



A vast field of Aman paddy is seen under cultivation in Sariakandi upazila of Bogura. Following a lukewarm response from farmers last year, the government has cut its procurement target for the crop by nearly one-third. The picture was taken yesterday.

PHOTO: MOSTAFA SHABUJ

Robi deploys 2600 band spectrum in 50% of its sites

STAR BUSINESS REPORT

Robi Axiata has completed deployment of spectrum in 2600 band in 50 percent of its sites that deal with higher data traffic.

The spectrum came from 60 MHz in the 2600 band that the operator bought last year for Tk 3,361 crore.

The doubling of network capacity following 2600 spectrum deployment in different areas will help the operator improve data speed by 50 percent, Robi said in a statement.

Robi has long been working on improving its network quality, said Shahed Alam, Robi's chief corporate and regulatory officer.

"On an average, we have been investing around \$200million over a number of years. With the deployment of 2600 spectrum, we believe our network development is now helping us to deliver a far better quality of service for our valued customers."

"This drive will continue across the country going forward," he said.

Besides, the network optimization activities directly contributed towards reducing call drop rate by around 60 percent over the last year for users of both Robi and Airtel brand users, it said.

According to Robi's financial results for the second quarter of this year, Robi ensured 98.5 percent 4G population coverage with more than 16,000 4G sites across the country.

Govt cuts Aman purchase target, hikes prices

STAR BUSINESS REPORT

The government has cut the paddy procurement target of Aman, the second biggest rice crop now under cultivation, by nearly one-third after it received a lukewarm response from growers last year.

The food ministry could buy only around 5,000 tonnes of paddy against its target of 3 lakh tonnes during the previous Aman season.

And from the current Aman season, the food office plans to buy 2 lakh tonnes, according to a press statement released yesterday.

In case of rice, the government has kept its procurement target unchanged at 5 lakh tonnes, which it aimed to purchase from millers in 2022 also.

The food ministry could buy 4.3 lakh tonnes of milled rice from the

previous year's Aman season.

The move comes as farmers are set to begin harvesting Aman paddy from November and the agriculture ministry aims to ensure production of 1.71 crore tonnes of the crop this season.

As such, this year's production target is higher than the previous year's overall yield.

"We have also fixed the procurement prices for Aman paddy and rice," said Food Minister Sadhan Chandra Majumder at a briefing after the meeting of the Food Planning and Monitoring Committee at the Secretariat in Dhaka.

As per the decision, the food ministry will offer Tk 30, up 7 percent from the previous season, to buy each kilogram of Aman paddy this year.

For parboiled rice, it has hiked the price by nearly 5 percent year-on-year to Tk 44 per kilogramme this season, according to the food ministry.

During the current fiscal, the government plans to buy 20.61 lakh tonnes of food grains of mostly rice from domestic sources, up from the 19.4 lakh tonnes purchased the previous year, shows food ministry data.

At the briefing, Majumder said the stock of food grains in public storages is good while the shipment and stock situation will improve further when imported wheat arrives.

Among others, Agriculture Minister Muhammad Abdur Razzaque and Commerce Minister Tipu Munshi were present at the meeting.

Foreigners constructing expressway get tax break extension

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has exempted foreigners working on Dhaka Elevated Expressway from paying taxes on their income for another three years until June 2026.

The previous tax break for the foreign nationals, such as engineers and managers, expired on June 30 this year and the new exemption came into effect from July 1, according to a notification issued last week.

Partially opening last month, the expressway stretches from the Shahjalal airport to Kutubkhali on the Dhaka-Chattogram highway.

Foreigners working on its construction have been enjoying a tax exemption on their income since 2012, said an NBR official earlier.

The expressway opened for vehicular movement around a decade after the government signed a deal with Italian-Thai Development Public Company in 2011 to build it at a cost of Tk 8,703 crore under a public-private partnership.

The agreement was revised, with several changes being brought to the design, and inked again in December 2013 with the cost going up to Tk 8,940 crore.

According to the deal, the government will provide Tk 2,413 crore (27 percent) while the private partner will bear the rest.

