

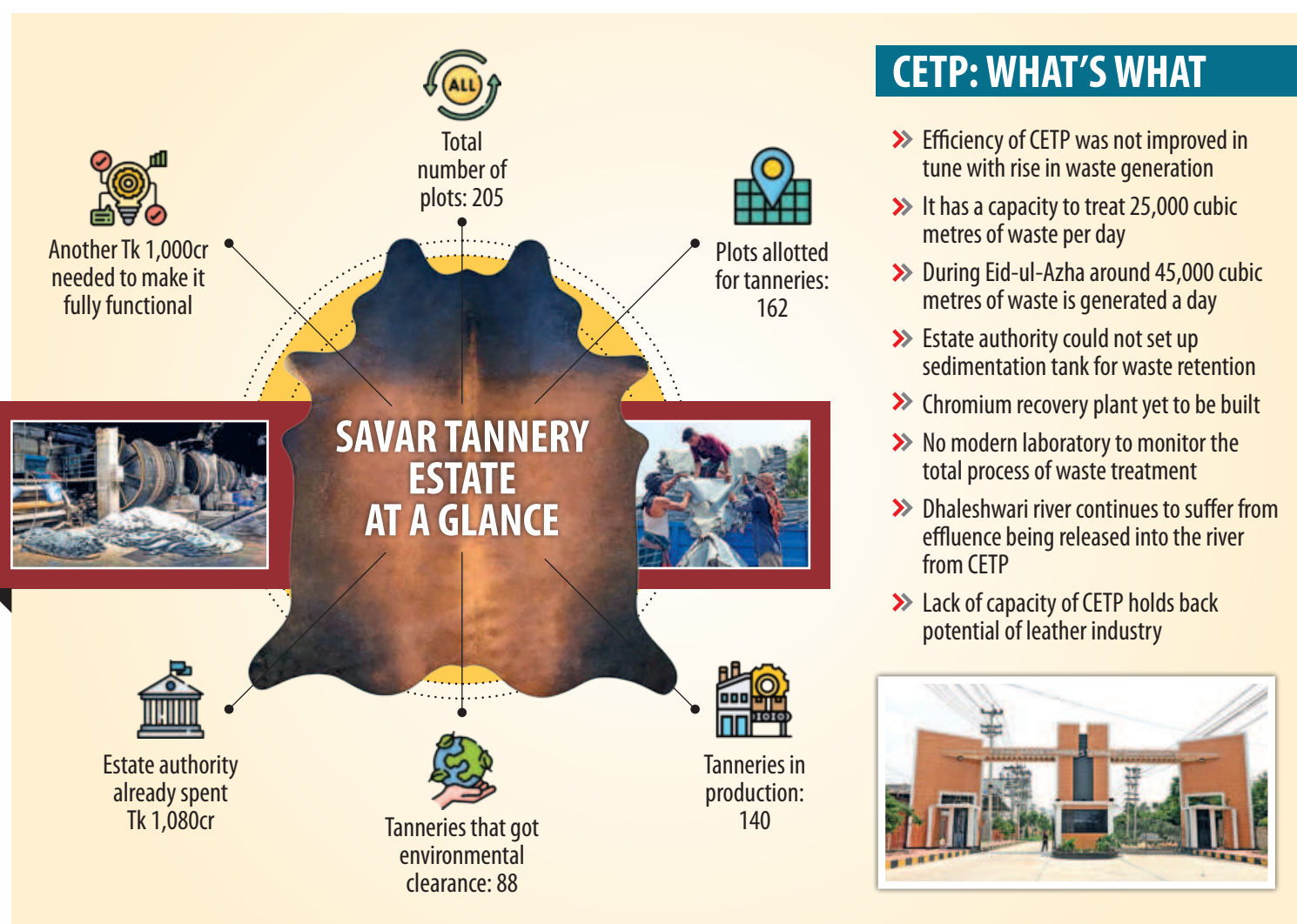


## Jica offers Tk 2,273cr budgetary support loan

STAR BUSINESS REPORT

Japan International Cooperation Agency (Jica) will provide an Official Development Assistance loan of Tk 2,273 crore (equivalent to JPY 3,000 crore) as budgetary support for strengthening public financial management. Ichiguchi Tomohide, chief representative of JICA Bangladesh, and Sharifa Khan, secretary to Economic Relations Division, signed an agreement in this regard at National Economic Council in Dhaka yesterday, according to a press release. The loan comes with an annual interest rate of 1.6 per cent along a 30-year repayment period, including a 10-year grace period. Aimed toward the economic recovery of Bangladesh, it is to be disbursed quickly, it said.

