



The elevated expressway will not only contribute to making Dhaka a more prosperous and livable mega-city, it will also improve transportation network and drive economic growth, said trade bodies.

PHOTO: NAIMUR RAHMAN

Elevated expressway to help drive economic growth, job creation

Leading chambers say

STAR BUSINESS REPORT

The country's two leading trade bodies -- the Metropolitan Chamber of Commerce and Industry (MCCI) and Dhaka Chamber of Commerce and Industry (DCCI) -- welcomed the inauguration of the Dhaka Elevated Expressway and termed it a historic milestone for Bangladeshis people.

Prime Minister Sheikh Hasina inaugurated the 11.5km stretch of the Dhaka Elevated Expressway, including another 11km of ramps and link lines, on September 2. It opened to public vehicles at 6:00am the next day.

"This marks a significant milestone as the expressway becomes Bangladesh's first large-scale infrastructure project developed through a public-private partnership," read a statement from the MCCI.

By enhancing Dhaka's transportation network, the expressway is poised to drive economic growth, job creation, and improved efficiency, it added.

The MCCI also congratulated Prime Minister Sheikh Hasina and the Bangladesh government "for their

unwavering commitment to enhancing the nation's infrastructure and their visionary approach in bringing this project to fruition."

It further stressed that the expressway would effectively contribute to making Dhaka a more prosperous and livable mega-city. Echoing those sentiments, the DCCI termed the expressway a milestone infrastructure project for the nation.

"It is expected to scale up our gross domestic product (GDP), ease transport connectivity to Dhaka, traffic congestion and other traffic-induced challenges, opening up new opportunities for desired inclusive development," read the release from the DCCI.

Dhaka is challenged with various pressing issues including traffic congestion, which causes numerous adverse economic repercussions.

The DCCI commended the government for prioritising infrastructure development and completing various exemplary landmark infrastructure projects, such as Payra Port, Karnaphuli Tunnel and Padma Bridge as part of its

fast-track mega projects.

The Padma Bridge, inaugurated in 2022, was a game-changing communications development network that linked the underdeveloped southern region of Bangladesh to Dhaka, resulting in enormous macroeconomic connectivity.

DCCI President Md Sameer Sattar said such a timely initiative is likely to add outstanding benefits and premiums to the local supply chain network and business operations.

As a commitment of the government to continuous and sustainable infrastructure development, several mega communications infrastructure projects, including the MRT Line 6 and Elevated Expressway, were completed within Dhaka with the aim of connecting adjacent areas to the capital.

DCCI President Md Sameer Sattar said such a timely initiative was likely to add outstanding benefits and premiums to the local supply chain network and business operations.

Sattar believes that the masses, including commuters, investors and entrepreneurs, would benefit from this project in the days to come as it will strengthen local connectivity and lead to smooth traffic networks, thereby reducing various traffic-induced repercussions.

Sattar mentioned that the elevated expressway would make a significant difference to the country's transport communications system and its economic growth trajectory.

It will also open up new prospects for the country as it works towards a local and export-oriented industrialisation-led economic transformation.

The much-needed elevated expressway will allow exporters from Gazipur and Savar to easily access ports in Chattogram and Mongla, cutting down on costs and time as Bangladesh seeks more efficient local and cross-border trade growth.

Shift warehouses to Shyampur, get licences renewed

Mayor Taposh tells Old Dhaka chemical traders

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Traders in Old Dhaka who shift their chemical warehouses to the capital's Shyampur will be able to get their trade licences renewed, said Dhaka South City Corporation Mayor Sheikh Fazle Noor Taposh yesterday.

However, he did not explicitly state that those who do not shift will not be able to get their licences renewed.

The government has not been issuing and renewing their trade licences for a long time following incidents of fires breaking out in chemical warehouses in Old Dhaka and endangering lives.

Taposh shared the information at an event organised by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) at its Motijheel office, where he unveiled a new five-year trade licence registration and renewal policy.

"I hope businesses will take this opportunity. We want to make this city liveable for future generations," he said.

A total of 54 chemical warehouses were inaugurated at Shyampur in the capital on June 4, after which traders of chemical products were asked to apply to rent the warehouses between July 24 and August 24.

However, traders say that the rent fixed by the authorities for the warehouses was too high.

