

Star

BUSINESS

Premier Bank is building up a robust digital infrastructure to make financial services available at the fingertips of customers, said an official.

Story on B4



Gas shortage taking toll on textile millers

REFAYET ULLAH MIRDHA

Primary textile millers want adequate gas supply in their factories as nearly 40 percent of their production capacity is currently unutilised due to low pressure of gas, the price of which increased by nearly 100 percent in February this year.

Last Thursday, the standing committee on power, energy and utility of the Bangladesh Textile Mills Association (BTMA) held a meeting with its members about the supply of gas and power in textile mills, expressing serious concerns about low pressure.

In the meeting, the millers gave five suggestions for the government. One of the recommendations was formulating an energy policy and diverting gas to textile mills from closed power plants and quick rental power units.

Since the government can import fertiliser, the government may also consider supplying gas to textile mills by diverting energy from fertiliser factories if possible.

Other suggestions included supplying gas to textile mills through rationing of gas from CNG stations and planning how to ensure the best use of gas from Bhola.

The millers will hold a press conference soon to highlight the importance of the textile sector in the economy and will present their suggestions during meetings with the energy secretary and principal secretary to the prime minister.

They also have plans to meet the prime minister to apprise her of the situation along with representatives from



the Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association, and the Federation of Bangladesh Chambers of Commerce and Industry.

Razeeb Haider, chairman of the standing committee of the BTMA, said this was the primary plan.

The sector needs adequate pressure of gas as the capacity is now idle in the mills, he said. If the mills cannot run at full capacity, they will face losses and that will discourage further investment in the sector, he added.

Khorshed Alam, chairman of Little Group, a spinner, said it was not only textile millers that were suffering due to persistently low pressure of gas, but also some garment factories.

Textile mills should be aided to use their full capacity during this time of economic crisis so they can contribute to earning more foreign currency, he said.

Because garment manufacturers are reducing their dependence on imported yarn and fabrics and instead using more local raw materials to meet shorter lead times, which are very important for international buyers, their capacity has increased further, he added.



Commerce Minister Tipu Munshi poses for photographs with the winners of the 3rd HSBC Business Excellence Awards at an event at the Radisson Blu Dhaka Water Garden in the capital last night. Among others, British High Commissioner to Bangladesh Sarah Cooke, HSBC Bangladesh Chief Executive Officer Md Mahbub ur Rahman and HSBC Bangladesh's Country Head of Wholesale Banking Gerard Kevin Haughey were present.

PHOTO: PRABIR DAS

Eight companies honoured with HSBC Business Excellence Awards

STAR BUSINESS REPORT

The Hong Kong and Shanghai Banking Corporation (HSBC) yesterday honoured eight business enterprises of Bangladesh for their outstanding contribution to the sustainable growth of the economy even during challenging times.

Commerce Minister Tipu Munshi handed over the crests to the winners of the 3rd HSBC Business Excellence Awards at an event at the Radisson Blu Dhaka Water Garden in the capital.

The Awards have been organised in partnership with the commerce ministry of Bangladesh and the British High Commission in Dhaka.

Ha-Meem Group, one of the largest textile and garments manufacturers in the country, was awarded in the readymade garment category with an annual export value of \$50 million and above, according to a press release.

The company shipped products worth \$700 million in the financial year that

ended on June 30.

Pahartali Textile & Hosiery Mills, a spinning unit of MM Ispahani Ltd, was recognised in the supply chain and backward linkage category involving annual export receipts of more than \$10 million.

Renata Ltd, a top pharmaceuticals manufacturer, won the accolade in the non-traditional and emerging sector with a shipment value of at least \$3 million.

City Group, a commodity importer and processor, took home the honour in the best import substitution category. The award is given to a company that reduces or substitutes imports to a value of \$10 million and above.

The organisers honoured Gildan, an American-owned Canadian manufacturer of branded clothing, as the leader in the inbound investment and infrastructure category. The company has been operating in Bangladesh since 2010.