The 46.73 km expressway traverses Kawla, Kuril, Banani, Mohakhali, Tejgaon, Moghbazar, Kamalapur, Sayedabad, Jatrabari and Kutubkhali. It is scheduled to complete by June 2024.

China forex reserves fall to \$3.115tr

REUTERS, Shanghai

China's foreign exchange reserves fell more than expected in September, official data showed on Saturday, as the US dollar rose against other major currencies.

China's reserves - the world's largest - fell \$45 billion to \$3.115 trillion last month, compared with \$3.13 trillion tipped by analysts in a Reuters poll, from \$3.16 trillion in August.

The yuan fell 0.5 percent against the dollar in September, while the dollar rose 0.2 percent against a basket of other major currencies over the month.

China held 70.46 million fine troy ounces of gold at the end of September, up from 69.62 million ounces at the end of August.

The value of China's gold reserves fell to \$131.79 billion at the end of September from \$135.22 billion at the end of August.

India's central bank holds rates despite inflation

AFP, Mumbai

India's central bank left interest rates unchanged again Friday despite an inflation spike that has sparked official concern over the impact of higher food prices caused by extreme weather.

The benchmark repo rate has stood at 6.50 percent since February, following a series of hikes by the Reserve Bank of India (RBI) to curb rising prices last year.

Inflation spiked at 7.4 percent in July before moderating to 6.8 percent the following month, still

well above the RBI benchmark.

The bank had "identified high inflation as a risk to macroeconomic stability and sustainable growth" and "remains resolutely focused on aligning inflation to the four percent target", RBI governor Shaktikanta Das said.

Prices for food staples -- including wheat, rice and tomatoes -- have shot up in recent months, partly because of floods, record-high temperatures and pest attacks in production belts.

Finance Minister Nirmala Sitharaman told parliament in July that the government was taking

steps "to contain high prices which are hitting common citizens".

The government has put curbs on some rice exports to put downward pressure on prices.

Food prices have since eased but "the overall inflation outlook is clouded by uncertainties from the fall in" domestic sowing of key crops and "volatile global food and energy prices," Das said.

India's inflation peaked at 7.8 percent last year in the wake of the global economic fallout from the Russian invasion of Ukraine, which prompted spikes in food and oil costs.

Don't let reserves

FROM PAGE B1

He said the government had at least one and a half years to adopt corrective measures and many issues have been raised for at least 15 years.

"But they didn't do it," said Mansur.

However, the government repeated narratives such as "we are doing well", "everything will be fine" and "nothing bad will happen".

"If you believe in such narratives, you cannot engage in proper economic management," he said.

Prior to the pandemic and Russia-Ukraine war, Bangladesh had been going through a glorious period of economic rebound. Although the current economic mismanagement was prevalent at that time, it was not apparent, said Sanem Executive Director Prof Selim Raihan.

The flaws of economic management have started to come out now, he said while moderating the event.

The country has witnessed a drastic fall in foreign currency reserves and remittance inflow, fluctuations in foreign currency earnings through exports and an unprecedented persistent inflationary pressure, he said.

"Additional efforts with strong political will are needed to undertake corrective measures to restore macroeconomic stability beyond the interests of all vested groups," said Prof Raihan.

Presenting a keynote paper, Franziska Lieselotte Ohnsorge, chief economist for South Asia at the World Bank, said Bangladesh showcased

some of the strongest performances in some indicators.

However, economic activity is being restrained by supply disruptions from energy shortages and continued import and capital controls, she said.

Trade credit limitations due to low quantities of foreign exchange in the banking system have also reduced imports, she said.

"There was a noticeable deceleration in both consumption and investment growth during FY23 as a result of high inflation and rising uncertainties related to the external sector," she said.

The country needs to drastically expand the tax net across the country, said Sameer Satter, president of the Dhaka Chamber of Commerce and Industry.

Exporters don't get full benefit

FROM PAGE B1

advantage of the devaluation but we cannot retain the benefit due to high inflation and rising production costs," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

Hassan informed that another reason for exporters not being able to retain the benefit was that local raw material suppliers were also increasing their prices.

