

Star

BUSINESS



WEEKLY
INTERVIEW

Mostafa Kamal

‘Illicit financial flows must stop’

SOHEL PARVEZ

Illegal money outflows have to be stopped in order to tackle the current economic turmoil in Bangladesh, said a top industrialist.

It is taking place mainly through hundi, an informal arrangement of money transfers being used to send remittances by Bangladeshi migrant workers.

“Because of hundi, an expected level of remittances is not coming to the country. Rather, they are being diverted to other countries such as safe homes,” said Mostafa Kamal, chairman and managing director of Meghna Group of Industries (MGI), one of the leading business houses in Bangladesh.

Operating in diversified areas from essential commodities to private economic zones, MGI runs more than 54 industrial units, has employed about 50,000 people, and has an annual turnover of approximately \$3 billion.

According to Kamal, families of migrant workers are given money in the local currency when funds are remitted through hundi operators. “This is fueling inflation.”

Besides, a section of people is borrowing a considerable amount of money from the financial sector and defaulting on their payments. Many are sending the money abroad.

“Non-payments of public money and siphoning off the funds are doing a lot of harm to the economy,” the industrialist said.

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CARGO SHIPPED EACH DAY

- During normal times, Bangladesh sends **800** tonnes of cargo by air per day
- During peak time, **1,200** tonnes of goods are shipped via air each day
- Of the total export cargo, over **80%** is garment

TERMINAL 1 & 2

- Area for export cargo: **19,600** square metres
- Capacity for export: **2** lakh tonnes per year
- Area for import cargo: **13,700** square metres
- Capacity for import: **84,379** tonnes per year

TERMINAL 3

- Area for export cargo: **36,000** square metres
- Capacity for export: **5.46** lakh tonnes per year
- Area for import cargo: **27,000** square metres
- Capacity for import: **2.73** lakh tonnes per year

A BIGGER GATEWAY FOR TRADE

PHOTO: NAIMUR RAHMAN

Third terminal to open new horizon for overseas trade

REFAYET ULLAH MIRDHA and RASHIDUL HASAN

The third terminal at the Hazrat Shahjalal International Airport (HSIA) will open a new horizon in handling and air shipment of goods as the new facility is expected to improve the capacity of the cargo village.

Users have long complained about thefts of goods from the tiny cargo village, products left unattended, the deterioration of quality of items, and the delay in releasing of goods.

Sometimes, garment samples don't reach factories on time, meaning exporters can't begin manufacturing products and deliver them to international buyers within the agreed date. As a result, they face either cancellation of orders, a big discount or delayed payments.

Sometimes, exporters alleged, buyers didn't receive the exact quantity of goods as some of the products were stolen, tarnishing the image of the country and the suppliers.

Besides, freight forwarders pay 18 US cents per kilogramme as fees for using the airport, an amount described as too high compared with other regional airports.

For example, in order to

send cargo from HSIA to any destination in Europe, it costs between \$2.50 and \$3 during normal times and \$5 during peak seasons. The higher rate sometimes prompts some exporters to use the Kolkata airport to ship products through airways in order to cut costs.

of the Bangladesh Garment Manufacturers and Exporters Association, said users have long demanded that the government widen the space at the cargo village as the current facility has not been enough to meet the demand of the expanding international trade of the

As an important player in the global readymade garment supply chain, local apparel suppliers have to air-ship more than 800 tonnes of goods a day. The volume goes up to 1,200 tonnes during peak times.

The space dedicated to export-bound cargoes in terminals 1 and 2 is 19,600 square metres and their combined annual handling capacity is two lakh tonnes.

The new terminal has a space of 36,000 square metres set aside for exporters and the handling capacity is 5.46 lakh tonnes per year.

Currently, an area of 13,700 square metres is dedicated to dealing with imported cargoes in the two terminals while the third one will add 27,000 square metres.

The handling capacity of the first two terminals is 84,379 tonnes while the third terminal will boost the capacity by 2.73 lakh tonnes.

Air Vice Marshal M Mafidur Rahman, chairman of the Civil Aviation Authority of Bangladesh, told The Daily Star that they expected to start the operation of the import and export cargo terminal by March if an operator can be appointed or Biman Bangladesh Airlines,

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The most common method of travelling to south-western regions used to be via launches but since the completion of the Padma Bridge, buses have also started making the journey. Consequently, the number of passengers using launches to travel has dwindled, leaving operators, who have to buy oil worth Tk 7 lakh for a two-way journey, counting losses. The photo was taken last night from Barishal launch terminal.

PHOTO: TITU DAS

Over 16,400 hectares of cropland were inundated by torrential rains across the country during the weekend, causing huge losses to growers.



Story on B4

HSIA THIRD TERMINAL

Local companies display strength of global standards

JAGARAN CHAKMA and RASHIDUL HASAN

The contribution of local construction companies and building material suppliers to establishing the third terminal of the Hazrat Shahjalal International Airport (HSIA) is proof of their capacity to provide world-class products and services, according to industry people.

