

National  
BUDGET  
FY2023-24

Innovative  
strategies needed  
to implement  
budget  
Economists say

STAR BUSINESS REPORT

Innovative strategies are needed to reach the budget's aim of keeping inflation at 6 per cent and achieve the ambitious revenue collection target, according to economists.

They said the proposed budget for financial year 2023-24 has set a much higher revenue target than what is usually possible to collect. In addition, the aim of keeping inflation at 6 per cent is also a significant challenge.

Besides, the devaluation of taka against the US dollar and the government's borrowing from the domestic banking sector may continue to exert inflationary pressure.

Therefore, more strategies and commitments are needed than ever before to implement this challenging budget.

These comments came at a roundtable on budget analysis organised by Unnayan Shamannay at the Khondkar Ibrahim Khaled Conference Room at its office in Dhaka yesterday.

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Rumana Huque  
An economics professor at DU

In the proposed budget, it is stated that 16.56 per cent of the total fund will be allocated for social security. However, if the allocation for government pensions and development projects is excluded, the share of social security is reduced to 11.6 per cent.

Considering the current economic reality, it is unusual that there are no new social protection programmes for poor and low-income people in urban areas, they said.

Regarding social security, Professor AK Enamul Haque, dean of the business and economics faculty at East West University, said a universal pension scheme is essential to attain the status of a developing country.

However, even if it is planned, the slow pace of implementation is disappointing, he added.

Rumana Huque, an economics professor at Dhaka University, said allocations for the health sector has remained around 5 per cent of the budget for a long time, increasing healthcare expenditures for the people.

SM Zulfikar Ali, senior research fellow at Bangladesh Institute of Development Studies, said instead of collecting more taxes from wealthy people, the budget relies heavily on indirect taxes and attempts to collect money from non-taxable individuals through income tax returns, making it impossible to be a people-friendly tax proposal.

Nazneen Ahmed, country economist of the United Nations Development Programme, urged for highest priority to be given to implementing the budget for climate-resilient development.

Atiur Rahman, chairperson of Unnayan Shamannay, presided over the roundtable.

"The proposed budget should be seen as a challenging plan for government revenue for the upcoming financial year considering the reality of the emergency period," he said.

"Additionally, we must remember that Bangladesh's recent macroeconomic achievements will contribute to this challenge," added Rahman, also a former governor of Bangladesh Bank.

Power crisis hits  
Vietnam's firms,  
foreign investors

AFP, Hanoi

An intensely hot summer and unprecedented drought are straining energy supplies in northern Vietnam, prompting rolling blackouts and sudden power outages that have led to "uncountable" losses among local firms and foreign manufacturers.

Vietnam is a crucial part of the supply chain for some of the world's most important companies, and many of them -- including Samsung and Apple supplier Foxconn -- have factories in the north, not far from the capital Hanoi.

Operations at a large number of factories have been badly impacted by the lengthy power outages, business leaders told AFP. Some were given very little notice or had no warning at all.

"We had a 26-hour power cut. It cost us tens of thousands of dollars that day. It's not nice at all," said Vu Chi Hieu, director of Vietnam's KingBill XNK Joint Stock Company that produces aluminium parts in Bac Ninh province, which neighbours Hanoi.

Last week, several northern areas -- many of them home to key industrial parks -- were told to cut their energy use in half, forcing the Japanese, Korean and European chambers of commerce to petition the government to find a quick solution to the crisis.

Susumu Yoshida from Japan Chamber of Commerce and Industry told AFP that direct damage from one single power outage affecting five manufacturers at an industrial park was over \$190,000.

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PHOTO: COLLECTED

Workers are manufacturing refrigerators at a production facility of Electro Mart Ltd in Sonargaon of Narayanganj. The local company, which won the hearts of consumers with its Konka colour television nearly 25 years ago, plans to become the top electronics and home appliance retailer in the country.

We want to be  
number one  
Says Electro Mart DMD Nurul Afser

SOHEL PARVEZ

In 1998 when Electro Mart Ltd launched its Chinese-manufactured Konka colour television at almost half the prices of international brands, it took many by surprise.

The craze about the television brand continued in the subsequent years as the company offered an unprecedented 50-year warranty to the picture tube and ultra-low prices, bringing the electronics item within the reach of the people who wish to purchase one.

"In the late 1990s, most people in Bangladesh could not dare to dream to buy a television set, let alone a colour TV. We were able to offer them TVs at a really affordable price," said Md Nurul Afser, deputy managing director of Electro Mart, in an interview with The Daily Star recently.

The Fifa Football World Cup in 2000 brought another opportunity for Electro Mart.

"Many people had to buy our television standing in queue. People loved our brand," said Afser.

Beginning its journey in the mid-1970s, Electro Mart was initially engaged in the trading business. After the government offered tax benefits to encourage the establishment of manufacturing facilities, it signed up for producing home appliances such as refrigerators, washing machines, microwave ovens and air conditioners.

It set up, under its sister concern Trade International Industries Ltd, a manufacturing facility in Sonargaon of Narayanganj. It started to make

refrigerators in 2018 and later added other products, including ACs.

"We offered quality ACs at prices that were 30 per cent to 40 per cent lower than the market rates," said Afser.

