

## Global public debt reaches record \$92tr

### UN report shows

REUTERS, London

Global public debt surged to a record \$92 trillion in 2022 as governments borrowed to counter crises, such as the Covid-19 pandemic, with the burden being felt acutely by developing countries, a United Nations report said.

Domestic and external debt worldwide has increased more than five times in the last two decades, outstripping the rate of economic growth, with gross domestic product only tripling since 2002, according to the Wednesday report, released in the run up to a G20 finance ministers and central bank governors' meeting July 14-18.

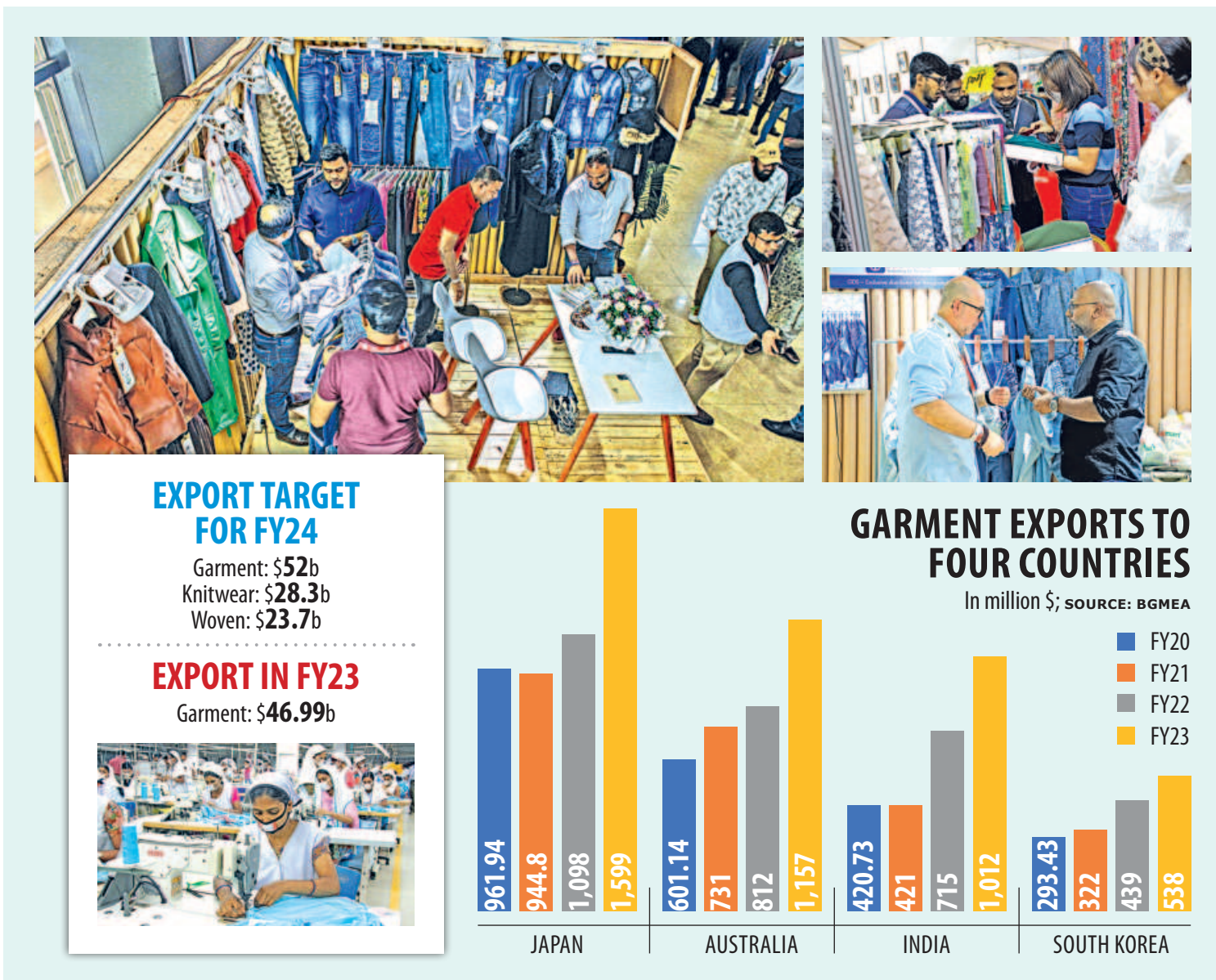
Developing countries owe almost 30 per cent of the global public debt, of which 70 per cent is represented by China, India and Brazil. Fifty-nine developing countries face a debt-to-GDP ratio above 60 per cent - a threshold indicating high levels of debt.

