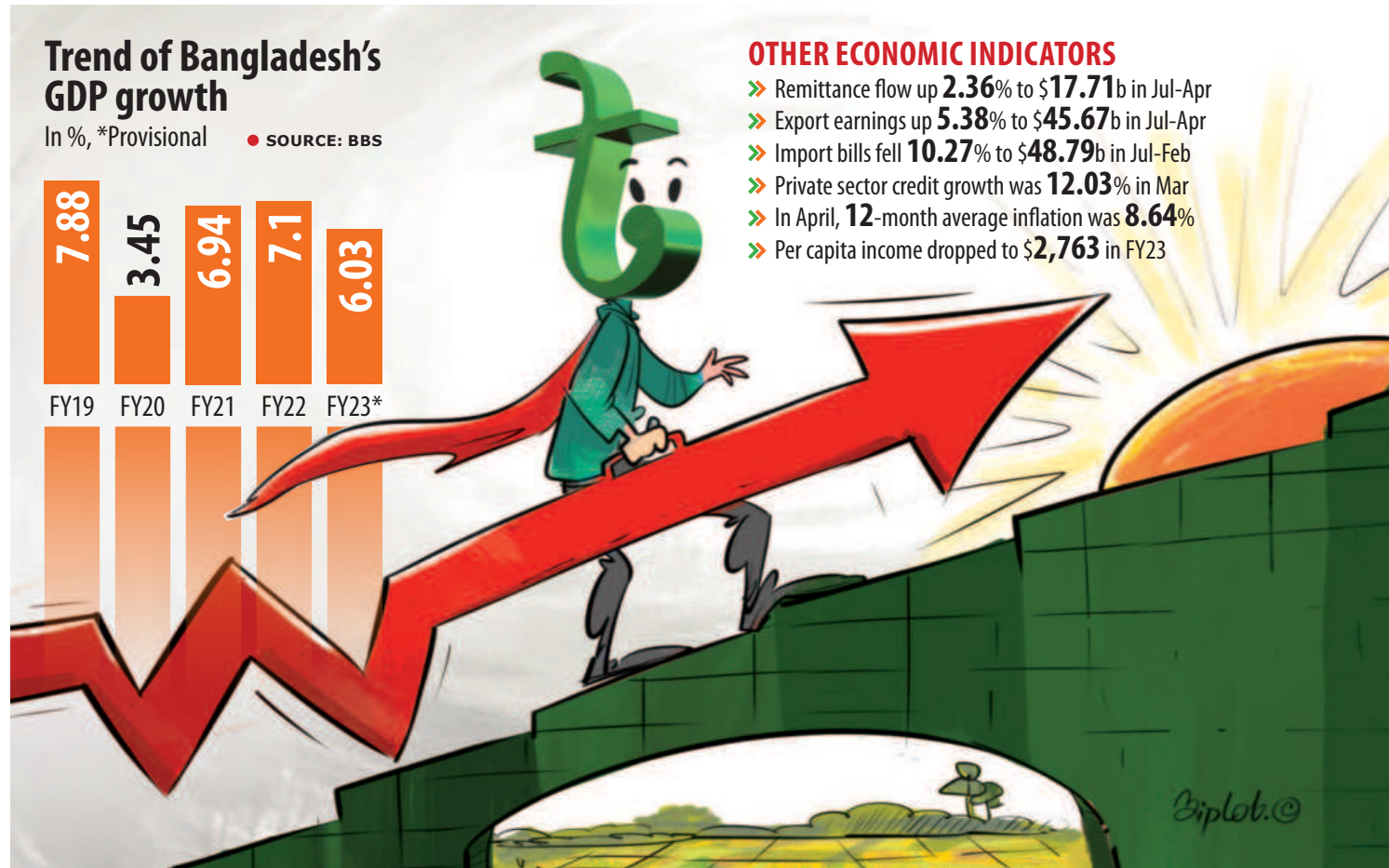


Star BUSINESS



Grameen Uniqlo winding up operations

STAR BUSINESS REPORT

In a surprise move, Japan's clothing giant Fast Retailing has announced that it is going to close all of the outlets of Grameen Uniqlo in Bangladesh, a decision that left its customers disappointed.