More than 20 local firms, including realtors and steel makers, participated in constructing the third terminal, which aims to significantly expand the passenger and cargo handling capacity of the HSIA.

And while the new terminal is set for completion by the end of next year, passenger operations partially commenced yesterday following a soft opening by Prime Minister Sheikh Hasina.

Concord Group, a pioneering realtor in Bangladesh, was in charge of around 60 per cent of the civil engineering works of the iconic project.

Shahriar Kamal, managing director of Concord, said they had to implement sophisticated technology during construction, gathering a lot of new experiences in the process.

According to him, Concord constructed 1.6 million square feet of the structure's roughly 3.8 million square feet area.

He added that their achievement in completing the assignment within just 18 months is equivalent to constructing 20 buildings of 15 storeys each within the same timeframe.

McDonald Steel Building Products Limited, a local pioneer in structural steel fabrication, provided



prefabricated steel structures for the project.

“We constructed export and import cargo buildings with our own prefabricated steel structures, which are of global standard,” said Md Abid Hossain, project director of McDonald Steel.

“We provided a significant quantity of prefabricated steel structures for these buildings under our subcontract,” he added.

READ MORE ON B3

STOCKS		WEEK-ON WEEK
DSEX	CASPI	
0.36%	0.26%	
6,261.72	18,531.90	

COMMODITIES		AS OF FRIDAY
Gold	Oil	
\$1,832.59	\$82.78	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
0.55%	0.26%	0.61%	0.10%	
65,995.63	30,994.67	3,174.39	3,110.48	

ILLEGAL ISP BUSINESS

BTRC serves notice to two Fiber@Home firms

MAHMUDUL HASAN

The telecom regulator has issued a show cause notice to Fiber@Home Ltd and Fiber@Home Global Ltd for running broadband business through illegal and unlicensed internet service providers (ISPs).

The Bangladesh Telecommunication Regulatory Commission (BTRC) served the notice on September 17.

The notice also instructed the two to completely shut down all operational activities of their project at Sheikh Hasina Software Technology Park in Jashore until further instructions.

The two companies were asked to respond to the notice with a clear and specific statement and necessary documents within seven days.

The duo responded, refuting the allegation by claiming that they were just helping some ISPs through a platform.

The allegation arose in late August when an inspection team of the commission's Enforcement and Inspection Directorate went to the park to inspect the “cyclone project” and collect relevant information, said the notice.

The team found the two providing ISP services “illegally” through the “cyclone

project”, it said.

Fiber@Home is a licensed Nationwide Telecommunication Transmission Network (NTTN) service provider while Fiber@Home Global is an International Internet Gateway (IIG) operator.

According to BTRC's rules, NTTN and IIG operators can't run business as ISPs.

The companies refuted the allegation by claiming that they were just helping some ISPs through a platform

Moreover, the NTTN and IIG tariffs and infrastructure sharing guidelines set by the commission are not being followed in the project, the notice said.

Fiber@Home and Fiber@Home Global said they were not involved in running any business as ISPs.

Small ISPs along with some nationwide ISPs are suffering for not being able to provide services smoothly in remote areas, causing customers to miss out on quality service, they said.

This is due to a lack of technical knowledge, not having proper billing

READ MORE ON B3

Brac Bank inks deal with Brac Kumon

STAR BUSINESS DESK

Brac Bank and Brac Kumon Ltd, an initiative of the Kumon Institute of Education in partnership with Brac, recently signed a strategic agreement to enhance educational opportunities and financial services in Bangladesh.

Lady Syeda Sarwat Abed, managing director of Brac Kumon, and Selim RF Hossain, managing director and CEO of the bank, inked the deal at the bank's head office in Dhaka, said a press release.

"This partnership is aligned with our commitment to sustainable development and financial inclusion. Together with Brac Kumon, we help the children realise their full potential," said Hussain.

Under this agreement, the bank's "Tara" customers and credit cardholders will enjoy benefits and discounts on Kumon services. It will also enable QR code-based fee payments while also conducting financial literacy programmes for students in Kumon centres.

Among others, Syed Abdul Momen, deputy managing director and head of SME banking of the bank, Mahiul Islam, head of retail banking, Mehruba Reza, head of women banking segment "Tara" and "Agami", and Khadija Mariam, head of women entrepreneur cell, were present.



Lady Syeda Sarwat Abed, managing director of Brac Kumon Ltd, and Selim RF Hossain, managing director of Brac Bank, exchange signed documents of an agreement on educational opportunities and financial services at the bank's head office in Dhaka recently.

PHOTO: BRAC BANK



Mohammad Feroz Hossain, managing director of Exim Bank, poses for photographs with participants of a "Business Development Conference" for branch managers, executives and officials of the bank at Rose View Hotel in Sylhet recently.

PHOTO: EXIM BANK

Shahjalal Islami Bank holds seminar on financial literacy

STAR BUSINESS DESK

Shahjalal Islami Bank Ltd organised a financial literacy seminar to raise social awareness about sending remittance to the country through legal channels.

M Akhter Hossain, additional managing director of the bank, attended the seminar in Tangail as chief guest, said a press release.