Shamim re-elected as BPGMEA president

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Shamim Ahmed has been re-elected as the president of the Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) for a one-year term (2023-2024).

BPGMEA election board chairman Abdur Razzaque, accompanied by other members of election board Hafez Harun or Rashid and Abul Khair, announced the results after the

election was held at the association's head office in Paltan yesterday, said a press release.

KM Iqbal Hossain has been elected as the senior vice president, while Quazi Anwarul Haque and Md Enamul Haque have been elected vice-presidents of the association.

As per the order of the ministry of commerce, seven new directors were elected to the seven vacant posts of the board of directors of the BPGMEA on September 2.

A 21-member board of directors will run the association for the next one year.

Exports rise slightly

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The pandemic and Russia-Ukraine war are still affecting the spending of consumers, said Islam, also president of the Metropolitan Chamber of Commerce and Industry (MCCI) and managing director of Picard Bangladesh Ltd.

Similarly, shipments of jute and jute goods declined 10.31 percent year-on-year to \$140.46 million in the July-August period of the current fiscal year.

Though jute goods exporters get a government incentive, there is also a tax on it, which is disappointing, said Md Saiful Islam, managing director of Faridpur-based Mazeda Jute Industries Ltd.

Some 90 percent of Bangladesh's jute and jute goods are exported to 12 countries, which add more value to the products and reexport them to the rest of the world, he said.

But Bangladesh jute exporters cannot exploit the demand of the rest of the world for a lack of proper marketing strategies, he said.

The Indian anti-dumping duty on Bangladeshi jute goods is also discouraging local exporters, he said.

Of the total jute goods, some 70 percent is yarn, 20 percent is sacks and 10 percent is other goods and

those goods face such duty in India.

However, raw jute does not face any duty in India. As a result, 13 lakh tonnes of jute were exported to India over the last three years, said Islam, also a former director of the Bangladesh Jute Spinners Association.

Moreover, consumers are preferring other alternatives like polythene bags because of jute goods costing higher, he added.

Sectors like cotton waste, plastic goods and non-leather footwear performed well in the July-August period.

Home textile exports fell 53.40 percent to \$125.14 million as demand fell globally. Shipments of sectors like frozen and live fish, agricultural products and ceramics did not fare that well in the July-August period.

Exports were robust in August last year, said Mohammad Abdur Razzaque, research director of the Policy Research Institute. As a result, the exports seem slower on a year-on-year comparison.

Still the exports of Bangladesh are better than other countries considering the volatile global economic situation. Besides, exports may grow from the next quarter as inflation is easing, he added.

German exports remain volatile

AFP, Berlin

German exports fell again in July after a slight rebound in June, official data showed on Monday, as Europe's biggest economy battles an industrial slowdown.

Exports totalled 130.4 billion euros (\$141 billion), a fall of 0.9 percent compared with the previous month, according to adjusted figures from federal statistics agency Destatis.

FactSet analysts had predicted an even steeper decline of 1.5 percent. Imports meanwhile were up 1.4 percent compared with June, totalling 114.5 billion euros.

Banks can't transfer

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In case of the fund remaining unused, banks will have to encash the amount in taka just after expiry of an admissible period of 30 days, the notice said.

However, the unused fund can be encashed before this time upon request from exporters.

Previously, the central bank had allowed designated banks to transfer the value-added portion of export proceeds to other banks for use in settling the respective exporters' import obligations.

Slow export, fall in remittance to put pressure

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Last week, bankers decided to buy and sell the US dollar at a single rate even though some are doubtful whether it would really be a floating exchange rate.

Razzaque said there is a gap in the exchange rate between the formal and informal markets.

"And remittance flow will not increase if the exchange rate in the informal market is high," he said.

"It is not wise to control the exchange rate artificially. Rather, allowing the market to determine the exchange rate will be instrumental in attracting increased flow of remittance through formal channels and export," Razzaque added.

Replying to a question about how import induced inflation may rise because of further depreciation of taka, he said inflation cannot be

controlled by restricting imports.

"It may rather fuel inflation owing to a shortage of goods in the market," Razzaque added.

Muhammad Shahadat Hossain Siddique, a professor of economics at Dhaka University, said remittance and export earnings are two major sources of foreign currency for Bangladesh.

