

Star BUSINESS

Number of internet users witnessed an upswing of 10 lakh in August, thanks to the expansion of mobile subscriber network



Story on B4

IMF discusses subsidies with Power Division

STAR BUSINESS DESK

A visiting delegation of the International Monetary Fund (IMF) held a meeting with senior Power Division officials yesterday mainly over subsidies, reports UNB.

The power sector has been incurring huge losses, such as Tk 27,477 crore in fiscal year 2021-22 and Tk 6,200 crore in fiscal year 2017-18, for selling electricity at a lower rate than that paid for its purchase through the use of subsidies.

"The BPDB has been incurring a loss of about Tk 5 per unit," said an official of Bangladesh Power Development Board (BPDB).

A recent report from the Implementation Monitoring and Evaluation Division predicted that the BPDB's total loss for fiscal year 2022-23 and fiscal year 2023-24 could be Tk 1,13,532 crore.

When providing a \$4.7 billion loan to Bangladesh, the IMF had tagged a number of conditions, including one on raising electricity tariff to reduce the subsidy.

As per the condition, the government raised the bulk power tariff by about 19.92 percent to Tk 6.20 per kilowatt hour (each unit) from Tk 5.17 from December 2022.

Still the BPDB has been incurring a lot of losses.

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LEATHER PRODUCTS AND FOOTWEAR

- Country's 2nd largest export sector
- Govt declared it as a thrust sector

WORKFORCE

- It's a labour-intensive industry
- About **200,000** people actively employed
- About **150,000** people indirectly employed
- 60%** workers are women

TOTAL FACTORIES

- 264** factories
- Of them, **90** are large



TOP 10 EXPORT DESTINATIONS (FY22)

- | | |
|------------|----------------|
| USA 26% | Netherlands 6% |
| France 10% | Japan 6% |
| India 8% | Poland 4% |
| Germany 7% | Canada 4% |
| China 6% | Spain 3% |

Firms that got LWG certification

- Apex Tannery
- RIFF Leather
- ABC Leather



EMERGING MARKETS

- Poland, Australia, India, Chile and Turkey

SOURCE: LFMEAB

LEATHER GOODS, FOOTWEAR

Bangladesh emerging as a sourcing hub

PM announces formation of leather industry development authority

SUKANTA HALDER

Bangladesh is rapidly emerging as a dependable source of leather goods and footwear for many foreign buyers owing to low prices and good quality, according to industry people.

Businesspeople say that Bangladesh has become a dependable source for such items due to the diversification of leather products as well as market diversification.

New products, such as sneakers, backpacks, leather homeware and moulded luggage, are now reaching new markets such as India, Turkey, Algeria, Poland and Chile.

These growing sectoral capacities have generated a real possibility to double Bangladesh's existing global market share, which stands at less than 1 percent, they added.

"Bangladesh is growing as an

important sourcing destination for global leather footwear and leather goods. This public-private partnership for sectoral upgradation has brought massive change to the industry," said Syed Nasim Manzur, president of



the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB).

About 120 new factories have opened in the last six years while many international buying houses have opened offices in Bangladesh to source footwear.

He made this comment while speaking at the opening day of the Bangladesh Leather Footwear and Leathergoods International Sourcing Show 2023 at the Bangabandhu International Conference Center in Dhaka yesterday.

The three-day event aims to showcase Bangladesh's capability and strength in the sector.

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Pran-RFL to invest Tk 680cr in industrial estate

REFAYET ULLAH MIRDHA

Pran-RFL Group, a leading food processor and conglomerate in Bangladesh focusing on household products, is going to invest Tk 680 crore in the next one year to expand the capacity of its Habiganj Industrial Park and meet growing demand of consumers.

The group has invested Tk 6,300 crore in the industrial estate so far.

The estate at Shayestaganj in Habiganj sits on 300 acres of land and would be expanded using some 200 acres of land adjoining it.

The capacity enhancement will be for poultry, bakery, noodles, glassware, recycled products, fittings, switches and sockets, stationery, cables, bicycles and pipes.

One of the most diverse ranges of products are manufactured at the estate and it is one of the largest private industrial parks in the country in terms of size, said Kamruzzaman Kamal, the group's director for marketing.

He was addressing a views exchange meeting with members of the Economic Reporters' Forum at the estate yesterday.

The estate has 47 production lines for fruit drinks, beverages, candy, liquid glucose, biscuit, confectionery, transformers, electric cables, fans, melamine, bicycles, MS and GI pipes, recycled products, cassava processing and toiletries.

Many of the products once had to be imported in large quantities and have great demand

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BRAC BANK & The Daily Star

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