He said competitor countries like Vietnam, Pakistan, India and Turkey have significantly devalued their currencies and were subsequently enjoying greater competitiveness in the global supply chain.

Hassan explained that the primary textile sector was the ultimate beneficiary of the competitive edge brought on by currency devaluation as garment makers increase their purchases from local millers and spinners.

"But we are not enjoying this benefit as banks are charging high interest rates while fuel and energy costs have risen significantly," said Mohammad Ali Khokon, president of

Bangladesh Textile Mills Association.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said the taka's depreciation by 28 percent does not mean that exporters are getting Tk 28 extra for each US dollar.

This is because inflation is nearly 10 percent and the cost of doing business has increased 25 percent because of a big jump in fuel, power and transportation costs coupled with high bank interest rates and raw material prices.

Had the currency devalued earlier, such as during the time of the immediate past governor of Bangladesh Bank, local exporters would have been able to avail more benefits as inflation and utility bills were lower at the time, he added.

From the perspective of local value addition, the currency devaluation of taka against the US dollar has helped exporters, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

Exporters became more inclined to purchase raw materials from local markets and, from this perspective,

they became competitive due to the depreciation of taka, Rahman said.

Obviously, he said, cost of production soared because of inflation. But had other costs remained unchanged, the exporters' competitive edge due to devaluation of taka would have been significant, added Rahman.

"Exporters claim that they could not retain the benefit owing to cost escalation. But that is not fully true," he said.

CPD Research Director Khondaker Golam Moazzem said any depreciation of local currency increases the negotiation capacity of exporters as they can take orders even though buyers offer lower prices than in the past.

This increases competitiveness of exporters, he said.

Moazzem acknowledged that cost of production has increased due to higher fuel, energy and other costs. Even after that, overall earnings of exporters have increased, which is why they are able to accept fresh orders by covering additional expenses, he said.

CPD proposes Tk 17,568

FROM PAGE 1

suggested that of the seven wage grades, that of 5 and 6 be merged.

Child allowance should be adopted as children's education costs are now a significant component in the upkeep of workers' families, said the CPD.

Chairman of the Minimum Wage Board Liaquat Ali Mollah said they hope to recommend a rate by next month so that it can come into effect from December.

While the garment factory owners are facing rising costs of gas, power, US dollar, transport and bank interest rate, the workers are also dealing with high inflation and increasing living costs, he said.

It is the small and medium companies with limited financial capabilities that face problems in paying workers, he said.

So far different trade unions proposed Tk 23,000 and Tk 25,000 as the minimum wage, he added.

A logical wage structure should be declared considering the significant increase in the prices of essentials, said Montoo Ghosh, president of

Garment Sramik Trade Union Kendra.

The space for expressions through trade unions is being squeezed day by day, he said.

The onus is also on the garment buyers for increasing the pay for workers, said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

International retailers and brands pay \$2 for a t-shirt made in China and Vietnam but \$1.6 for that from Bangladesh, he explained.

The buyers are taking away 80 percent to 85 percent of the profit and paying only 10 percent profit to the suppliers, he said.

Bangladesh should look into why it gets lower prices, said Faisal Samad, a Bangladesh Garment Manufacturers and Exporters Association (BGMEA) director.

The factories have been suffering from a decrease in work orders over the last one year, said Md Siddiqueur Rahman, a representative of the factory owners in the minimum wage board.

Sirajul Islam Rony, a representative

of workers on the board, suggested checking a rise in house rent after implementation of the new wage rates and providing subsidised food for workers.

The BGMEA is ready to implement the new wage structure from December this year, said BGMEA President Faruque Hassan.

Taslima Akter Lima, president of Bangladesh Garments Sramik Sanghati, also spoke.

Govt allows

FROM PAGE B1

Industry insiders say there is a daily demand for over 4 crore eggs in the country.

Imported eggs are yet to arrive in the market and two pairs of eggs were selling at Tk 48-Tk 50 in Dhaka yesterday, according to prices data of the Trading Corporation of Bangladesh.

Md Haidar Ali, public relations officer at the commerce ministry, said some consignments of imported eggs were expected to arrive this week.