

MoU signed to help attract foreign investment

STAR BUSINESS REPORT

A memorandum of understanding (MoU) was signed yesterday between the Sirajganj Economic Zone (SEZ) and Australia Bangladesh Business Forum (ABBF) to attract foreign investment.

The event was held at a ceremony at the Bangladesh Economic Zones Authority's (Beza) office in the capital.

The two organisations will work in partnership to attract investment from Australia, including expatriate Bangladeshis living there, in the SEZ and other economic zones in Bangladesh, said a press release.

M o h a m m a d Kamruzzaman, director of SEZ, and Abdul Khan Ratan, president of ABBF, signed the MoU on behalf of their respective organisations.

The two organisations will work in partnership to attract investment from Australia, including expatriate Bangladeshis living there

Shaikh Yusuf Harun, executive chairman of Beza, entrepreneurs based in SEZ and senior officials of Beza were also present.

"We are creating an investment-friendly environment to open up new opportunities for investors in Bangladesh. We are also providing land at competitive prices to ensure planned industrialisation," said Yusuf Harun, BBS reported.

"We have been working tirelessly to attract domestic and foreign investment, thereby keeping the supply structure strong, fulfilling domestic demand and continuing the trend of exports," he added.



A man carries jute to a designated spot where it will dry under the sun in the Olankathi village in Barishal's Babuganj upazila. The 65-year-old will leave the bales to dry for up to two days before selling them to local businesses for Tk 1,500-1,600 per maund.

PHOTO: TITU DAS

House rent on the rise

MD ASADUZ ZAMAN

House rent in different parts of Bangladesh rose by 5.93 percent in the April-June period of fiscal 2022-23, placing an additional burden on many lower and middle-income households, according to the Bangladesh Bureau of Statistics (BBS).

As per the House Rent Index (HRI), the cost of rent saw quarter-to-quarter growth of 0.12 percentage points from 5.81 percent in the January-March period of the previous fiscal year.

The recent growth comes on the back of a steady decline in the preceding two quarters, with the average growth in house rent standing at 5.86 percent during the October-December period.

During the initial quarter of fiscal 2022-23, the average growth in house rent was 6.11 percent. The BBS released its updated HRI after compiling the cost of renting houses of three categories, namely concrete, corrugated iron sheet and mud houses.

The mud house category saw the highest rent growth during the April-June period, with its related index number rising to 111.19 from 110.83, as per HRI data.

According to a BBS official, house rent is included in the non-food category of the consumer price index.

"When house owners hike the rent, there is nobody to look after the issue," said Baharane Sultan Bahar, president of the Bangladesh Varatia Parishad, an association of renters in the country.

"Although Bangladesh has the Premises Rent Control Act, 1991, there is no implementation of the law," he added.

As per the Premises Rent Control Act, if the rent of a house increases beyond its standard point, then the rent shall not be recoverable (collectable), notwithstanding anything different in any contract.

Section 3 of the law states that a controller and deputy controller are supposed to be appointed to specific areas, where they are

empowered to decide the standard rent.

"But we did not see the implementation of such laws," Bahar added.

Talking to The Daily Star, Ghulam Rahman, president of the Consumers Association of Bangladesh, said the rising rent issue is a cause-and-effect problem of ongoing inflationary pressure.

"As the country's people are facing elevated inflationary pressure for a long time, house owners are passing some of the burden onto their tenants," he added.

Rahman also said house owners have a rationale to increase the rent as building maintenance costs are rising as well.

"As a result, it is taking a toll on low-income and fixed-income groups," he added.

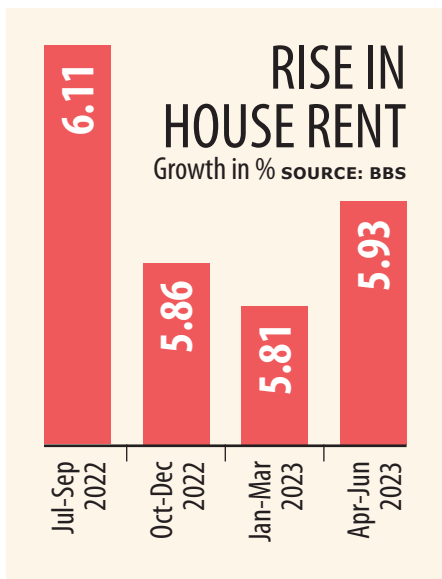
Kamal Mahmud, vice president of the Real Estate and Housing Association of Bangladesh, said house owners are able to raise the rent owing to the lax implementation of existing laws.

