

## Aviation sector to grow 3 times in 15 yrs: state minister

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State Minister for Civil Aviation Md Mahbub Ali yesterday said Bangladesh's growth in the aviation sector will be three times in the next 15 years.

He said this while speaking as the chief guest at a function at a hotel in the capital.

US Bangla Airlines organised the programme on the occasion of sending the cadet pilots of US Bangla Airlines to the US for training.

The state minister in his speech said due to the timely infrastructural development of the country's aviation industry, development of technical and human skills and the formulation of laws and policies, the country's aviation industry is growing rapidly.

He said Bangladesh's aviation market has almost doubled in the last 10 years.

The state minister said, in a bid to continue this considerable growth trend of the aviation sector and to contribute to the country's economy, we will need more and more trained and skilled manpower at every level of the aviation industry.



The country's aviation industry is growing rapidly due to the timely infrastructural development of the aviation industry, development of technical and human skills and the formulation of laws and policies, said State Minister for Civil Aviation Md Mahbub Ali.

PHOTO: TITU DAS

## 'Provide social security to urban poor'

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The government should increase budgetary allocations and take fresh initiatives for the urban poor under the national social safety net programmes, according to experts.

They also urged to ensure the creation of a database of ultra-poor urban people and allocate a ward-wise budget in the urban areas so that all the floating poor people come under the coverage.

The call came at a national dialogue on "Urban Poverty Reduction: Allocation and Increase of Social Safety Net Programmes" organised by non-government organisation the Coalition for the Urban Poor (CUP) at National Press Club on Sunday.

"At present, Bangladesh has over 115 social safety net programmes across the country aiming to reduce poverty. Of them, only 3 to 4 or a handful of programmes are for the urban poor," said Aminur Rasul Babul, adviser (advocacy & programme) of the CUP.

"It is very inadequate and, in most cases, the ultra poor have little access to it," he said.

Babul went on to say that a large group of the ultra poor were widows living in inhumane conditions in the urban areas as they were being deprived of this service.

The city's street dwellers do not get citizen identity cards such as birth certificates and national identity cards as they do not have addresses, thereby depriving them of all civil rights, he added.

Although the urban poor have lost jobs the most and been affected by Covid-19 in spite of a lot of incentives from the government, the urban ultra-poor population has been left out of it, he said.

Prof MM Akash, chairman of the economics department at the University of Dhaka, said an allowance for women do not exist in the urban areas while the beneficiary lists in the rural areas were not correct.

"The rural beneficiary list is faulty, which is full of nepotism," he said.

The urban poor who do not have any national identity card will definitely drop out from the government's social safety net programmes, said Prof Akash.

## More govt steps needed to manage inflation: MCCI

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The government needs to take more steps to bring stability in the foreign exchange reserve, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities and expand social safety net programmes.

The suggestion came from the Metropolitan Chamber of Commerce and Industry (MCCI) in its quarterly economic review for the January-March quarter of the current fiscal year yesterday.

Foreign currency reserves are still somewhat in a satisfactory position but into a weaker trajectory, the chamber said.

The exchange rate had long remained stable but depreciated notably in recent months although the government took some quick and decisive measures addressing the economic fallout, it said.

The chamber said Bangladesh's economy, among the fastest-growing ones in the Asia-Pacific region, faces some challenges.

Robust economic recovery from the pandemic has been interrupted by the Russia-Ukraine war, recent price rise of essential commodities, weak remittance inflow, shortfall in revenue collection and slow public expenditure, it said.

Widening of Bangladesh's current account deficit, depreciation of the taka and a decline in foreign exchange reserves are also some of the main challenges, it added.

The unemployment situation and low investment are other challenges, the chamber

said, adding that a significant increase in public and private investment was necessary to maintain competitiveness and generate further growth.

Nevertheless, the economy has been showing some signs of improvement in the quarter under review, it said.

Exports and imports are two important drivers of the economy, and amid the pandemic and Russia-Ukraine war, both areas have done comparatively well, said the chamber.

Regarding the performance of the agriculture sector, it said there were favourable natural factors and strong government support in terms of timely availability of inputs and finance.

The sector achieved a lower growth rate of 2.61 per cent in FY23 than in FY22 when the sector grew at 3.05 per cent, it said.

Regarding the industrial sector, the MCCI said in the broad industry sector, the manufacturing sub-sector registered a growth of 9.23 per cent in FY23, compared to 11.41 per cent of the previous fiscal year.

On the other hand, the share of small, medium and micro industry in GDP increased to 7.57 per cent from 7.33 per cent while that of cottage industry also increased to 4.38 per cent in FY23 from 4.21 per cent in FY22, the quarterly review also said.

According to the Bangladesh Power Development Board's (BPDB) website, the power plants generated 10,798 MW of electricity against a maximum demand for 10,794 MW at the sub-station end (evening peak) on March 31.