Around 35 participants attended the programme, where Md Shamim Al Mamun, assistant director of the financial inclusion department of the Bangladesh Bank, was present as an observer.

Among others, Md Abdul Majid, head of international division of the bank, Md Manzur Rahman, assistant vice-president, Shawkat Hossain, in-charge of foreign remittance, and Md Abdul Khaleque, manager of Tangail branch, were present.



PHOTO: SHAHJALAL ISLAMI BANK

M Akhter Hossain, additional managing director of Shahjalal Islami Bank, speaks at a seminar on raising social awareness about sending remittance through legal channel to the country, in Tangail yesterday.

US job growth sizzles; wage inflation cooling

REUTERS, Washington

US employment increased by the most in eight months in September as hiring rose broadly, pointing to persistent labor market strength that could give the Federal Reserve ammunition to raise interest rates again, though wage growth is slowing.

The larger-than-expected surge in nonfarm payrolls last month and sharp upward revisions to July and August's jobs counts reported by the Labor Department in its closely watched employment report on Friday cemented expectations that economic activity accelerated in the third quarter.

The labor market and the broader economy's resilience, 18 months after the US central bank started raising rates to cool demand, suggest that monetary policy could remain tight for some time. The report followed news this week that job openings jumped in August and first-time applications for state unemployment benefits remained low in September.

Financial markets and most economists believe the Fed is probably done hiking rates because long-term US Treasury yields have jumped to 16-year highs.

"With bond yields soaring, the dollar strengthening, and equity market volatility increasing there is a renewed tightening of financial conditions that does some of the work for the Fed, so it's not a done deal the Fed hikes rates again," said Kathy Bostjancic, chief economist at Nationwide.

Nonfarm payrolls increased by 336,000 jobs last month, the largest rise since January. The economy created 119,000 more jobs than previously reported in July and August. Payroll gains were almost double the 170,000 forecast by economists in a Reuters poll. The

economy needs to create roughly 100,000 jobs per month to keep up with growth in the working-age population.

Some economists argued that payrolls had been boosted by difficulties adjusting the data for the return of education workers after the summer break, a notion dismissed by most since private payrolls increased by 263,000 jobs.

"The surge in teachers hired in September cannot belie the strength in payrolls now stretching back to July thanks to the biggest upward revisions to payrolls in a long time," said Chris Low, chief economist at FHN Financial in New York.

The broad increase in payrolls was led by the leisure and hospitality industry, which added 96,000 jobs. Restaurants and bars dominated, with 61,000 positions created, returning employment in the sector back to its pre-pandemic level.

Government employment increased by 73,000 jobs, driven by

state government education and local government, excluding education. Government employment remains below its pre-pandemic level by 9,000 jobs. The healthcare sector added 41,000 jobs, lifted by ambulatory healthcare services, hospitals, nursing and residential care facilities.

There were gains in professional, scientific and technical services employment, though temporary help hiring continued to decline. Employment in the transportation and warehousing industry rose as did retail and construction payrolls, mostly reflecting homebuilding despite mortgage rates being at more than 20-year highs.

There was no impact on payrolls from a strike by the United Auto Workers (UAW) at General Motors, Ford Motor and Chrysler parent Stellantis, which started at the end of the week that the government surveyed businesses for the employment report. Manufacturing payrolls increased by 17,000 jobs.



A person walks by a sign advertising employment at a fast-food restaurant in New York City.

PHOTO: AFP/FILE

Exim Bank holds business development confce

STAR BUSINESS DESK

Exim Bank recently arranged a "Business Development Conference" for branch managers and officials of Sylhet region.

Mohammad Feroz Hossain, managing director and CEO of the bank, inaugurated the programme at the Rose View Hotel in Sylhet, said a press release.

Md Aktharuzzaman, the bank's regional head for Sylhet, presided over the conference, where Md Humayun Kabir, additional managing director, Sanjib Chatterjee, head of corporate affairs and branding division, and other officials were present.

Mercantile Bank distributes agri-machinery to farmers

STAR BUSINESS DESK

Mercantile Bank Ltd yesterday distributed agricultural machinery, including power tillers, to farmers in Bauphal, Boga, Dhulia, Naomala, Kanakdia, Surjomoni, Keshobpur, Kachipara, Adabaria and Chandra Dip Union of Patuakhali from the bank's special CSR fund.

ASM Feroz Alam, vice chairman of the bank, handed over the power tillers to the farmers as chief guest, said a press release.

Md Quamrul Islam Chowdhury, managing director and CEO of the bank, Mohammad Shafuzzaman Khan, first vice-president and head of agriculture credit division, Golam Mousa, head of Barishal branch, Moudud Ahmed, head of Bhola branch, Md Mosleh Uddin, head of Patuakhali branch, Md Al Mamun, head of Kalaiya branch, and Md Alomgir Hussain, in-charge of Kalisuri Bazar sub-branch, were present.

India's fuel demand slips

REUTERS

India's fuel consumption dropped 2 percent month-on-month in September, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed on Friday.