Subsequently, the number of sublets has been increasing over the years, he added.

However, Mahmud saw the possibility of further growth in house rent, especially in newly constructed buildings, due to the current price hike of building materials.

Construction costs rose in the first six months of 2023 to stand at 6.22 percent as of June.

This has made it costlier to implement both public and private construction projects, according to the Building Materials Price Index of the BBS.



Al-Arafah holds business development meeting

STAR BUSINESS DESK

Al-Arafah Islami Bank Ltd yesterday organised a "Business Development Meeting" for managers of the corporate branches and zonal head of the bank at its head office in Dhaka.

Farman R Chowdhury, managing director and CEO of the bank,

presided over the meeting, said a press release.

Among others, Shabbir Ahmed, Md Shafiqur Rahman, Syed Masodul Bari, Md Mahmudur Rahman, Mohammed Nadim, Abed Ahmed Khan, Abdullah Al Mamun and Fazlur Rahman Chowdhury, deputy managing directors of the bank, were present.



Farman R Chowdhury, managing director and CEO of Al-Arafah Islami Bank, presides over a "Business Development Meeting" for managers of the corporate branches and zonal heads of the bank at its head office in Dhaka yesterday.

PHOTO: AL-ARAFAH ISLAMI BANK

Sri Lanka gets China deal on debt restructure

AFP, Colombo

Sri Lanka on Wednesday welcomed China's tentative agreement to a debt restructure, as the island nation works to restore its ruined finances after suffering its worst-ever economic crisis.

The government defaulted on its \$46 billion debt last year at a time when months of food and fuel shortages were making life a misery for Sri Lanka's 22 million people.

Beijing is the island's largest bilateral lender and its consent is

needed for any proposal by Colombo to reorganise its finances.

Deputy finance minister Ranjith Siyambalapitiya said approval had now been granted by the state-owned Export-Import Bank of China, its official creditor.

"China has issued their primary consent to restructure our debt," he said in a statement.

Chinese foreign ministry spokesman Wang Wenbin told reporters on Tuesday that the bank had "tentatively agreed" with Sri Lanka on its debt treatment in late September.

India wants Aramco to develop strategic petroleum reserve

REUTERS, New Delhi

India wants Saudi Arabia's Aramco to participate in its planned 6.5 million metric tons (MMT) strategic petroleum reserve (SPR) programme as the South Asian nation wants to strengthen ties with its key oil supplier, according to a document seen by Reuters.

The two nations have been talking about Aramco's participation in the SPR programme for years. The talks, however, gained traction after Crown Prince Mohammed Bin Salman's meeting with Prime Minister Narendra Modi last month.

"Under Phase II Strategic Petroleum Reserves Programme construction of two new commercial-cum-strategic petroleum reserves of 6.5 MMT

have been approved," the Indian government said in an internal document, adding that "Saudi Arabia's Aramco can be invited to participate in the Phase II."

Aramco declined to comment, while the Saudi government did not respond to emails. India's prime ministers office, oil ministry and finance ministry did not respond.

In 2021, India overhauled its SPR policy allowing commercial sale of the crude to boost private participation in the building of new storage facilities, mirroring a model adopted by Japan and South Korea.

India imports over 80 percent of its oil needs and has built strategic storage at three locations in southern India to store over 5 million tons of oil to protect against supply disruption.

Lending, exchange rates

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In response to the IMF delegation, the BB officials informed that if the exchange rate was totally left to the whims of the open market, it would spiral out of control, bringing about negative implications on the rest of the economy.

Furthermore, it will be difficult to bring it down later and that is why the BAFEDA and ABB are devaluing the taka in phases, they said.

The delegation also wanted to know the definition of loan classification and the situation regarding classified loans, said the BB officials.

The delegation wanted to fix new targets but deferred it till the return of BB Governor Abdur Rouf Talukder who is now attending an annual IMF meeting in Morocco.

The IMF delegation also

held separate meetings visiting Petrobangla and Bangladesh Petroleum Corporation (BPC).

A BPC official told The Daily Star that the delegation wanted to know about the progress in coming up with a "dynamic fuel pricing formula".

"We have told them that we have finalised a dynamic formula for fuel pricing and sent it to the ministry. The government will decide when they will implement it," he said, wishing anonymity.

The IMF delegation also asked about the operational and financial performance of the organisations and the situation regarding gas and fuel price adjustments.

"We said that there is no plan to hike the gas prices as of now as the government was providing subsidies in this sector," said a Petrobangla official.