The firm has so far invested more than Tk 800 crore to develop its manufacturing capacity, creating employment opportunities for nearly 4,000 people directly.



Nurul Afser

Electro Mart is now focused mainly on ACs and refrigerators as the demand for the appliances is expanding owing to rising income, electricity coverage and urbanisation.

"The appliances that we make here have better quality as we have designed our products based on the weather and the taste and preference of local consumers. We are now making products of global standard," said Afser.

The plant also produces outer cabinets and liners of refrigerators and uses locally-made cables, paints and packaging materials.

Since the beginning of local

manufacturing of refrigerators, Electro Mart has been able to expand its footprint and market share. Afser, also the deputy managing director of Trade International Industries, claims the market share of his company in the segment to be 20-25 per cent.

The company uses the majority of its refrigerator-manufacturing capacity, which stands at around 400,000 units annually.

Electro Mart's refrigerators use various devices such as active carbon and humidity control to prevent the spread of smell from one food to another food and ensure the freshness of vegetables.

"Not all refrigerators of other brands have these devices. But we have these devices in all our models. So, our refrigerators keep vegetables fresh. This is our strength," said Afser.

Electro Mart sells ACs from Gree, a popular brand known worldwide for its quality.

"We sell ACs at much lower prices although our products offer the same quality and features."

Electro Mart offers a 1.5-tonne AC at around Tk 67,000, whereas the price of an imported brand in the same capacity is around Tk 120,000.

A one-tonne Gree AC is being retailed at around Tk 50,000.

"Our Gree AC has been named as a superbrand in the air condition category in Bangladesh," Afser said, adding that Gree is the market leader in the AC segment.

"We are getting a very good

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How do you get  
best from your  
colleagues?

MAMUN RASHID

Perhaps one of the most fundamental duties of a leader at a professional business enterprise is to help their people feel purposeful, motivated, and energised so that they can bring their best selves to work. Even if one is fortunate enough to truly attain a meaningful position of leadership in an organisation but can't bring the best out of their colleagues, they would be deemed to be ineffective. Unfortunately, too many leaders lose focus on this aspect.

There are leaders who choose to lead by way of fear and intimidation. They can be found in almost all companies and they are the most toxic element. It is likely such people became leaders by constantly stepping on the shoulders of others and using various other "not so acceptable" methods.

Then there are those who may be the humble leaders. This type is rare but they are highly effective and beneficial to have in any enterprise. Such leaders view their key role as serving the employees or colleagues as they seek to explore and grow together. They also provide real support and motivation to all those who are in their orbit.

Humble leaders have the courage, insight and humility to understand that they can benefit from the experiences and capabilities of others who have less power than them. They constantly search for unique contributions from the employees. They help create a culture of learning and an environment that motivates followers to become engaged and tap their potential.

This group of leaders should not be confused with low self-esteem or an attitude of submissiveness. Instead, this approach focuses on the notion that it is the duty of the leader to strengthen autonomy, ownership, and the responsibilities of the followers. The primary goal is to encourage employees to think for themselves and be bold enough to try out their own ideas without any fear.

The ideology here is not to tell employees how to do their jobs better but rather to ask them how the leader can help employees do their jobs better. This method is more powerful than the strict authoritarian approach. The logic behind this is the justified presumption that employees who are doing the work on a regular basis may often know better than the leaders on how to do a great job.

Hence, respecting and valuing their ideas and encouraging them to try new ways to improve work effectiveness and efficiencies allows employees to contribute more to the job. The role of the leader in this instance is to facilitate and make it easier for the employees to do their best. Micromanaging and constant monitoring is the last thing that should be done.

Often the best way for leaders to serve those who work for them and the organisation is to create a low-risk environment for employees where they are free to experiment and apply a trial-and-error approach whereby certain boundaries are allowed to be pushed. This is because if boundaries are never allowed to be challenged and expanded, the organisation would continue to remain in the status quo and eventually become outdated. Then, they will be overtaken by more enlightened organisations that chose to push boundaries and rise beyond the old and traditional ways of doing business.

A strong feeling of "none of us is as strong as all of us" will no doubt drive organisations towards sustainability in the future.

The author is an economic analyst



The photo taken on June 13 shows boats parked by an island formed inside Thac Ba hydropower lake in Yen Bai province. After a series of heatwaves, including a record high in May, and an unprecedented drought, rivers and reservoirs in northern Vietnam are running dry, pulling locals who survive off the water into serious economic difficulty.

PHOTO: AFP

Russian oil  
revenues  
down nearly  
50% on price  
cap: US

AFP, Washington

Russian government oil revenues plunged nearly 50 per cent in the first five months this year, US Deputy Treasury Secretary Wally Adeyemo said Thursday, six months since a price ceiling was enacted.

To restrict Moscow's revenue after its invasion of Ukraine while making sure it keeps supplying the global market, a coalition involving the Group of Seven leading economies, European Union and Australia set a price cap of \$60 per barrel of Russian crude in December.

This decline in oil revenue from a year ago "has occurred despite the fact that Russia is exporting more crude oil today than it did at the onset of the war," Adeyemo said in prepared remarks at an event at the Center for a New American Security in Washington.