Total consumption in September, a proxy for oil demand, totaled 18.18 million metric tonnes, down from 18.57 million tonnes in August. However, it was up 7.6 percent compared with the same period a year earlier.

Sales of gasoline in September were 1.1 percent lower than the previous month at 3.06 million tonnes.

Sales of diesel, mainly used by trucks and commercially run passenger vehicles decreased about 2.7 percent month-on-month to 6.49 million tonnes.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (OCT 7, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	0	-5.71 ↓
Coarse rice (kg)	Tk 48-Tk 50	0	-1.01 ↓
Loose flour (kg)	Tk 42-Tk 45	-8.42 ↓	-18.69 ↓
Lentil (kg)	Tk 105-Tk 110	10.26 ↑	10.26 ↑
Soybean (litre)	Tk 155-Tk 160	0	-5.97 ↓
Potato (kg)	Tk 45-Tk 50	9.2 ↑	72.73 ↑
Onion (kg)	Tk 80-Tk 90	0	112.5 ↑
Egg (4 pcs)	Tk 48-Tk 50	-4.85 ↑	1.03 ↑
SOURCE: TCB			

Which developing countries

FROM PAGE B4

under the G20 Common Framework - set up during the pandemic to try to streamline debt overhauls.

In August, China allowed partial debt payment suspension. Last month ratings agency Moody's changed Ethiopia's outlook to stable from negative on expectations of quick progress through the Common Framework.

GHANA

Ghana defaulted on most external debt in late 2022 amidst its worst economic crisis in a generation, becoming the fourth country to seek a rework under the Common Framework.

Its progress in restructuring both domestic debt and \$30 billion in external debt has been fairly swift and it secured a \$3 billion IMF bailout in May.

Ghana's finance minister has said he expects to reach a deal with international bondholders by year-end. Still, protesters have taken to the streets of Accra recently over rising living costs, unemployment and economic hardship.

KENYA

The East African nation's public debt stood at 67.4 percent of GDP at the end of 2022, according to the World Bank, putting it at high risk of debt distress.

President William Ruto's government has moderated spending and proposed a raft of tax hikes, assuaging some concerns over imminent default. But surging oil prices have boosted inflation, and the currency has lost more than 16 percent against the dollar this year, casting doubt on his ability to press on with reforms.

Kenya, which has to repay a \$2 billion eurobond next year, is in talks with both the African Development Bank and the World Bank for budgetary support.

LEBANON

Lebanon has been in default since

2020 with few signs it will resolve its economic meltdown anytime some.

The IMF last month welcomed central bank changes, including phasing out a controversial exchange platform and curbing monetary financing of the government. But it said deeper reforms were needed amid the country's "difficult and unstable" outlook.

The IMF has warned that if the status quo continues, public debt could reach 547 percent of GDP by 2027.

PAKISTAN

Pakistan needs upwards of \$22 billion to service external debt and pay bills for fiscal year 2024. A caretaker administration is in charge with elections scheduled for January. Inflation and interest rates are at historic highs, and it is struggling to rebuild from devastating 2022 floods.

In June, it reached an 11th-hour deal for a \$3 billion IMF pre-qualified loan. Saudi Arabia and the UAE followed with a total of \$3 billion cash infusions.

Reserves by end September were enough to make it to elections but there are questions how long it will be able to avoid default without huge support, observers say.

SRI LANKA

Sri Lanka defaulted on international debt in May 2022 after the pandemic drained its tourism-dependent economy of crucial cash to pay for imported food, fuel and medicine.

The crisis-hit island nation announced a debt overhaul plan at the end of June and has continued to make progress.

But the parties continue to spar over how much of a hit domestic banks and investors in state-owned enterprises (SOEs) should take. The next tranche of a \$2.9 billion IMF bailout package could be delayed over a potential government revenue shortfall.

TUNISIA

Multiple shocks since a 2011 revolution have pressed the North African nation into a full-blown economic crisis.

Most debt is internal, but a \$500 million eurobond matures this month, and credit ratings agencies have said Tunisia could default.

President Kais Saied has slammed the terms required to unlock a \$1.9 billion IMF loan as "dikrats" and rejected 127 million from the European Union as too small.

The tourist season narrowed the current account deficit and Saudi Arabia pledged \$500 million in support. But citizens continue to grapple with food and medicine shortages.

UKRAINE

Ukraine froze debt payments after Russia's invasion in 2022, and said it is likely to decide early next year whether to try to extend that agreement or begin looking at alternatives.

Top institutions estimate the post-war rebuild cost will be at least 1 trillion euros, and the IMF estimates Ukraine needs \$3-\$4 billion a month to keep the country running.

Recently, the economy has shown signs of recovery, with inflation slowing and business sentiment improving. But political shifts elsewhere - including the United States - have cast doubt on the durability of international support.

ZAMBIA

The first African country to default during the Covid-19 pandemic, Zambia's years of restructuring delays made it a symbol of the problems with the Common Framework.

A repair plan finally appeared imminent after Zambia clinched a \$6.3 billion debt rework deal with the Paris Club creditor nations and China, its other big bilateral lender, in June. Zambia expects to finalise a debt memorandum by year-end.



