

BIASS 2023

to begin

in Oct

STAR BUSINESS REPORT

The Bangladesh International Aquaculture Seafood Show (BIASS) 2023 will begin on October 19 this year with the aim of promoting sustainable growth, innovation and international collaboration in the country's aquaculture and seafood industries.

The three-day event will be held at the Bangabandhu International Convention Center in Dhaka, Fisheries and Livestock Minister SM Rezaul Karim said at a press conference yesterday.

The event will be jointly organised by the fisheries and livestock ministry, Department of Fisheries, commerce ministry, Bangladesh Investment Development Authority, Bangladesh Frozen Foods Exporters Association, and Solidaridad.

Different aquaculture and seafood companies, practitioners, processors and exporters, researchers and academicians, government agencies and policymakers, investors and financial institutions, farmers, and international buyers will participate in the show.



Rechargeable lights kept for sale at a wholesale shop in Kaptan Bazar of Nawabpur in Dhaka. A rise in the frequency of power cuts around the country over the last two weeks has led to a spike in sales of rechargeable lights and fans. Although these lights are each sold for Tk 80 by wholesalers, retailers are charging anywhere from Tk 150 to Tk 200. The photo was taken last Wednesday.

PHOTO: AMRAN HOSSAIN

Bangladesh needs 8% annual GDP

growth to be a developed nation

Says ICCB chief Mahbubur Rahman

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Bangladesh needs to maintain a GDP growth rate of over 8 per cent and increase its per capita income to around \$13,000 in less than two decades to become a developed nation, said Mahbubur Rahman, president of the International Chamber of Commerce Bangladesh (ICCB).

After becoming a developing country following graduation from the least-developed nation category in 2026, Bangladesh will require to fulfill a number of international compliance.

Therefore, good governance must be ensured in both public and private sectors, which is still far below the global indexes, he said.

The business leader made the comments while presenting the executive board report at the ICCB's 28th annual council in Dhaka yesterday, said a press release.

The ICCB president said Bangladesh made a rapid recovery from the Covid-19 pandemic supported by prudent macroeconomic policies.

"Bangladesh is now on track to graduating from the LDC category."

He mentioned that there are also mega challenges while chasing big dreams.

The executive board of the local chamber of the Paris-based global organisation suggested addressing some key issues for overcoming the challenges.

The challenges include inflationary pressure, energy crunch, balance-of-payments deficit, slower project implementation, and non-performing loans.

"In order to contain the inflationary pressure, there should be appropriate monetary and fiscal policies," Rahman said.

He said increasing dependence on imported fossil fuels, liquefied natural gas and coal for power generation has intensified risks, negatively affecting foreign currency reserves and swelling subsidy burdens.

So, Bangladesh should move faster with its exploration activities both onshore and offshore to replace expensive LNG with its own natural gas reserve, nuclear power and renewable energies with a view

to avoiding the adverse effects of climate change, he said.

"Rising commodity prices and a surge in imports resulted in a balance of payments deficit."



The ICCB chief said there is an urgent need for Bangladesh to diversify its export markets and products and sign free trade agreements with major Asian countries.

"As Bangladesh moves forward, infrastructure will play a crucial role in stimulating and crowding-in private sector investment."

By some estimates, Bangladesh will require to make investments of well over \$100 billion in the course of the next decade to build ports and roads, set up rail lines for management of goods, establish

power generation and distribution capabilities, provide utilities and services to meet the ever-increasing demands of the economy.

Several studies conducted by the Bangladesh Institute of Development Studies (BIDS) have revealed a substantial gap in the skill sets of workers in labour-intensive industries such as readymade garments, light engineering and electronics, leather and footwear and agro-food processing.

AK Azad, vice-president of the ICCB, Md Fazlul Hoque, Md Sameer Sattar, Naser Ezaz Bijoy, Tapan Chowdhury, Aftab Ul Islam, Kutubuddin Ahmed and Anwar-ul-Alam Chowdhury, executive board members, and Ataur Rahman, secretary general, were present.

Muhammad A (Rumee) Ali, chairman of the ICCB Banking Commission, Syed Ali Jowher Rizvi, managing director of Summit Alliance Port, Bibhabasu Sengupta, managing director of Linde Bangladesh, M Shah Alam Sarwer, managing director of IFIC Bank, and MHM Fairoz, managing director of Singer Bangladesh, were also present.