In 2010, Fast Retailing started the social business in partnership with Grameen Healthcare Trust with a view to tackling social issues such as poverty, health and education.

Social business, the brainchild of Nobel Laureate Prof Muhammad Yunus, is built on the principle of solving human problems in a sustainable business way, where owners are not interested in taking any profit except for the return of the original investment amount over a period of time. It is a non-dividend company aimed at solving social problems, not personal money-making.

As such Grameen Uniqlo started opening stores in 2013, mainly in the capital city of Dhaka, and gained popularity.

However, on Wednesday, the company, in a statement on its website said, "In view of Bangladesh's significant economic development in recent years, as well as changes to its business environment, Fast Retailing has determined that Grameen Uniqlo has fulfilled a certain role, and has decided to conclude its business activities."

Uniqlo Social Business Bangladesh Ltd, a wholly owned subsidiary, will shut all of its 10 stores by June 18 and the business will be closed down, it said.

"I am really, really, shocked and unhappy," commented one customer, Mahfuzur Rahman Lithu, on Grameen Uniqlo's official Facebook page.

Yunus Centre, which promotes the social

BGMEA rings alarm bells over future RMG export

STAR BUSINESS REPORT

A steep fall in garment export to major destinations over the last few months indicates that an alarming situation will come about in the near future, said a top leader of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday.

Although garment export earnings had been on a positive trend up until February, imports by both the US and European Union (EU) were on a negative trend, said BGMEA President Faruque Hassan.

The growth in earnings from garment shipments in March and April of this year was alarmingly negative and this may continue in May, he said.

"Such kind of negative trend is really indicating an alarming situation," Hassan said at a press conference on the current situation of the garment sector organised by the BGMEA on its premises in Dhaka.

The growth in earnings from garment shipments in March and April of this year was alarmingly negative and this may continue in May

Faruque Hassan
BGMEA president

GDP growth slows to 6.03% in FY23

Says BBS citing provisional estimates

AHSAN HABIB

The economy is estimated to have expanded at a slower-than-expected pace in 2022-23, said the Bangladesh Bureau of Statistics (BBS) yesterday, a figure that analysts describe as good in view of elevated inflation, slowing exports and remittances and the ongoing pressure on the country's foreign exchange reserves.

The gross domestic product (GDP) grew by 6.03 per cent in the fiscal year, ending in June, said the national statistical agency based on its provisional estimate.

The economy expanded by 7.1 per cent in 2021-22 but the buoyancy began to slow down following the Russia's invasion of Ukraine in February 2022.

Yesterday, Prof Shamsul Alam, state minister for planning, shared the GDP growth estimate

of the BBS after the meeting of the National Economic Council. He gave no details.

The estimate of the BBS is higher than the projection made by the international agencies such as the World Bank, the International Monetary Fund and the Asian Development Bank.

Among the three, the IMF projected the highest growth at 5.5 per cent of GDP for FY23.

The BBS projection is based on the performance of the various

indicators of the economy in the first half of FY23 and is lower than the government's goal of 6.5 per cent.

The economic growth target was revised downward twice since the beginning of the fiscal year in July owing to the continuing stress in the economy.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, told The Daily Star that the downward estimate has aligned the growth rate with reality.

"Every indicator related to the GDP growth has been weak. So, the government has had to revise the target downwards."

"Imports fell, remittance growth has remained flat while private credit growth has slowed. Only the export growth was in a good shape initially and it has slowed down of late."

In April, remittance declined 16.27 per cent year-on-year to \$1.68 billion. Overall, money transferred by migrant workers and non-resident Bangladeshis living abroad grew 2.36 per cent to \$17.71 billion in July-April.

Export earnings dipped 16 per cent year-on-year in April, with overall receipts growing by 5.38 per cent to \$45.67 billion in the 10-month period.

Import bills dropped 12.33 per cent to \$53.93 billion in the first three quarters.

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Domestic airlines doubt fast recovery

Blame slump in demand on two routes

RASHIDUL HASAN and SOHEL PARVEZ

Domestic air travel had rebounded last year and the number of passengers reached close to that of 2019 as business and economic activities were revived following the pandemic-induced economic slowdown.