## Associated Oxygen posts 13% higher profit

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Associated Oxygen Limited posted a 13 per cent year-on-year increase in profit to Tk 5.71 crore in the third quarter of the current financial year.

The profit stood at Tk 5.05 crore in the same three-month period of 2021-22.

The earnings per share, thus, rose to Tk 0.52 in January-March of 2022-23 against Tk 0.46 in the same

quarter of the previous financial year, according to the unaudited financial statements.

The profit, however, fell in July-March of FY23, standing at Tk 13.83 crore, which was Tk 14.71 crore during the same nine-month period of FY22, a year-on-year decrease of 6 per cent. So, the EPS slipped to Tk 1.26 from Tk 1.34.

Shares of Associated Oxygen closed at Tk 36.50 on the Dhaka Stock Exchange yesterday.

## Active Fine Chemicals's profit drops 50% in Q3

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Active Fine Chemicals Limited reported a 50 per cent year-on-year decline in profit to Tk 47.99 lakh in the third quarter of the current financial year.

The company's profit stood at Tk 95.97 lakh in the January-March quarter of 2021-22.

Thus, the earnings per share slipped to Tk 0.02 in January-March of 2022-23 against Tk 0.04

in the third quarter of the previous financial year, according to the unaudited financial statements.

Active Fine Chemicals's profit plummeted 50 per cent to Tk 2.88 crore in July-March of FY23. It was Tk 5.76 crore in the same nine-month period of FY22. So, the EPS fell to Tk 0.12 from Tk 0.24.

Shares of the company closed unchanged at Tk 19.30 on the Dhaka Stock Exchange yesterday.

## India may harvest record wheat in 2023

REUTERS, New Delhi

India is likely to harvest a record 112.7 million tonnes of wheat in 2023, the farm ministry said on Thursday, reiterating its previous estimate of 112.2 million tonnes despite lower crop yields due to unseasonal rains in February and March.

Earlier this year, torrential rains and hailstorms hit India's fertile

northern, central and western plains, damaging ripening winter-planted crops including wheat and exposing farmers to losses.

India, the world's second-biggest producer of wheat, banned exports in May last year after a sharp and sudden rise in temperatures clipped output, although exports picked up to meet the global shortfall triggered by the Russia-Ukraine conflict.

## Sustaining dev, curbing inequality

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Now, the challenge is to continue the support and make the inherent strength sustainable despite the pain of the pandemic and the current global uncertainty, he said.

Another challenge is posed by rising income inequality, he said.

"Though the growth of gross domestic product (GDP) has risen, the disparity has increased visibly."

The Gini coefficient related to income rose to 0.499 in 2022, up from 0.482 in 2016 and 0.458 in 2010, according to data from the Bangladesh Bureau of Statistics. Generally, a country is considered to have a higher income inequality if the Gini coefficient is above 0.50.

The minister said though inequality rose, hunger poverty and shelter poverty have reduced.

"The earnings of lower-income groups have increased, but it increased more for the upper-income groups. This has widened the inequality."

He said since the lower-income groups have advanced, the pain stemming from the rising inequality is relatively lower.

"However, I am not defending the inequality issue."

He said inequality is not expected, so the government is trying to bring it down and has taken several steps to this effect.

One of the initiatives is the Ashrayan Project, which is building homes for homeless and displaced people.

The minister said despite the pandemic, the economy has maintained its growth momentum. "This has been possible mainly for the leadership of Prime Minister Sheikh Hasina."

Despite the risk posed by Covid-19, Bangladesh went for partial lockdowns and factories were shut for less than two months, giving mileage to the economy since local demand

revived while exporters were able to keep supplying goods to the global markets.

"Sheikh Hasina came forward with incentive packages. This was the first among all the countries in the world. As a result, the economy rebounded."

Bangladesh's economy grew 7.1 per cent in the last fiscal year and is estimated to have grown 6.03 per cent in FY23.

The minister thinks the health and education sectors have done extremely well in the past 14 years. The life expectancy has risen and infant and maternal mortality rates have dropped.

He said urban medical facilities may not be up to the mark. He, however, praised community clinics in the rural areas.

In the education sector, the literacy rate reached 75 per cent, which is a big achievement, he said.

"Yes, there are some questions about quality."

The planning minister is confident about meeting inflation and GDP growth targets in the coming fiscal year, saying the goals were set considering previous data.

"If we can't meet the targets, at least we will try to reach closer to them."

The government is planning to achieve a 7.5 per cent GDP growth and keep inflation within 6 per cent.

Speaking about social safety net programmes, Mannan said mistargeting has reduced significantly because people have become cautious.

"It is true that we could not cover all of the people who are eligible to be included," he said, adding that around three-fourths of the eligible people have been included in the social safety net programmes and the ratio will rise this year.