Workers are seen carrying stalks of Aus paddy for sale at a local market in Phultala upazila of Khulna. These stalks, which are a by-product of harvesting Aus paddy, have good demand year-round for use as cattle feed. A bundle of the stalks can cost up to Tk 15 depending on size.

PHOTO: HABIBUR RAHMAN

SMEs' struggles running rampant for economic instability: economist

STAR BUSINESS REPORT

The current macroeconomic instability in Bangladesh is presenting disproportionate challenges for small and medium enterprises (SMEs) compared to larger firms, according to an economist.

For example, SMEs are suffering from capacity constraints, policy and regulatory issues, a lack of financing, inadequate infrastructure and a skills gap, said Selim Raihan, executive director of the South Asian Network on Economic Modeling.

He was speaking at a seminar on improving the export capabilities of local SMEs at The Westin Dhaka yesterday. The event was organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Raihan, also a professor of economics at the University of Dhaka, said the lengthy customs and trade regulations in place are impeding business prospects.

With this backdrop, he suggested reforms in both tax and trade policies and better implementation to support SMEs in the country.

"The tax system in Bangladesh lacks proper policy reforms and is not private investment friendly," he said.

Raihan also pointed out the problem of high default loans and other concerns in the banking sector.

"We have to address the high rate of non-performing loans, weak capital market, high operational cost of SME financing and weak integration with the financial system," he said.

DCCI President Sameer Sattar said despite having the potential to help boost the country's exports and overcome its foreign exchange shortage, SMEs are not getting adequate financing for foreign trade.

A recent study by the Bangladesh Institute of Bank Management on international trade finance and SME reported that SMEs are often not properly catered to by banks due to various reasons.

This includes their lack of collateral, lack of previous transaction information, high risk and lack of sufficient documents, he said.

Besides, the high bank interest rates

deter SMEs from borrowing.

"So, Bangladesh Bank could instruct and monitor all commercial banks to ensure the establishment of a SME cell in all branches so that SMEs can be better served," Sattar said.

SMEs are suffering from capacity constraints, policy and regulatory issues, a lack of financing, inadequate infrastructure and a skills gap

Banks also need to provide export financing tailored for SMEs, including credit insurance, export development funds and working capital loans, to address their related financial challenges, he added.

Shirin Sharmin Chaudhury, speaker of the national parliament, said local SMEs are resilient enough and contribute more than 30 percent to the country's gross domestic product (GDP).

Chaudhury said the SME sector still

faces various challenges and she hopes the policymakers will try to address these issues.

She added that despite the Covid-19 pandemic and Russia-Ukraine war, Bangladesh has been able to continue its commendable progress, securing 6.5 percent GDP growth in fiscal 2022-23.

Chaudhury informed that women entrepreneurs can take collateral free loans of up to Tk 10 lakh.

"Policymakers could also think about lowering the customs duty for the import of raw materials that are needed for SMEs," she said.

Canadian High Commissioner to Bangladesh Lilly Nicholls said Canada has underscored the need to sign free trade agreements with potential trading partners for furthering its economy.

With this backdrop, she emphasised on more research so that local SMEs can add value to their products and enhance their capacity in the export market.

Saudi Ambassador to Bangladesh Essa Yousef Essa Alduhailan said Saudi Arabia is putting more emphasis on developing its own SMEs as well.

Adopt sustainable technologies in agriculture sector Experts say

STAR BUSINESS REPORT

Although climate risks in agricultural production have increased over the years, Bangladesh could not adopt sustainable technologies in rural areas owing to a lack of proper initiatives, analysts said.

As a result, farmers across the country are incurring huge losses brought on by calamities such as floods, droughts, cyclones, uneven rainfall, extreme heat, increased salinity and water-logging, they added.

"Being a low-lying deltaic plain, Bangladesh is the most vulnerable country in the world in terms of the number of people affected with respect to sea level rise," said MG Neogi, deputy project leader of the University of Western Australia.

He said climate risks to agricultural production were expected to increase in coming decades, particularly in low-income countries where adaptive capacity is weaker.

"Salinity has been gradually engulfing new areas in the coastal regions of the country," Neogi made the remarks at a seminar titled "Climate Change Adaptation, Agricultural Innovation and Resilience", organised by Rangpur Dinajpur Rural Service (RDRS) Bangladesh at the Radisson Blu Water Garden in Dhaka.

He said farmers in the southern region used to cultivate boro rice and other winter crops in the dry season in the past and received a very good yield and income.

"It is high time to adopt and spread new technologies to save the small farmers, especially at a time when many big companies are entering the agriculture sector," said Shykh Seraj, director and head of news of Channel i

"Nowadays, after failing to get optimum yield again and again due to increased salinity and a severe scarcity of salt-free irrigation water, they stopped cultivating boro rice and other winter crops.

"As a result, about 4.39 lakh hectares of land in the coastal region remain as fallow lands during the dry season," said Neogi, who is also the winner of Swadhinata padak.