Syngenta Bangladesh Ltd, a prominent name in agricultural solutions and products, won the recognition for

sustainability initiative aimed at achieving better environmental, social and governance outcomes.

The award in the best in innovation and technology category went to bKash,

The awards aimed to honour businesses and entrepreneurs for their contribution to the sustainable economic growth of Bangladesh

one of the top mobile financial service providers, for its role in improving lives and the economy.

Square Group, one of the most prominent conglomerates with operations in diversified areas such as pharmaceuticals, healthcare, textiles, consumer goods, media and IT, was given the special achievement award for its exemplary contribution to the socio-economic growth, excellence in

innovation, job creation, and supporting the community.

Congratulating the winners, Commerce Minister Tipu Munshi said the government would not be involved in any business, rather it would be an enabler to businesses.

"We are working to improve things in order to attract foreign investments, including facilitating the ease of doing business and improving the supply of power."

In her speech, British High Commissioner to Bangladesh Sarah Cooke said, "A vibrant and resilient private sector drives Bangladesh's economic development."

"I am pleased that the British High Commission Dhaka is joining HSBC to honour the best of these enterprises through the Business Excellence Awards, celebrating the innovation and ideas, which strengthen economic growth, create jobs, and attract more foreign investments."

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WEEKLY INTERVIEW



Mahbubul Alam

'Bangabandhu tunnel to speed up industrial growth'

JAGARAN CHAKMA

The opening of the Bangabandhu Sheikh Mujibur Rahman Tunnel under the Karnaphuli river will lead to the development of numerous industrial units from Chattogram to Cox's Bazar and encourage urbanisation, said Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

After the Padma Bridge, the Bangabandhu Tunnel is another example of the country's capability to take up mega infrastructure projects, he said.

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AHSAN HABIB

Most of the macroeconomic indicators of Bangladesh have been in bad shape for the last several months owing to external and internal factors, intensifying people's suffering as consumer prices surged to record levels.

The foreign exchange reserves have halved in a span of two years and the decline has continued every month. The taka has lost its value sharply against the US dollar, making imports expensive.

Remittance and export receipts have been weaker than expected. The inflation rate is lingering at a record level and investment is stuck at a lower level.

The shocks stemming from the Covid-19 pandemic and the war between Russia and Ukraine as well as inadequate policy measures have been behind the weaker economic data.

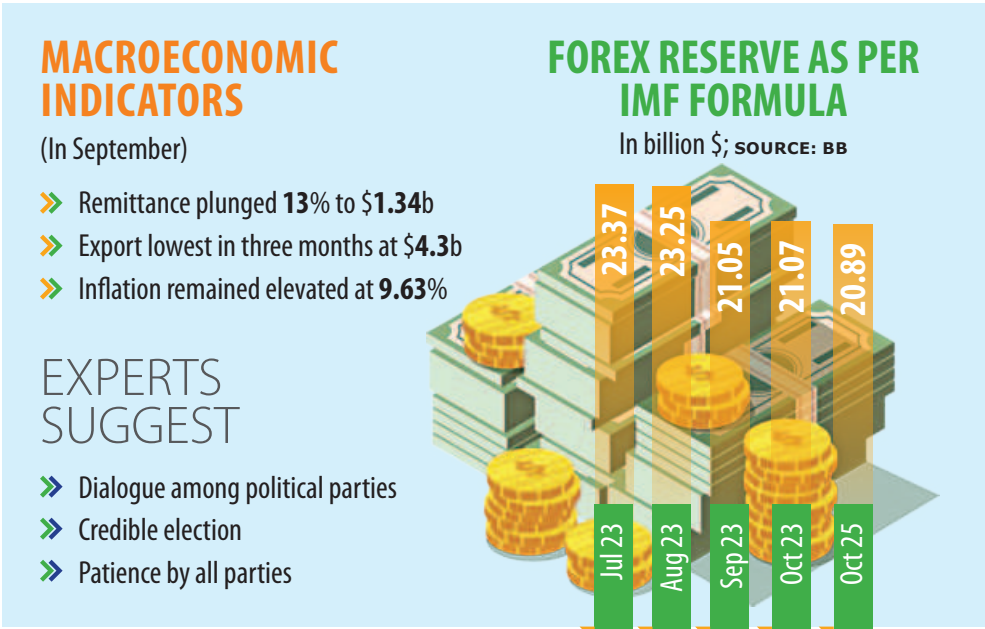
Now, as the political uncertainty aggravates, the economy would face added challenges, shattering people's hopes of overcoming the struggle by fixing domestic challenges.