And four months have gone by in 2023 with local carriers estimating that overall domestic air passenger numbers this year may not exceed that of the pre-Covid period.

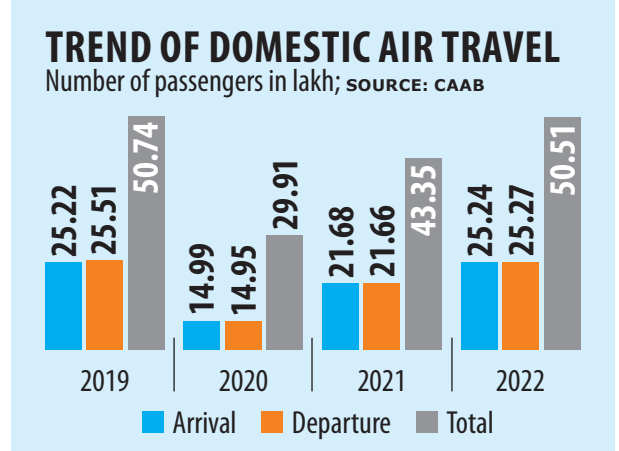
The four carriers now in operation, including state-run Biman Bangladesh Airlines, transported 50.51 lakh passengers in 2022.

This was up 16 per cent year-on-year and just below that three years ago.



Recovery from Covid-19 fallout has been slow for domestic airlines in Bangladesh as the overall passenger count has yet to reach pre-pandemic levels. In this picture taken on Wednesday, a carrier of US-Bangla Airlines is seen on the runway of Barishal Airport.

PHOTO: TITU DAS



In 2019, airlines carried 50.74 lakh passengers, according to the Civil Aviation Authority of Bangladesh (Caab).

"It is very unlikely that airlines business on domestic routes will return to the pre-Covid situation," said Mofizur Rahman, managing director of Novoair, which operates more than 40 flights to seven destinations daily.

The pandemic-induced drastic slump in air travel suffered a major hit on two routes connecting southwest

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23% of ADP outlay going to 10 projects

STAR BUSINESS REPORT

The government has allocated 23 per cent of its Annual Development Programme (ADP) fund for the next fiscal year behind 10 large projects, including the Rooppur nuclear power plant, to timely implement those.

The National Economic Council (NEC) increased the ADP fund for 2023-24 by 6.8 per cent from the original budget to Tk 2,63,000 crore and approved it during a meeting at the planning ministry, presided over by Prime Minister Sheikh Hasina, yesterday.

For the next ADP, the government has allocated Tk 60,054 crore for the 10 large projects.

The highest Tk 9,707 crore has

been allocated for the Rooppur power plant, which in the revised ADP of the current fiscal year was Tk 11,139 crore.

Following US sanctions on Russia after the Russia-Ukraine war, an



uncertainty over implementation of the Rooppur power plant project surfaced as the project has been mostly funded by Russia.

However, at present, implementation of the project is ongoing in full swing.

Although the project got the

highest allocation in the next ADP, it has gone down compared to that in the revised budget of the current fiscal year.

When asked about the reduction, Planning Minister MA Mannan told reporters after the meeting that several phases of the project have already been implemented and now it was at a test run stage.

The minister said the allocation for the project had not proportionately reduced as the allocation was made as per requirement.

The estimated cost of the Rooppur power plant project is Tk 1,13,092 crore. As of June 2022, the total expenditure under the project stood at Tk 56,146 crore.

READ MORE ON B2

FBCCI election on July 31

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday said it would hold its biennial election on July 31 this year.

The apex trade body has already circulated its election schedule for the 2023-2025 term to its members.

As per the election schedule, the election will be held on 9 am to 4 pm non-stop, and the names of the elected directors will be announced after the poll.

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI ▼
0.10% 6,272.42	0.07% 18,490.13

COMMODITIES	
Gold ▲	Oil ▲
\$2,035.65 (per ounce)	\$72.99 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.05% 61,904.52	▲ 0.01% 29,126.72	▼ 0.39% 3,229.55	▼ 0.29% 3,309.55