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### CETP: WHAT'S WHAT

- Efficiency of CETP was not improved in tune with rise in waste generation
- It has a capacity to treat 25,000 cubic metres of waste per day
- During Eid-ul-Azha around 45,000 cubic metres of waste is generated a day
- Estate authority could not set up sedimentation tank for waste retention
- Chromium recovery plant yet to be built
- No modern laboratory to monitor the total process of waste treatment
- Dhaleshwari river continues to suffer from effluence being released into the river from CETP
- Lack of capacity of CETP holds back potential of leather industry



## ESSENTIALS' PRICE SPIRAL

### Munshi's comment exposes govt's helplessness

Economists say

MAHMUDUL HASAN

The commerce minister's recent admission that stern measures against market manipulators could create a sudden crisis has exposed the helplessness and lack of political will of the government, said three top economists and a consumers' body. They suggest that the government end the monopoly in the market for edible oil, sugar, flour and other essential commodities and create alternatives to ensure competition in the market and thus benefit consumers. Earlier on Monday, in the face of the criticism of opposition lawmakers in parliament, Commerce Minister Tipu Munshi said, "We are discussing the syndicate. It is correct that large companies are doing lots of businesses together." "We need to think...We can put them behind bars and we can fine them. That might be possible," he said. "But it will be difficult for us to bear the sudden crisis caused by it. That's why we try to remain within the rules and (tackle the situation) through discussions," he added.

**"We have created a large oligarch over the years like Russia. There is the existence of those oligarchs in every sector, including the commodity sector. We all know who they are," said Ahsan H Mansur, executive director of PRI.**

In his reaction, Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the commerce minister's speech was an expression of the truth. "We have created a large oligarch over the years like Russia. There is the existence of those oligarchs in every sector, including the commodity sector. We all know who they are," he said. The main issue is to regulate them, they should not be destroyed or put behind bars, he said. "They control the whole commodity market and no one will be able to compete with them as their capacities are high. Because they buy in large quantities. They even have their own shipping," said Mansur.

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# Another Eid comes, leather estate is still ill-equipped

Another Tk 1,000cr needed to make it fully functional

SUKANTA HALDER and MOSTAFA YOUSUF

Bangladesh's two-decade-long quest to put in place a system that can process 100 per cent of rawhides generated during Eid-ul-Azha continues owing to the lower-than-required capacity of the Savar Tannery Industrial Estate (STIE).

As a result, the authorities have decided to treat the animal skins to be collected in phases in order to tackle oversupply, if any.

The estate will process the rawhides collected from Dhaka in the first week after Eid, which falls on Thursday, since traders in and around the capital city are well-positioned to bring skins to the facility fast.

Currently, the central effluent treatment plant (CETP) at the STIE has the capacity to treat 25,000 to 30,000 cubic metres of liquid waste. But during Eid-ul-Azha, the generation of waste climbs to 45,000 cubic metres as the number of rawhides collected shoots up.

In Bangladesh, Eid-ul-Azha accounts for half of the rawhides that tanners collect throughout the year. About one crore animals were sacrificed last year.

Around 1.30 crore animals are ready to be sacrificed this year, said Aftab Khan, president of the Bangladesh Hide and Skin Merchants' Association, recently quoting data from the livestock ministry.

The estate has been set up to help the country's tannery industrial estate get rid of pollution stemming from rawhide processing. But it has not made significant progress in putting in establishing a fully functional liquid and solid waste management, a salt purification system and a common chromium recovery unit even though the work to construct the STIE started in 2003.

**The estate has been set up to help the country's tannery industrial estate get rid of pollution. But it has not made significant progress in establishing a fully functional liquid and solid waste management system.**

When the estate and the CETP were planned, the systems and units were supposed to be set up in the initial stage of construction, but they were later dropped, said Mustak Ahmed, managing director of Dhaka Tannery Industrial Estate Waste Treatment Plant Company (DTIEWTPC), which runs the facility.

Steps have been taken to address the issues, he said.

The DTIEWTPC has spent Tk 1,080 crore to establish the CETP but Ahmed said another Tk 1,000 crore is needed to make the facility fully functional.