In the last 35 years, salinity has increased by 26 percent, heavily impacting the agriculture sector, according to data from the Soil Resource Development Institute (SRDI).

Shykh Seraj, director and head of news of Channel i, said Bangladesh could not popularise technologies such as biogas, alternate wetting and drying (AWD) and sack gardening.

"Many research-based technologies are still confined to paper; the government could not implement them in the fields," he said.

About spreading the use of biogas technology, he said: "It has not spread to rural areas due to a lack of funds from the farmers' side.

"It is high time to adopt and spread new technologies to save the small farmers, especially at a time when many big companies are entering the agriculture sector."

Atiur Rahman, former governor of the Bangladesh Bank, said solar irrigation pumps could be a saviour for farmers as well as the environment by reducing the use of diesel.

Third terminal Local companies display strength to open new horizon for overseas trade

FROM PAGE B1

However, Hossain alleged that even though local companies have attained the required quality and capacity, they were still denied the scope to supply steel for the main building of the third terminal.

He pointed out that the Japanese contractors responsible for implementing the Dhaka Metro Rail and Bangabandhu Railway Bridge projects used locally made prefabricated steel structures in their construction after ensuring that the products' quality was of global standard.

With this backdrop, Hossain urged the government to give international and local companies an equal opportunity to provide their products for such projects.

This is because contracting local companies with proven experience in delivering products of proper quality in a timely manner would help the country save foreign exchange and build up the capacity of domestic industries, he said.

RFL Group supplied pipes, fittings and fire detection systems worth a total of around Tk 60 crore for the HSIA third terminal project.

Kamruzzaman Kamal, director of marketing at PRAN-RFL Group, said only imported materials were once used in government projects.

"But now, the capacity of local companies has increased," he added.

Kamal informed that RFL's pipes and fittings, which are currently being exported to the US and other countries, were used in the terminal's water supply and electrical pipelines.

According to him, these products are being made with high quality raw materials in compliance with global standards.

"Moreover, RFL's firefighting equipment has been used for the first time in a mega project," he said.

"We have gained a lot of experience by being involved in the supply and replacement of the fire detection systems in this project," Kamal added.

Concord Group and ABC Group

were involved in constructing a major portion of the third terminal's main building while Mir Akhtar Hossain Ltd established a portion of the apron area, said Abdul Malek, chief engineer of the Civil Aviation Authority of Bangladesh.

He also said Amin Mohammad Foundation was involved with interior works for the third terminal while Arenas was tasked with providing the airport ground lighting.

"All types of internal cables were provided by BRB Cable Industries," said Rafiqul Islam Rony, director for marketing and sales at the company.

Among the steel makers, BSRM, AKS, GPH Ispat, Anwar Ispat and KSJM provided mild-steel rods for the construction of the iconic third terminal.

"We supplied epoxy coated bars and reinforced bars that no one else

makes in Bangladesh. We developed these products specially for this project," said Tapan Sengupta, deputy managing director of BSRM.

The project requires a total of about 90,000 tonnes of steel, of which they still need to purchase more than 10,000 tonnes for pending works.

"We provided a significant quantity of the required steel," Sengupta said, adding that they have been recognised by Samsung as a "global partner" as a steel supplier.

Among the local cement makers, Seven Circles, Shah Cement, and Premier Cement provided the lion's share of cement for the project.

Mohammed Amirul Haque, managing director of Premier Cement, said there is no mega project where local cement manufacturers were not involved in supplying the key construction material.



A senior official of a local steel maker says the government should give international and local companies an equal opportunity to provide their products for such projects.

PHOTO: COLLECTED

Illicit financial flows

FROM PAGE B1

His views come as the country's foreign exchange reserves have kept falling since external payments continue to be higher than the inflows, mainly through exports and remittances.

Bangladesh which had \$33.4 billion in forex reserves at the end of 2021-22 saw it plummet to \$21.05 billion on October 5, data from the central bank showed. It was about \$40.7 billion in August 2021.

Remittances hit a 41-month low in September even though a record number of people went abroad for jobs in 2022-23. Export growth has also slowed.

"We hear that even our exporters are bringing back export proceeds slowly in anticipation of further appreciation of the dollar against the taka. Besides many people feel shaky ahead of the election."

So, policymakers and authorities should take the issue of illegal money outflows seriously and take action accordingly, Kamal said.

The businessman cited that authorities in Pakistan have already taken measures. And even Singapore, a compliant country, has initiated action against money launderers.

Last week, the Island nation said it seized assets of \$2 billion in money laundering cases.

"Our main problem is money laundering. It has to be stopped," Kamal said.

Kamal began business by importing commodities initially before starting to set up industries in 1989.

He says the rating downgrade of Bangladesh by international rating agencies has created problems for local businesses when it comes to opening letters of credit (LCs) and ensuring their confirmation by financial institutions abroad.

"International lenders are not showing any interest in confirming LCs. And when they confirm LCs, they are taking higher charges."

The 68-year-old says Bangladesh

has not faced so much pressure all at once as it is currently doing now.