"Debt has been translating into a substantial burden for developing countries due to limited access to financing, rising borrowing costs, currency devaluations and sluggish growth," the UN report added.

Furthermore, the international financial architecture made access to financing for developing countries both inadequate and expensive, the UN said, pointing to net interest debt payments exceeding 10 per cent of revenues for 50 emerging economies worldwide.

"In Africa, the amount spent on interest payments is higher than spending on either education or health," the report found with 3.3 billion people living in countries that spend more on debt interest payments than on health or education.

"Countries are facing the impossible choice of servicing their debt or serving their people."



## RMG export to India crosses \$1b

### Massive increase in other non-traditional markets too

STAR BUSINESS REPORT

Bangladesh's garment export to India crossed the \$1 billion mark for the first time last fiscal year riding on duty free entry and rising demand from a growing middle class.

The shipments soared 42 per cent year-on-year to \$1,012 million in the July-June period of fiscal year 2022-23, according to data compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"It is a promising market and exports to this market are expected to grow," said Md Fazlul Hoque, managing director of Plummy Fashions Ltd, one of the leading knitwear exporters. The green factory also exports to India.

"India is a big market with a growing middle class. And demand from the middle class is rising," he said.

Apparel exports to the neighbouring country was just around \$10 million 14 years ago. The earnings crossed the \$100 million mark in fiscal year 2014-15.

And in the last three years till the end of

fiscal year 2022-23, the exports grew nearly two and half times from \$421 million in fiscal year 2020-21 thanks to the duty-free benefit for Bangladesh's products under South Asian Free Trade Area.

There might have been confusion in the past among buyers regarding Bangladesh's products, said Hoque, also a former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"This has been sorted out for the quality for our products," he said.

There is scope for further growth in export in India, said Mohiuddin Rubel, a director of the BGMEA.

Not only India, garment exports to Australia also crossed the \$1 billion-mark last fiscal year which ended in June.

Entrepreneurs sent \$1,157 million worth of knitwear and woven garments to Australia in fiscal year 2022-23, registering a 42 per cent year-on-year growth.

"It is another big market. We also have scope to increase export there," he said.

Japan has also emerged as another promising market. Shipments to Japan, the

second largest economy in Asia after China, surged 46 per cent year-on-year to \$1,599 million in fiscal year 2022-23, according to the BGMEA.

"It is a fast fashion market and people in Japan have the purchasing capacity," said Rubel, also additional managing director of Denim Expert Ltd.

Overall, he said, garment export to non-traditional markets grew 31 per cent year-on-year to \$8.37 billion in fiscal year 2022-23.

This led to an increase in the share of garment export to non-traditional markets by around three percentage points to 18 per cent of the total receipts of roughly \$47 billion in fiscal year 2022-23.

In contrast, the share of export earnings from traditional markets, which is mainly comprised by the European Union, US and UK, declined as exports growth to the EU slowed while to the US fell.

Rubel said high inflation, overstocking of apparel by buyers and effects of the war in Ukraine were the reasons behind the slowdown in export of garments to traditional markets.

## Dollar hits 2-month low

REUTERS, London

Bets on a screeching slowdown in US inflation data later saw traders shove the dollar to a 2-month low on Wednesday and push stocks up and bond market borrowing costs down for a third day running.

Economists polled by Reuters expect to see June US consumer price inflation slow to 3.1 per cent from 4 per cent in May, which might be enough to convince the Federal Reserve to end its aggressive rate hikes - if not this month, at least soon.