But if imports continue at the current pace and export, remittance and foreign investment do not increase, the vulnerability in foreign exchange reserve may rise, he added.

Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said the latest export and remittance data is concerning.

The foreign exchange reserve is falling every month, although the

rate of decline has reduced. If this continues, overall reserves may drop to less than \$18 billion.

"This is quite concerning. Export and remittance are two major pillars of the economy, but such a low growth of export will not be enough to reduce pressure on the reserves," he added.

Raihan, also a professor of economics at Dhaka University, said there is still a large gap in exchange rates between the official and kerb markets.

The chance of recovery in remittance flow through formal channels is low as the tendency to siphon money out of the country rises ahead of any general election, he added.

Raihan also said policy makers should have taken measures long ago to tackle the challenges the economy

has been facing over the last one-and-a-half years.

"Today's challenge is the result of faulty policies and poor economic management. The situation has come to a point where a handful of measures will not be enough. So, it appears the pressure on the economy is likely to increase," he added.

Raihan recommended the government form a high-powered panel including economists and experts to address the challenges.

Estiaque Bari, senior lecturer of economics at East West University, said one of the reasons for the decline in remittances is the gap in exchange rates between the formal and informal markets.

Even after adding 2.5 percent incentive given by the government, the official rate stands below the rate offered at the kerb market, he added.

Video game development industry

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Given the industry's consistent profitability, one might expect Bangladesh, which graduates over 20,000 software engineers yearly, to have a thriving game development market. However, despite early optimism about the gaming industry in Bangladesh and despite the fact that some locally-produced video games have garnered good reviews, the industry has struggled to gain traction.

Video games are often seen as non-essential, leading many talented individuals to seek opportunities abroad and draining the nation's pool of expertise.

Md Musabbir Hosain, managing director at NapTech Labs, a Dhaka-based game development company, points out that the initial challenge is an insufficient workforce, which necessitates extensive training for new recruits.

The industry is also plagued by a lack of robust investment. While the anticipation for groundbreaking Bangladeshi games is fervent, extended-release delays like 'Agontuk' disappoint fans. Social media pages

for games like the first-person shooter 'Project Judgement' have lay dormant for years.

The few games that hit the market often offer subpar gameplay as developers struggle with tight budgets and modest pay.

The perceived absence of profitability has also led to hesitancy among investors, causing many promising projects to be shelved prematurely. This reluctance has a ripple effect, discouraging students from specialising in game development and exacerbating the already significant skill gap.

Arif Mohammad, CEO of TechnoMagic, a local animation and game development company, underscores the importance of educational institutions in bridging these gaps. A more straightforward educational pathway to game development could significantly ease many of the industry's current challenges.

"To date, what we suffered from is a lack of resources. If educational institutions introduced an easier pathway to game development for graduates, that would make things

much easier," he says.

Nonetheless, notable companies in Bangladesh's game development sector like Riseup Labs, Ulka Games, and Azmi Studios continue to hold up the torch. Ulka Games' 'Ludo Club' has achieved significant success, surpassing 60 million downloads on Google's Play Store. Additionally, indie games like 'Zero Hour' by Attrito M7 Productions have shown that there is a market for quality, locally-produced content.

Currently, the game development industry in Bangladesh stands at a critical juncture. With the right investment, educational focus, and strategic planning, it could well become a significant player in the global gaming arena. The industry offers more than just financial gains; it serves as a platform for creative expression, skill development, and even expressions of national pride.

As Bangladesh navigates this complex landscape, the time is ripe for a multi-pronged approach that involves educational institutions, the investment community and governmental support to act as a catalyst for the industry's evolution.

Private sector's foreign debt falls further

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Hussain added that global lenders were uncomfortable lending to local companies as international credit rating agencies, including Moody's, downgraded Bangladesh's long-term ratings. He added that private companies may also be discouraged from availing foreign loans due to source tax on foreign loans.

Hussain opined that it was a bad omen that new foreign loan disbursement had slowed down compared to higher repayments, especially given the backdrop of falling forex reserves.

The forex reserve stood at \$23.06 billion on August 30 and is projected to slip below the \$23 billion mark this week after a \$1.20 billion payment to the Asian Clearing Union for imports from eight Asian countries.