He said the government is always committed to working for the well-being of people all the time.

## Tk 10,964cr loans turn sour in 3 months

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Thus, export earnings declined 16.52 per cent year-on-year to \$3.95 billion in April as the shipment of garments, the key export item, dipped. The overall sales, however, increased 5.38 per cent to \$45.67 billion in the July-April period of the current fiscal year.

"The negative developments at both local and global markets have dealt a blow to local businesses. And some of them have become defaulters," Rahman said.

He urged banks to disburse loans with the utmost caution in a bid to avoid a higher ratio of NPLs.

Elevated NPLs impair bank balance sheets, depress credit growth, and delay output recovery, according to international researchers.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, says some banks gave out loans at the height of the coronavirus pandemic without following rules and regulations.

"The credits might have become default loans."

A lack of corporate governance in the banking sector is another major factor for the continued upward trend of defaulted loans, he said.

"The economy is in deep trouble. This has pushed up defaulted loans as well."

The former official of the

International Monetary Fund urged both the government and the central bank to take initiatives to resolve the issue.

Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, says that willful defaulters should be identified and brought to book to contain NPLs.

"The higher NPL ratio has created a liquidity crunch in the banking sector, so lenders can't use the funds to make new loans. Besides, banks have to set aside a hefty amount of funds in the form of provisioning against default loans."

He called for setting up a banking commission to unearth the real factors for the upward trend of NPLs. In a report in April, the World Bank said the extent of troubled assets is obscured by lax regulatory definitions and reporting standards, extended forbearance, as well as weak supervisory enforcement.

BB data showed that 47.6 per cent of the defaulted loans were with nine state-run banks, which held Tk 62,690 crore in bad loans as of March, up 19 per cent year-on-year.

Forty-one private commercial banks held defaulted loans of Tk 65,881 crore, an increase of 14 per cent, while the NPLs at nine foreign banks increased to Tk 3,042 crore from Tk 2,885 crore a year ago.

## NBR to engage agents to help people file tax return

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The ratio of incentive will reduce in the fourth and fifth year, according to the plan.

The official said the incentive will be given only for new taxpayers and the TRPs will not get the benefit if they prepare returns of existing taxpayers.

As planned, the NBR will engage people as the TRPs based on the Tax Aptitude & Accounting Test (TAAT). It will issue the TRP certificates for those who will pass the test.

The TRPs will only help taxpayers prepare their tax returns and submit those to the tax administration online, according to a draft rule.

## E-commerce to accelerate in years ahead

Experts say at Bangladesh E-Commerce Summit 2023

STAR BUSINESS REPORT

The growth of the e-commerce market in Bangladesh is set to accelerate in coming years as the platforms are becoming more efficient with the help of the data they mined over the years, experts said yesterday.

"Now, e-commerce companies are maturing; we have years of data, and I think efficiency drives will accelerate. Once the tipping point is reached, we will actually become a lower-cost distribution channel," said Waseem Alim, co-founder and CEO of Chaldal.

"Then, the e-commerce boom will happen," he added.

Alim was speaking at a panel discussion at the Bangladesh E-Commerce Summit 2023 at Radisson Blu Dhaka Water Garden. Bangladesh Brand Forum hosted the second edition of the summit.

However, he expressed disappointment over the sluggish progress of the country's e-commerce sector.

"Frankly, I am disappointed by the progress of the e-commerce market in the last 10 years. E-commerce penetration is very low despite Bangladesh being one of the fastest-growing economies with a rising middle class," Alim said.

He identified some reasons for the slower pace of the sector's growth.

First, e-commerce requires two significant types of investment. One is investment in changing consumer behaviour, which in India was done by subsidising cell phones.

The second is low investment in infrastructure, such as building a last-mile delivery service.

"We have been investing in these, but compared to India and similar markets like Indonesia, the investment is minuscule. In India, investment in e-commerce is \$70 to \$80 per capita but in Bangladesh, it would only be \$2 per capita," Alim said.

"Probably, we don't require \$80 per capita as we can learn from those markets, but we need at least \$10," he added. "As the market evolves, you must provide consumers value with consumer efficiency. Efficiency comes with data. So, now some companies are here that have data to become more efficient."

Alim also said there will be a tipping point at which e-commerce distribution channels will be far less expensive to deliver than regular offline retail because the latter is extremely cumbersome. Shahriar Hasan, CEO at Paperfly, said online logistics companies in Bangladesh have been able to bring the e-commerce delivery ecosystem up to an acceptable standard, based on which e-commerce sales have thrived in the last 5 years.

This effort from the logistics sector needs to continue further to ensure uninterrupted growth over the next 5 years.

Providing a tech-based nationwide smart delivery service demands following many global standards, which often require good investment and professional processes.

"We must ensure awareness of the importance of using licensed service providers in e-commerce logistics," he added.