Europe's main stock markets had opened 0.7 per cent higher, led once again by the high-flying tech sector, and MSCI's main 47 country world index was up a full 20 per cent from rate hike-induced lows hit in October.

The dollar's low meant it notched its longest losing stretch since March. The yen clambered back above 140 and sterling hit a 15-month high as the Bank of England said the UK was coping with higher interest rates.

"Risk assets, as usual, seem to take the best out of whatever is happening," said James Athey, an investment director and fund manager Abdn in London.

For the CPI data, the core reading which strips out volatile elements such as energy prices, will matter the most for markets, he added.



"If it doesn't give the impression of the immediate cessation of these price pressures we could see a reversal of some of these more recent market moves," Athey said, such as the rebound in the yen and drop in short-term US bond yields.

That core rate is expected to have dropped for a third month to 5 per cent from 5.3 per cent, according to the Reuters poll, though that is more than double the Fed's 2 per cent target.

Markets are pricing in a 92 per cent chance of a 25-basis-point Fed hike later this month, the CME FedWatch tool showed, but remain doubtful of further hikes after that.

Wednesday's moves saw euro zone bond yields inch lower, with Germany's 10 year yield dipping to 2.62 per cent, having hit a four-month high of 2.679 per cent on Monday. US Treasury yields were a touch lower as well, with the 10-year Treasury yield now at 3.95 per cent.

Saxo Markets strategists said traders were likely to continue to keep the odds for September and November rate hikes low if the core inflation rate decelerates as anticipated.

Investor attention will also be on the Bank of Canada, with analysts expecting a second consecutive quarter-point rate hike at its upcoming meeting.

## BSEC chief

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documents as Xin Bangla's contact person, including in a 2007 Swiss embassy newsletter about a Bangladeshi-Swiss business forum. He is also listed as the company's managing director in an online registry of Bangladesh companies.

Current ownership details were unavailable, said the OCCRP.

Ming Global filed a lawsuit against Monarch in the US in 2020 but later shelved it, which, the company's director told that the OCCRP, was because none of the defendants - or the money that was allegedly stolen - are in the country.

The company also filed a suit to recover funds in Bangladesh from Islam, who has filed a counter-suit against them. The country's Anti-Corruption Commission has taken no apparent action since it received the complaint against Islam nearly two years ago, the OCCRP report said.

Prof Islam told The Daily Star yesterday that he received \$277,924 into his bank account as advance rent, security deposit and advance construction costs under a lawful lease agreement for commercial space in an industrial building in Dhaka.

"I received the money through legal channels. If I had any bad intention then why would I bring the money into the country and that too even using the legal channel?" he asked.

He said when Ming Global claimed that its fund was sent to him, he realised that it was a complex issue.

"So, I have surrendered the money to the court. The court will decide who will get the fund," he said.

The fund had been labeled in the Bank of America transfer as "family support", the OCCRP report said.

Though the site was supposed to be used for a garment factory starting on January 1, 2021, with the lease lasting five years, a reporter who visited the site in January 2023 found that the floors were empty, it said.

## Food storage project

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executive director of Beximco Computers, said they are now developing the software at full speed after getting the required licence.

It should be mentioned that the IMED prepared its report before Beximco Computers was granted its SAP licence.

Regarding reasons for the delay, Khan said receiving the licence through Tech Mahindra took longer than anticipated as they were conducting due diligence, including an internal audit, for securing approval at the time.

"The software has many components, of which two applications have been delivered and are already live," he added.

Khan also blamed the ongoing US dollar shortage for delays in software development.

"The IMED report was prepared according to the progress up till April, but our major developments occurred in the last few months," he said, adding that the work will be complete in a few months if there are no external challenges.

Likewise, the plan for building eight grain silos with a combined storage capacity of 5.35 lakh tonnes remains relatively stagnant as well.

The silos were to be built in strategic locations of Dhaka, Narayanganj, Chattogram, Mymensingh, Tangail,

Khulna, Barishal and Brahmanbaria.