The MGI chairman said overall consumption has declined owing to elevated inflation. So, fixed-income people are having a tough time.

Prices of commodities have declined globally. However, consumers in Bangladesh are not getting the benefit because of the depreciation of the taka by 28 percent in the last one and a half years, said Kamal.

He urged the government to bring down import tariffs on essential commodities such as sugar.

The entrepreneur says the government's regulatory agencies and service providers are hiking fees, particularly for the renewal of licences. "It seems that they are increasing rates by competing with each other."

Kamal thinks the pressure on the economy would be temporary.

"And Bangladesh will be able to fight the crisis if authorities take proper measures, including against money launderers."

"We need to focus on how we can accelerate exports and diversify and expand the export basket to increase the foreign currency inflow. We all have to work collectively for this. There is no other alternative."

BTRC serves notice

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solutions and not being able to properly keep usage logs, said the two.

"We have initiated Cyclone CRM and Billing Platform just to bridge that gap."

The platform allows ISPs to reach remote townships at a sustainable cost through Fiber@Home's transmission network, they added.

During the implementation of the platform, they were aware about the tariffs defined by the BTRC for each stakeholder, including VAT, tax and revenue sharing, the firms said, adding that they were adhering to the BTRC's tariff guidelines and regulations.



A cauliflower garden in Bogura's Shajahanpur upazila is submerged after a downpour. Around 1,500 hectares of land used to farm vegetables around the country have been inundated following torrential rain over the past weekend. This has led to a massive loss for farmers and an increase in the price of vegetables such as green chillis and brinjals at wholesale markets.

PHOTO: MOSTAFA SHABUI

MOSTAFA SHABUI, Bogura

The torrential rain that swept over the country last weekend inundated over 16,400 hectares of cropland, causing losses to many farmers, according to data from the Department of Agricultural Extension (DAE).

Of the inundated area, Aman paddy was being cultivated on roughly 15,000 hectares while maize and vegetables accounted for the rest, said a senior DAE official.

The official added that water levels began to recede yesterday so the extent of damage would not be high.

However, vegetable farmers were left fearing massive losses.

Abdur Razzak, a vegetable farmer in the Katabaria area of Shajahanpur upazila in Bogura, said the beans and gourds he had planted across 27 decimals of land at a cost of Tk 12,000 were dying after being submerged for the past four days.

"Now, all those crops are under water. I have lost my entire investment," the frustrated farmer said.

Apart from affecting food crops, the downpours that started in the second half of last week across the country caused three deaths, suspension of rail communications, waterlogging in cities and severe traffic jams in Dhaka.

Mymensingh city experienced 378 millimetres of rainfall in 24 hours preceding 6:00 am Friday, the second-highest recorded in the country since independence, data by the Bangladesh



Meteorological Department showed.

The northern city of Rajshahi experienced the highest rainfall in a single day in 10 years – 245.8mm in 24 hours till 1:00pm on Thursday.

And in the last 24 hours until 6:00 am yesterday, Sylhet saw 358 mm of rain and Dhaka 125 mm, data from Bangladesh Meteorological Department showed.

Bogura, one of the major vegetable-producing districts, recorded 176 mm rainfall from October 3 to October 6. That, alongside floodwater from the Bangali River, led to the inundation of nearly 1,000 hectares, affecting 12,896 farmers.

Of that, 100 hectares of vegetable fields

have been inundated.

Mahidul Islam, a farmer in the Bijrul village under Nandigram upazila of Bogura, said 10 decimals of land where he had planted cabbage were submerged.

"The rain has not stopped yet. If this continues for two more days, these plants will die," the 40-year-old said.

The crops affected by heavy rainfall include late summer vegetables such as snake gourd, green chilli and seedbeds of winter vegetables.

Bangladesh produced 2.25 crore tonnes of vegetables in the fiscal year 2022-23, with winter vegetables accounting for over 60 percent of the total produce, data from the DAE showed.

Unfavourable weather has affected crop fields at a time when consumers are already facing increased prices of vegetables.

Food inflation stood at over 12 percent for the second consecutive month in September.

Yesterday in Dhaka, potatoes were selling for Tk 45-50 per kilogramme, which was 72 percent higher than the same day a year ago, according to data compiled by the Trading Corporation of Bangladesh.

In Bogura, vegetable prices increased sharply, said Aminur Rahman, director of the growers' market at the Mohasthan Haat in Shibganj upazila, one of the major vegetable-producing hubs in the district.

A week ago, green chilli was priced between Tk 100-120 per kg on the wholesale market, but prices have now risen to over Tk 200 per kg.

Prices of brinjal, another popular vegetable, soared to Tk 1,800-2,000 per maund this week, up from Tk 800-1,000 per maund earlier.

Saidul Islam, a farmer in Dariagacha of Shajahanpur upazila, said: "A week ago, we sold big brinjals for Tk 1,000 per maund. Today, traders from Dhaka were buying the vegetable at Tk 2,200 per maund."

Contacted, Matlubar Rahman, deputy director of DAE Bogura, said the recent rain would not damage paddy crops.