Kabir Hossen, an official of Nabarun Tannery, said his company has targeted to buy 10,000 pieces of rawhides. "If the price is low, we will double the number."

Failing to process the precious rawhides in line with global standards is already proving costlier for Bangladesh although the leather industry is one of a few sectors in Bangladesh for which raw materials are locally available, which offers the scope for a huge value-addition and thus earning more foreign currencies.

But owing to a lack of global recognition, Bangladeshi suppliers have to export leather mainly to China at rates that are much lower than the going rates in the international markets. What is more, finished goods exporters have to import rawhides from compliant factories in other countries to ship products to developed markets.

In the July-May period of the current fiscal year, Bangladesh exported leather and leather goods worth \$1.12 billion, registering a year-on-year growth of 0.42 per cent. But industry people say the industry has the capacity to be a multibillion dollar sector.

Another drawback of an absence of a fully functional CETP is the nearby

Dhaleshwari river is being polluted, meaning the principal goal of shifting tanneries from Dhaka's Hazaribagh to Savar has remained unachieved in the first place.

The tanneries were relocated in 2017 with the hope of reviving the Buriganga, which bore the brunt of pollutants released by the factories. The tanneries might have been shifted, but their processes are still polluting rivers.

During a visit to the estate area on Monday, one of the correspondents talked to Mohammad Nasir, a fisherman.

He said he had earned a living by catching fish in the Dhaleshwari for 30 years.

"During monsoon, fish seems okay. But during the other times of the year, fish smell of kerosine" he said, adding that he pulls a rickshaw most of the time of the year and occasionally catches fish.

Currently, the CETP takes 53 hours to treat wastes but the standard time should be 72 hours, according to the DTIEWTPC. The biological treatment process takes 25 hours whereas it should be 48 hours as per international practices.

An official of the Department of Environment told The Daily Star that the design of the CETP was flawed and it was set up without a feasibility study. Even the facility does not have any environmental clearance and it has been allowed to operate based on some conditions.

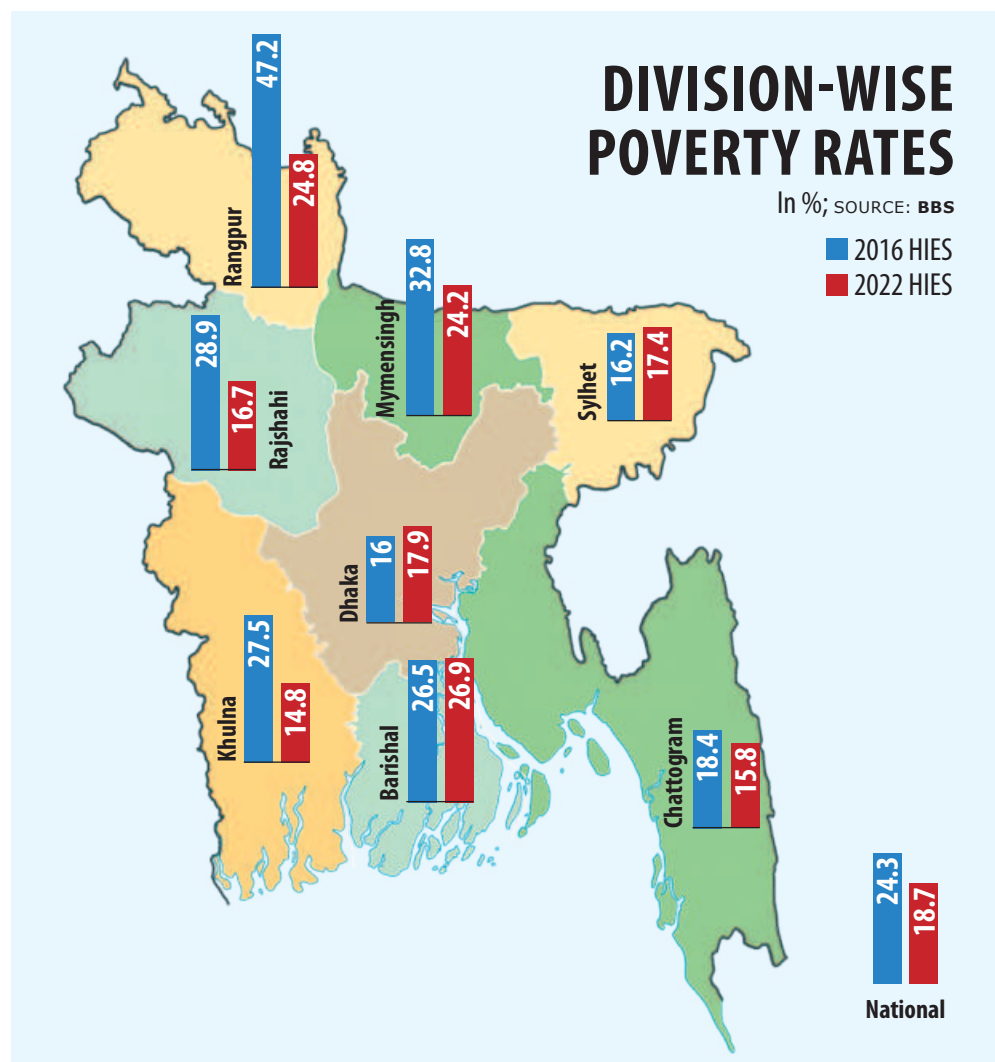
STOCKS		MONDAY CLOSINGS	
DSEX ▲	CASPI ▲	0.29%	0.16%
6,344.08	18,702.20		