Later, the food department cancelled Dhaka's silo, citing issues in selecting the location.

The project was scheduled for completion by June 2020, but overall progress has reached just 50 per cent as of April this year.

And as the food department failed to meet this deadline, the project was revised twice and the cost rose by about 86 per cent.

"There was a loophole in the feasibility study and mistakes in its design," the IMED said.

According to the report, it became known that it is not possible to build the Dhaka silo on the banks of Buriganga river only after roughly Tk 2 crore was already spent.

Asked about delays in construction, Project Director Sheikh said they repeatedly served notices to the contractors, threatening to scrap their contracts if they do not cooperate.

Regarding some of their successes, Sheikh said they have already distributed small-scale "household silos" to five lakh families in 19 flood-prone districts of the country.

Considering the lengthy delays in implementation, the Planning Commission has proposed increasing the project duration until December 2025, subject to approval from the World Bank.

when most of the stocks are stuck on the floor price, because of which investors are getting fewer capital gains from their investments.

At the end of July last year, the Bangladesh Securities and Exchange Commission (BSEC) set the floor price of every stock to halt the free fall of the market indices amid global economic uncertainties.

A number of brokerage houses have been demanding to get the connection so that their clients can do trading on their own through mobile phones, said M Shaifur Rahman Mazumdar, managing director (acting) of the DSE.

## DSE to charge Tk 1,500

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provides real time securities trading opportunities for investors.

The investors—who have been using the app free of charge since the launch of the app in 2016—have traded shares worth Tk 21,949 crore in 2022-23 fiscal year, according to DSE data.

The premier bourse yesterday sent letters to share the information about the new service charge with all the holders of trading right entitlement certificate (TREC), which is a must to run a brokerage house for share trading.

The decision came at a time

Government of the People's Republic of Bangladesh					
Office of the Executive Engineer Education Engineering Department Barguna					
E-mail: ee_barg@eedmoe.gov.bd					
e-Tender Notice					
e-Tender Notice No. EED/BARGUNA/09/Project Code: (1250301-120001601-3258108) e-Tender/2023-24 Date: 12.07.2023					
Name of Project: Repair/Renovation of Govt. Educational Institutions (SHED).					
e-Tender is invited through the National e-GP Portal for the following procurement of works.					
S.L	Name of the tender	Tender ID	Type method	Last date & time of selling documents	Last date & time of submission documents
1.	Repair and Renovation work of Boundary Wall at District Education Office under Sadar Upazilla Barguna District.	840414	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
2.	Repair and Renovation work of (Administrative, Science, Library Building) at Barguna Government Mohila College under Sadar Upazilla Barguna District.	840410	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
3.	Repair and Renovation work of (Administrative Building) at Barguna Government College under Sadar Upazilla Barguna District	840407	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
4.	Repair and Renovation work of Boundary Wall at Barguna Government College under Sadar Upazilla Barguna District.	840400	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
5.	Repair and Renovation work of Boys Hostel at Barguna Government College under Sadar Upazilla Barguna District.	840397	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
6.	Repair and Renovation work of Academic Building-2 at Barguna Government Girls High School under Sadar Upazilla Barguna District.	840387	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
7.	Repair and Renovation work of Barguna Zilla School Mosque at Barguna Zilla School under Sadar Upazilla Barguna District	837408	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
8.	Set up Submersible Pump at Barguna Zilla School under Sadar Upazilla Barguna District	837393	NCT, LTM	02-Aug-2023 16:00	03-Aug-2023 12:00
This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal ( <a href="http://www.eprocure.gov.bd">http://www.eprocure.gov.bd</a> ) is required. The fees for downloading the e-Tender document of following packages from the National e-GP System Portal have to be deposited online through any registered bank branches. Further information and guideline are available in the National e-GP System Portal and from e-GP help desk ( <a href="mailto:helpdesk@eprocure.gov.bd">helpdesk@eprocure.gov.bd</a> ).					
<b>Md. Badrul Alam</b> Executive Engineer (C.C) Education Engineering Department Barguna					
GD-1104					