"The political situation always dominates economic issues, so the present economic situation of Bangladesh will not improve if the political crisis is not resolved," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

His comments came as the country descended into fresh chaos after supporters of the Bangladesh Nationalist Party (BNP) clashed with police on the streets of the capital yesterday and Bangladesh sees a return of martial law to be enforced by a major political party.

The problem of Bangladesh's economy is depleting reserves as import cost continues to be higher than export receipts and remittance inflow coming through formal channels.

Remittance earnings slipped 13 percent year-on-year in September when migrant workers sent home \$1.34 billion. The receipts



were the lowest in 41 months.

Exports, the other major source of foreign currencies, brought home \$4.3 billion, up 10.4 percent year-on-year but the lowest amount in three months.

On October 25, the foreign currency reserves stood at \$20.89 billion, enough to meet around four months' import bills. It was about \$40.7 billion in August 2021.

By the end of 2023, the reserves will come down to three months' import cover, according to an estimate of American credit ratings agency Fitch.

Mansur said the country's politicians don't want to compromise, a tendency that ultimately undermines the democratic process.

"So, the country is unfortunately heading towards more political unrest. Under such a scenario, development and economic

activities shall."

For instance, the former economist of the International Monetary Fund (IMF) said, investors will not invest and banks will not be interested in lending if uncertainty persists.

"These are crucial issues for an economy." Already, the World Bank has slashed the economic growth forecast for Bangladesh by 0.6 percentage points to 6.1 percent for the current fiscal year that ended on June 30.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said running political activities is a democratic right.

He warns that the economic situation will deteriorate further owing to the exacerbating political uncertainty. "Then, it will be difficult for any government to tackle the situation whoever comes to power."

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UNEMPLOYMENT AMONG GRADUATES Females still have highest rate

MD ASADUZ ZAMAN

Although an increasing number of female students are coming out of universities every year, they continue to have the highest unemployment rate among graduates, according to the Labour Force Survey (LFS) 2022 released at the end of last week.

Out of around eight lakh graduates seeking jobs, 3.36 lakh females were jobless in 2022.

The unemployment rate among female graduates was 18.88 percent, which was higher than the overall jobless rate of 12 percent among people with higher education, showed the LFS data by the Bangladesh Bureau of Statistics (BBS).

Analysts blamed a lack of job opportunities, conducive work environment and adverse social attitudes for the high rate of unemployment among women with higher education.

"We could not increase investment in institutional support for educated female workers yet," said Prof Sharmin Neelormi, who teaches economics at Jahangirnagar University.

Usually, female graduates want to join a flexible job that provides a conducive environment with the support of their families, she added.

"The country is now producing a huge number of graduates without ensuring enough jobs for them."

There is no alternative to proper planning on how to utilise graduates according to their potential, she suggested.

The LFS data showed that the unemployment rate among female graduates declined in 2022 from 21.4 percent five years ago thanks to a reduction in jobless rate among women with higher secondary education in rural areas.

However, the unemployment rate among female graduates in urban areas rose to 19.17 percent.

Prof Dil Afroza Begum, former member of the University Grants Commission (UGC) of Bangladesh, said the tendency to look for jobs among female graduates fell after marriage.

"It's a social and family-driven problem," she said. She said most married women could not work due to family pressure unless they held a government job.

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