac Power Generation.

Taka was depreciated by around 23 per cent from 2021's Tk 85 to Tk 105 in 2022, according to the Bangladesh Bank data.

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STOCKS

DSEX ▲	CASPI ▲
0.13%	0.12%
6,204.87	18,.302.41

COMMODITIES

Gold ▲	Oil ▲
$2,009.25	$81.53
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.39%	▲ 0.57%	▼ 0.36%	▲ 0.41%
60,392.77	28,082.70	3,286.12	3,327.18

Motorcycle sales slower this Eid

JAGARAN CHAKMA

Sales of motorcycles, particularly high-end ones, ahead of Eid-ul-Fitr were impressive over the last one decade but this year is quite different as demand is low due to an increase in inflationary pressure, economic crisis and an increase in prices of the two-wheelers.

High-end motorcycle sales declined by 20 per cent year-on-year in Bangladesh ahead of Eid due to the current slowdown in demand, according to industry insiders.

Even attractive offers of discounts ahead of Ramadan and Eid festival could not help motorcycle sales grow, said market insiders.

As per Bangladesh's context, motorcycles with engine capacities between 150cc and 165cc are considered high-end motorcycles, according to market insiders.

"Around 19,000 units of high-end motorcycles could end up being sold this year ahead of Eid while it was over 27,000 units last year," said AKM Touhidur Rahman, chief operating officer of Suzuki Bangladesh of Rancon Motorbikes Ltd.

He made this prediction on the basis of previous records as sales of motorcycles were higher during this period compared to the rest of the year.

"Overall motorcycle sales will come down to 45,000 units during Ramadan and ahead of Eid this time whereas it was 65,000 units last year due to sales being slow in coming about," he said.

Now sale of high-end motorcycles accounts for around 42 per cent of the overall sales of the two-wheelers, he said.

According to him, Suzuki retails seven models of high-

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Even attractive offers of discounts ahead of Ramadan and Eid festival could not help motorcycle sales grow, said market insiders. The photo was taken at Bangla Motor in Dhaka yesterday.

PHOTO: RASHED SHUMON

Japan proposes industrial hub in Bangladesh

REUTERS, *New Delhi*

Japan has proposed developing an industrial hub in Bangladesh with supply chains to the landlocked northeastern states of India, and to Nepal and Bhutan beyond by developing a port and transport in the region, officials said on Tuesday.

It comes after Japanese Prime Minister Fumio Kishida's visit to India last month in which he touted the idea of a new industrial hub for the Bay of Bengal and northeast India that could bolster development in the impoverished region of 300 million people.

After Kishida's visit, his government approved $1.27 billion in funding to Bangladesh for three infrastructure

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