

Star

BUSINESS

More than a dozen life insurers settled 14.09 percent of the 24,605 complaints they received in the first 10 months this year.

Story on B4



WEEKLY INTERVIEW



Mostafa Azad Chowdhury

‘Govt steps to curb potato price to leave little impact’

SUKANTA HALDER

The government’s measures to rein in potato prices may be beneficial in the short run, but it will not leave any lasting impact on the market, according to Mostafa Azad Chowdhury Babu, president of the Bangladesh Cold Storage Association.

“It is right that the government allowed potato imports. This is because if supply increases, then the price will come down,” he said in an interview with The Daily Star.

However, Babu claimed that even though buyers are willing to pay up to Tk 40 per kilogramme (kg) for potatoes in cold storage, the government is forcing farmers and traders to sell the crop at Tk 27.

“So, many famers and traders have stopped selling their potatoes,” he said, adding that restricting product prices in this manner goes against the country’s ideals as a free market economy.

Babu also informed that a representative of the local deputy commissioner’s office is now always present at each cold storage following the government’s directive to monitor sales.

On October 31, the commerce ministry

READ MORE ON B2



Farmers harvest Aman season paddy, the second largest rice crop by volume after Boro in Bangladesh. Planting periods vary depending on the variety, starting as early as mid-March and ending in late September. Harvests run from mid-November to early January. Afterwards, many farmers will start cultivating potato. The photo was taken in Panitala area of Gaibandha’s Gobindganj upazila recently. PHOTO: MOSTAFA SHABUJ

Political consensus needed to boost South Asia’s integration

Speakers say at South Asia Economic Summit

STAR BUSINESS REPORT

Political consensus is necessary among the leaders in South Asian countries to deepen integration, enhance trade, beef up cooperation in their fighting against climate change, and achieve much-desired economic prosperity, said economists, researchers and policy-makers yesterday.

Three countries -- Bangladesh, Nepal and Bhutan -- are graduating from the group of the least developed countries (LDCs) in the coming years, so regional integration is vital, they said.

They made the comments while speaking at the inaugural session of the two-day 14th South Asia Economic Summit at the

Sheraton Dhaka hotel.

“A continuous effort is necessary from political leaders of South Asian countries to boost regional integration,” Planning Minister MA Mannan said.

He spoke at the inaugural session of the summit titled -- Reframing South Asian Regional

Cooperation in the New Context National and Global Dimensions. The Centre for Policy Dialogue (CPD) organised the two-day event.

The minister said there are the Saarc (South Asian Association for Regional Cooperation), the BBIN (Bangladesh, Bhutan, India, Nepal) Initiative, the Sasac (South



Asia Subregional Economic Cooperation) and the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation).

“But they are all sleeping. To make them functional, the leaders of the countries should work together and it is in the hands of the leaders.”

He said though there is a huge potential for higher regional trade, it is still at a very low level due, maybe, to distrust, tariff and non-tariff barriers.

Citing the data of the Bangladesh Institute of Development Studies, Mannan said 8 percent of global trade is been taking place among South Asian countries.

READ MORE ON B3

South Asia not ready for common currency

Economists say

STAR BUSINESS REPORT

South Asia is not yet ready for a common currency, said economists from countries in the region at the opening of a two-day 14th South Asia Economic Summit in Sheraton Dhaka yesterday.

However, integration in trade and investment, increased mobility and people-to-people connectivity will provide the incentive for monetary cooperation in the region, they told a session on macroeconomic cooperation and the possibility of a common currency.

South Asia accounts for nearly one fourth of the global population and it has the market and ability to grow together, said the economists at the event being hosted by the Centre for Policy Dialogue.

READ MORE ON B3

Learn from Sri Lanka’s crisis

Says Debapriya

STAR BUSINESS REPORT

Bangladesh needs to learn from Sri Lanka’s experience about how to face an unprecedented economic crisis and recovery strategies to avoid similar circumstances and improve the well-being of citizens, said Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue (CPD).

Sri Lanka’s economy was crushed last year under its worst financial crisis in more than seven decades, with inflation skyrocketing and foreign exchange reserves falling to record lows, severely stunting its ability to import essential commodities, according to a Reuters article.

In May 2022, it even failed to make an interest

READ MORE ON B3

‘Sri Lanka immensely benefitted from Bangladesh’s support’

STAR BUSINESS REPORT

Sri Lanka has immensely benefited from Saarc countries, particularly Bangladesh and India, from a macroeconomic perspective in recent times, the central bank governor of the Island nation said yesterday.

P Nandalal Weerasinghe made the remark while addressing the inaugural session of the 14th South Asia Economic Summit, a two-day event, hosted by the Centre for Policy Dialogue at the Sheraton Dhaka hotel.

“The assistance that was extended in the wake of the crisis provided immense relief in the midst of the socioeconomic quagmire that Sri Lanka was in,” he said.

READ MORE ON B3



Visitors check out products at the 9th international technology tradeshow on leather, footwear machinery, components, chemicals and accessories at International Convention City Bashundhara. The exhibition ended yesterday. PHOTO: PRABIR DAS

Private sector foreign loan on the decline

REJAUL KARIM BYRON and AHSAN HABIB

Short-term foreign debts in the private sector have declined every month since January as repayments outpaced fresh loans, contributing to the depletion of foreign currency reserves of Bangladesh, official figures showed.

According to the Bangladesh Bank, short-term foreign loans fell 3.16 percent to \$12.43 billion in September. It was \$12.84 billion in August.

Short-term loans mature within three to nine months and account for 63.5 percent of the total private sector borrowing from foreign sources.

But owing to the strained US dollar stockpile, the sharp depreciation of the local currency and higher global interest rates, such debts are being shunned by entrepreneurs.

At the beginning of January, the short-term foreign debt was \$16.42 billion in the private sector. Since then, it declined by 24.29 percent.

During the nine-month period, entrepreneurs borrowed \$19.55 billion and repaid \$23.99 billion in the form of principal amount and interest.

The trend of higher repayments compared to fresh borrowing has persisted since January.

“The private sector is not interested in taking loans in dollars due to the massive depreciation of the taka,” said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

He said the interest rate of foreign loans was 2 percent a few years ago. Now entrepreneurs can’t get the dollar loan even though they are willing to pay 10 percent.

Central bank officials say the higher repayments compared to fresh borrowing are making a dent in the country’s foreign currency reserves

According to the former official of the International Monetary Fund, the National Board of Revenue has imposed a 20 percent tax on foreign debts.

“This is adding insults to injury as the tax will raise the cost of funds, so no one will be keen to secure foreign loans.”

“This was another factor for the fall in debts. This policy has been imposed at the wrong time. Were it imposed five years ago, the situation would have been better.”

In 2021, the private sector availed \$33.96 billion in short-term financing from foreign

READ MORE ON B2