"It can damage vegetables, especially chilli crops, which can't tolerate inundation," he added.

How do we stabilise forex market?

MAMUN RASHID

None in Bangladesh seems to be happy with the present foreign exchange rate and the liquidity situation.

Exporters think they are not getting a good rate against their exports as they receive Tk 110 per US dollar. An importer is happy to pay even Tk 115-116 for their import settlements. A patient going to India for treatments was frantically looking for cash USD even at Tk 118 last Thursday.

I asked a few treasury dealers: What should be the USD-Tk level if we want to improve liquidity in the market?

Most of them said in order to mobilise more remittances and improve liquidity, the exchange rate should be Tk 120-125 in the coming days.

One of our stable sources of foreign currency earnings, remittance from non-resident workers has been on a slide for a long despite a marked rise in the outflow of overseas job-seekers. In 2022, more than 1.1 million workers, the highest ever from the country, went abroad, most of them to the Gulf countries.

But the money they sent through the official channel dropped to \$21.28 billion from \$22 billion a year ago, marking a 6.65 percent year-on-year decline. The fall continued in 2023, with September recording the lowest receipts at \$1.34 billion in 41 months. It was also 13 percent lower year-on-year.

As expected, the forex reserves, which have already been severely strained, received yet another blow.

Receipts from exports, too, fell short of meeting the monthly target, posting the lowest earnings in three months. However, it rose 10.4 percent year-on-year to \$4.3 billion in September.

Such a gain compared to the past could be meaningful if exporters are not waiting in the hope of a further rise in the dollar rate before bringing back the funds from abroad. Most believe that given the fall in consumer demand overseas, the comparative year-on-year gain in exports may not be sustainable.

Media reported that the country's forex reserves stood at \$21.5 billion at the end of last month though some thought the net reserve to be at less than \$18 billion. According to Fitch, the reserves will dip further by the end of 2023 and will be able to cover only three months' imports.

Clearly, these are the warnings for our central bank in the coming months and ahead of the national polls. Hopefully, the regulatory agency will go for the drastic policy changes it has been promising since last year to meet the challenges of fast-depleting forex reserves, the persistent depreciation of the taka, and the resulting upward push to inflation.

In this context, the present policy of raising the exchange rate from time to time by Tk 0.50 or Tk 1 per US dollar, experts hold, is proving counterproductive as it is only fueling expectations in the market. Most opined the central bank should opt for the market-based exchange rate as it promised last July during a monetary policy announcement.

Many feel urgent measures must be in place to narrow down the existing exchange rate gap between formal and informal markets.

The current official rate of the greenback as determined by the Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB) with the unofficial backing of the central bank is still Tk 8 lower than the rates being offered by hundi operators.

No good words even with the 2.5 percent incentive are going to work if remitters get 7.5 percent extra for every dollar they send home. In addition, nothing short of a full-blown war on hundi operators, including a constant watch on some financial institutions suspected of facilitating capital flight, is overdue.

The author is an economic analyst



Which developing countries face debt crisis?

REUTERS, London

High interest rates, growing investor risk aversion and borrowing that ballooned in recent years have left a range of developing economies mired in debt crises. Helping them claw out of this will be a key agenda item at the annual IMF and World Bank meetings in Morocco's tourist hub of Marrakech which kicks off next week.

Below is a look at countries facing debt troubles, listed in alphabetical order.

EGYPT

North Africa's largest economy needs to repay some \$100 billion of hard-currency debt over the next five years. Cairo currently spends over 40 percent of revenues on interest payments; financing needs for fiscal 2023/204 stand at \$24 billion.

Egypt has a \$3 billion IMF programme and has devalued the pound by roughly 50 percent since February 2022. But a \$2 billion privatisation plan has been slow, and it has delayed the removal of electricity subsidies.

Elections, scheduled for December, lower the chances of painful reforms, analysts said, and support from wealthy Gulf nations is key to ensuring financing needs are met.

ETHIOPIA

The Covid-19 pandemic hammered Ethiopia's economy, and a two-year civil war from November 2020 heightened the pain with the country losing duty-free access to the US amid rights abuse allegations.

Ethiopia requested a restructuring in early 2021

READ MORE ON B2



People buy sugarcane at a wholesale market in Bangalore. Production declined in key sugar producing countries such as Thailand and India due to drier-than-normal weather conditions associated with the prevailing El Nino event.

PHOTO: AFP/FILE

Sugar prices hit 13-year high for El Nino

FAO says

AFP, Paris

Global sugar prices soared to their highest level in almost 13 years in September as the El Nino weather phenomenon hit production in India and Thailand, the Food and Agriculture Organization said Friday.

While world food prices steadied as a whole last month, the FAO's Sugar Price Index jumped by 9.8 percent compared to August, the highest point since November 2010, the UN agency said.

El Nino, a climate pattern that occurs on average every two to seven years, is typically associated with warming ocean surface temperatures in the central and eastern tropical Pacific Ocean.

The phenomenon, which can last between nine to 12 months, started in July, according to the UN's World Meteorological Organization.