COMMODITIES	
Gold ▲	Oil ▼
\$1,923.70	\$73.40
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.71%	▼ 0.49%	▲ 0.49%	▲ 1.23%
63,416.03	32,538.33	3,205.35	3,189.44



## Poverty rose in Dhaka, Barishal, Sylhet

AHSAN HABIB

Although the national poverty rate dropped in 2022, it rose in Dhaka, Barishal and Sylhet divisions.

The poverty rate rose mainly in the rural areas of the three divisions while the urban areas saw reductions for economic growth and development.

The once poverty-prone Rangpur, Khulna, Mymensingh and Rajshahi divisions attained massive progress in reducing poverty in 2022 compared to 2016.

Economic progress still down not permeate all throughout the land, for which income inequality and disparity has remained at the regional level in Bangladesh for years and are increasing, according to economists.

The Household Income and Expenditure Survey of 2022 shows that the national poverty rate dropped to 18.7 per cent, which was 24.3 per cent in 2016.

However, the poverty rate rose in Dhaka and Sylhet to 17.9 per cent and 17.4 per cent in 2022, which was 16 per cent and 16.2 per cent in the previous survey of 2016 respectively.

The poverty rate also rose in Barishal to 26.9 per cent in 2022 from 26.5 per cent in 2016. This caused Barishal to replace Rangpur as the most poverty-prone division in the country.

Rangpur's poverty rate was 24.8 per cent in 2022 whereas it was the highest at 47.2 per cent in 2016.

"Regional disparity in poverty is a common feature of our economy as the benefits of economic growth is not trickling down equally," said Mustafa Kamal Mujeri, a former director-general of the Bangladesh Institute of Development Studies.

"...and some regions are always benefiting from government projects," he said.

**The poverty rate rose mainly in the rural areas of the three divisions while the urban areas saw reductions for economic growth and development.**

Mostly people of Dhaka division fell victim to the severe impacts of the pandemic. Meanwhile, many people temporarily migrated back to rural areas. "It also may be a reason of higher poverty in the rural areas of the divisions," said Mujeri.

Also executive director of the Institute for Inclusive Finance and Development, Mujeri

## EBL to buy exchange house in Dubai to woo remitters

STAR BUSINESS REPORT

Eastern Bank Ltd (EBL) has decided to purchase an exchange house in Dubai to attract more remittances sent by Bangladeshi migrants working in the emirate.

The board of the EBL agreed in principle in this regard, according to a filing posted by the private bank on the Dhaka Stock Exchange website on June 26.

"We want to open a money exchange house subject to the approval by the Bangladesh Bank and central bank of the UAE. If we can do so, we will be able to bring in more remittances to the country," said Ali Reza Iftekhar, managing director and chief executive officer of EBL.

The bank made the decision at a time when Bangladesh faces a shortage of foreign exchange reserves as total inflows from exports and remittances fall short of the requirement to clear external payments mainly import bills.

Between July 1 and June 25 of fiscal year 2022-23, remittance inflow grew 4.6 per cent to \$21.43 billion from last fiscal year's total of \$21.03 billion, according to Bangladesh Bank data.

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