US and five

allies condemn

trade-related

economic

coercion

REUTERS, Washington

The United States and five of its allies on Friday condemned the use of trade practices that amount to economic coercion in a joint declaration that did not single out other countries but appeared to be aimed at China.

Australia, Britain, Canada, Japan, and New Zealand jointly released the statement with the United States, emphasising that "trade-related economic coercion and non-market-oriented policies and practices" threatened the multi-lateral trading system and "harms relations between countries."

The statement comes after the Group of Seven leaders last month agreed to a new initiative to counter economic coercion and pledged action to ensure that any actors attempting to weaponise economic dependence would fail and face consequences. The United States, Britain, Japan and Canada are also members of the G7.

The countries expressed concern about "pervasive subsidization," anti-competitive practices by state-owned enterprises, forced technology transfer, and government interference with corporate decision-making.

Washington has regularly raised such concerns about trade practices by Beijing, and an official from the office of the US Trade Representative, who spoke to reporters about the joint declaration, cited China for imposing a ban on imports from Lithuania after Lithuania allowed Taiwan to open a de facto embassy.

China, which regards the democratically-ruled Taiwan as part of its territory, suspended imports of beef, dairy and beer from Lithuania last year.

Cotton consumption

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offset by higher production in India and Brazil.

However, consumption is projected to decrease by 500,000 bales to 109.1 million bales in June due to lower usage in Bangladesh, Indonesia and the US.

Meanwhile, the global import forecast was revised down from the previous month to its lowest level in more than a decade at 37.1 million bales. This is because imports have reduced for Bangladesh, China, and Indonesia, reflecting trade-to-date and mostly lower consumption prospects, the USDA added.

Global ending stocks are up slightly this month to 92.9 million bales, nearly 7 million higher than the previous year.

Global cotton prices were mostly higher as last month's futures prices on the Intercontinental Exchange settled at roughly 85 cents per pound.

After last month's release, cotton futures surged to their highest level in more than three months on tighter old crop carry out for the US, robust growth forecasts in global consumption for 2023-24, and strong US sales and shipments.

Futures prices drifted lower after reaching 87 cents in mid-May with helpful rains in Texas, a stronger US dollar, and lower commodity futures.

Monsoor Ahmed, additional director of the Bangladesh Textile Mills Association, a platform for the primary textile millers, said cotton consumption in the country would



keep growing.

He said imports of American cotton would increase in the near future thanks to last month's withdrawal of the mandatory fumigation of the textile raw material coming from the country.

In April, the government had re-imposed the provision of fumigation of US cotton at ports. Now, African countries will lose their market share in Bangladesh, according to Ahmed.

Currently, African countries supply nearly 60 per cent of the cotton used by Bangladesh as local users have cut their over-reliance on Indian cotton in recent years.

But cotton consumption in Bangladesh may fall a bit after two to three years because of the increasing

use of manmade fibre as local spinners are importing the material to meet the growing demand from garment makers.

Mohammad Fazlul Haque, vice-president of the BTMA, said cotton consumption may not be as high as predicted by the USDA as there is a stockpiling of unsold yarn and unspun cotton at local mills.

"However, if work orders come in big volumes, consumption may increase."

Haque said some of the country's spindle capacity was supposed to increase by 2.5 million, but many spinners are refraining from further expansion because of the fall in demand for yarn and low gas pressure at their units.

US nationals top spenders thru credit

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Visa and Mastercard were mostly used in domestic credit card transactions with Visa accounting for 70 per cent followed by MasterCard with 17 per cent. Meanwhile, the share of AMEX was 12.50 per cent.

Visa and Mastercard were also mostly used in cross border transactions with 77 per cent and 13

per cent respectively.

Other payment companies – Diners, QcashProprietary, JCB and UnionPay – made up the remainder.

The cardholders mainly used credit cards in departmental stores, the report found.

In March, about 55 per cent of all credit card transactions took place in departmental stores while

some 11.90 per cent were for fund transfers.

Roughly 8 per cent of the transactions were for utility payments and 7.57 per cent was for cash withdrawal.

Additionally, 7.16 per cent was for buying clothing, 4.86 per cent for medicine and 2.68 per cent for transportation.

Textiles, RMG neglected

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"Considering the current scenario worldwide, we had expected a reduction of tax deducted at source from 1 per cent to 0.5 per cent, which was absent in the proposed budget," he said.