One country, two societies

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So, the voices of those people should be reflected in the national election. Voting in the election is the only way for establishing the voices of those people, he said.

Commitments should be made public before the election on not only development but its characteristics and how much each person will gain from those, he said.

The share of development for those lagging behind must be ensured and a bigger portion must be provided, otherwise it will not ensure equality, said Bhattacharya.

Chairing the briefing, Shaheen Anam, a core group member of the platform, said five years ago the platform started monitoring the progress in implementing the Sustainable Development Goals (SDGs).

All United Nations member states, including Bangladesh, adopted 17 SDGs in 2015, a shared blueprint for peace and prosperity for people and the planet, now and into the future.

During the past five years, the platform wanted to know how marginalised people of the country were doing, their stories of deprivation, their challenges of life and livelihood, she said.

Most importantly, the platform wanted to know what they wanted, what kind of society they wanted and what were their positions in society, Shaheen Anam said.

Everyone knows about the development undergoing in the country, especially economic development, and it is globally recognised. However, the question remains over whether it was possible to form a humanistic society, she asked.

The humanistic society will be one whose foundation will be of justice, where everybody's rights will be well protected, she said.

It is believed that many people are deprived of justice, of basic necessities and fundamental rights and the platform tried to highlight their voices, said Shaheen Anam.

The platform has 11 agendas which will be shared with journalists gradually, she said. Of them, four — education, health, climate change

and social safety — were shared with journalists at the briefing yesterday, moderated by Mustafizur Rahman, a distinguished fellow of the CPD.

The remaining seven will be shared through two more media briefings on October 18 and October 31 in Dhaka, said Shaheen Anam, also executive director of Manusher Jonno Foundation.

In case of health expenditure, 67 percent is borne by people of Bangladesh from their own pockets, while the rest by the state whereas the global average is 32 percent, said Yasmin H Ahmed, adviser to Bangladesh Health Watch.

This is the highest among South Asian countries, with most of the expenditure going behind medicine, she said.

Sixty four percent is spent for medicine, 14 percent for hospital services and 8 percent for diagnosis, said Ahmed while presenting a paper on "Reducing out-of-pocket expenditure to improve universal access to quality health care".

In 2016, nine million people, which is 4.5 percent of the total population, went below the poverty line for meeting health expenditures, she said.

BGMEA seeks

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This vision aims to enhance the competitiveness of the RMG industry while simultaneously fostering sustainable growth, it added.

BGMEA President Hassan underlined the importance of NBR's support and cooperation in the pursuit of this vision.

He said necessary support from the NBR is essential for the RMG industry to maintain its export competitiveness and growth momentum, particularly in the post-least developed country (LDC) era.

"LDC graduation brings with it a new set of realities for Bangladesh, with both opportunities and challenges, particularly in the context of changes in the tariff regime. Bangladesh must take strategic steps to retain the industry's competitiveness in the post-LDC period," he added.

Gold price hiked by Tk 2,332 a bhoori

STAR BUSINESS REPORT

Gold price is set to increase by 2.4 percent from today because of a rise in the rates of pure gold in the local market, the Bangladesh Jewellers Association (Bajus) said yesterday.

People will have to buy the precious metal at Tk 99,377 a bhoori (11.664 grams), up by Tk 2,332 from previous price of Tk 97,044 a bhoori for the 22 carat gold.

Bajus hiked the price a week after it reducing its rates for the domestic market.

The association cut the gold prices in three phases from over Tk 100,000, which prevailed for more than a month.

The Bajus also increased prices of gold of other grades.

It, however, kept the prices of 22 carat silver unchanged at Tk 147 per gram or Tk 1,714 a bhoori.

It asked the jewellery traders to follow the new rates until further decision.

Murshed to discontinue as Walton CEO, MD

STAR BUSINESS REPORT

Golam Murshed has decided not to continue serving Walton Hi-Tech Industries PLC as its managing director and CEO.

Murshed's tenure ended last week and he did not want to continue serving in the post, said a top official of the company on condition of anonymity.

Murshed could not be reached by phone or text message. Murshed may start a business of his own, the official added.



Golam Murshed

STOCKS	
DSEX ▲	CASPI ▲
0.14% 6,256.18	0.14% 18,516.55

COMMODITIES	
Gold ▲	Oil ▼
\$1,870.37 (per ounce)	\$85.60 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.60% 66,473.05	▲ 0.60% 31,936.51	▼ 0.19% 3,192.87	▲ 0.12% 3,078.96