Even the continuation of the 15 per cent tax payable by the textile industry on their income, which is lower than that for most sectors, will have no benefit.

This is due to the fact that most units are now incurring losses for a reduction of work orders against the backdrop of inadequate gas pressure in the supply lines alongside frequent power cuts, said Mahmud.

"Also because of a rise in spare parts consumption, we expected a waiver of value-added tax and taxes on domestically produced spare parts."

"This would have helped support the local industry, enabled its development into an import substitution industry, and saved foreign currencies. Unfortunately, there was no such offer in the proposed budget."

A tax on the import of spare parts by entities inside the export processing zone is still in effect, which also should have been withdrawn considering the present economic slowdown, Mahmud said.

"There has been no allocation for research and development for the textile and garment sector at all, which we had expected as we are striving to produce more value added products."

No benefits were offered to factories which are investing in being environmentally friendly by reducing their carbon footprint alongside water and electricity consumption, added Mahmud.

"A lot of our traditional export markets will not be readily accessible as Bangladesh is going to graduate from the least developed country category."

"Moreover, there will be lesser access to low-cost concessional funding as we walk down this path of graduation."

BBS to release

socioeconomic

data by Oct

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The Bangladesh Bureau of Statistics (BBS) is expected to release its district-wise socioeconomic and demographic survey's estimates with 195 indicators by the end of October this year, according to a high official of the planning ministry.

The state-run statistical agency is now conducting its survey on 3 lakh households across the country. It began on June 1 and will end by June 15.

"The country will get around 195 types of social, economic, migratory and demographic information of the country's citizens," said Md Dilder Hossain, director of the survey project.

"It will provide us the district-wise households' elaborate estimate data, which we could not aggregate in the national Population and Housing Census 2022," he said.

The census was conducted last year with only 35 questions, said Hossain, also deputy secretary to the Statistics and Informatics Division of the Ministry of Planning.

Such large-scale census of other countries does not have adequate socioeconomic information of all citizens, he added.

"We have done it in a digital way for the first time," he said.

"This information will help to evaluate the progress the country has made in achieving the Sustainable Development Goals," said Hossain.

Across the country, 2,856 enumerators are working on the survey. Data will be collected from 2,583 sample units in Dhaka. There are 610 enumerators and 39 supervisors working in the capital.

On being contacted, Md Shariful Islam, deputy director of the statistics office's Munshiganj unit, told The Daily Star that they were collecting the data in full swing in their areas with the help of local public representatives and the administration.

However, many people do not want to share information related to remittance and land. Many people think that if they provide such information, they have to pay taxes, he said.

"We are availing such data on assuring them that the information would be kept confidential," he said.

India's cenbank

may not cut rate

REUTERS, Mumbai


India's central bank may not cut the key lending rate before February unless inflation falls sharply or a global crisis unfolds, a top treasury official of Axis Bank said.

On Thursday, the Reserve Bank of India left the repo rate unchanged at 6.50 per cent, as expected. However, Governor Shaktikanta Das said the central bank needed to move towards the primary target of inflation at the 4 per cent level, and it will do "whatever is necessary to ensure that long-term inflation expectations remain firmly anchored."

According to Mahmud, Bangladesh has been caught up in a volatile international business atmosphere this year owing to high-interest rates in the US, the Russia-Ukraine conflict and recessionary fears gripping the world.

Internally, the economy and businesses suffered from high inflationary pressure and a lack of private sector credit growth, he said.

He had apprehensions over the government increasing its borrowing target from internal sources like the banking sector, saying it would further squeeze private sector credit growth.



Considering the current scenario worldwide, we had expected a reduction of tax deducted at source from 1 per cent to 0.5 per cent, which was absent in the proposed budget.

Shams Mahmud
A former president of DCCI

"The uncertainties over power supply have detrimentally affected the cottage, micro, and small enterprises."

Input costs have gone up alongside the necessity for machinery spare parts as those are breaking down because of the erratic power supply. These costs are ultimately passed down to the consumers, which is creating inflationary pressure, he said.

The depreciation of the taka against the US dollar came as a shock to the economy, which is now taking a toll on the common people and the middle class whose incomes are fixed, he said.

"We had hoped that the just announced national budget would address all these points and show us a clear strategy to overcome all these issues."