

Star BUSINESS

Meghna Group to assemble Kia SUVs

JAGARAN CHAKMA

Meghna Automobiles Ltd, a concern of Meghna Group, is working to assemble passenger cars of South Korean automobile manufacturer Kia in Bangladesh, said a top official.

The company is planning to launch the cars in January in a bid to grab a slice of growing domestic automobile market.

Meghna and Kia have already established an assembly plant for complete knock-down (CKD) production across 15 acres of land at Barmi union of Gazipur.

Meghna Automobiles Ltd has invested around Tk 275 crore (around \$25 million) to set up the plant with a view to providing brand-new cars to customers in Bangladesh.

"We will start to assemble four models of sport utility vehicles (SUVs)

Meghna Automobiles Ltd teamed up with the Korean automobile company and has established an assembly plant in Gazipur

— including Kia Sportage, a class-leading, sub-compact SUV model — in December and bring them to the market in January," said Anisuzzaman Choudhury, executive director of Meghna Automobiles Ltd.

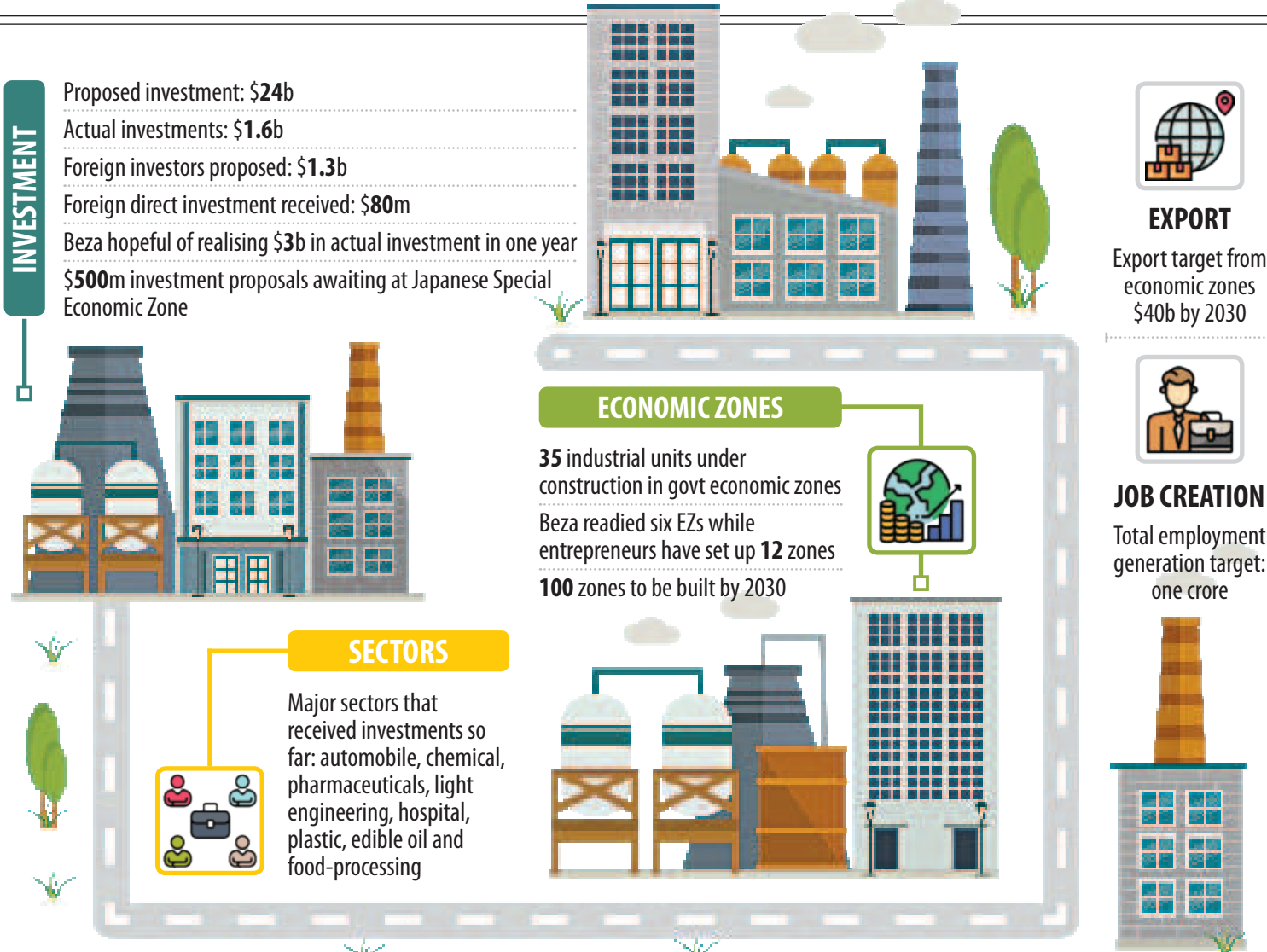
According to Choudhury, the price of a brand-new car will cost around Tk 10-12 lakh less than imported Kia cars, depending on the model.

To ensure the same quality as cars of Korean origin, the plant will be operated by Korean engineers and technicians for the first two years.

Currently, Hyundai, South Korea's leading automobile manufacturer, Proton, the pioneering automotive company of Malaysia, and renowned Japanese manufacturer Mitsubishi assemble passenger cars in Bangladesh.

Despite the market being historically dominated by imported reconditioned

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GOVT ECONOMIC ZONES

Actual investment far lower than proposed

JAGARAN CHAKMA

Actual investments at six government-owned economic zones have remained at a far lower level compared to the proposals put forward by both foreign and local investors owing largely to inadequate facilities, official figures showed.

Local and foreign investors have promised to invest \$24 billion in the industrial enclaves in the last three and a half years. But the actual investments stand at \$1.6 billion, according to the Bangladesh Economic Zones Authority (Beza).

Of the realised investment, \$80 million came from foreign investors, which is again much lower than the inflows initially pledged.

An analyst has termed the amount disappointing.

Of the units, 23 are being set up at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram, two in Moheshkhali Economic Zone of Cox's Bazar, six in Sreehatta Economic Zone of Moulvibazar, and five units in Jamalpur Economic Zone, said Beza Executive Chairman Shaikh

Yusuf Harun.

"Some investors have had to develop land on their own and they have taken more time. This is one of the reasons for the slow realisation of investment. We are encouraging our investors



to start the construction work immediately."

In 2015, the government decided to set up 100 economic zones across the country to attract both foreign and local investments to accelerate industrialisation, create one crore jobs and export an additional \$40 billion worth of goods and services by 2030.

After eight years, the Beza has readied six economic zones

while entrepreneurs have set up 12 enclaves.

In order to draw investments to the zones, the government has offered a 100 percent income tax exemption for 10 years on capital gains, dividends, royalties, and

Besides, Harun said, agreements are set to be inked to invest around \$500 million at the Japanese special economic zone.

According to the Beza, Marico Bangladesh, a multinational company operating in the country for nearly decades, invested \$6 million, Asian Paints Bangladesh invested \$34 million, and Nippon & McDonald Steel Industries Ltd, a joint venture, made an investment of \$15 million.

The agency has attracted foreign direct investments from Japan, China, India, Australia, Germany, the Netherlands, the US, the UK, Singapore, South Korea, and Norway, sources said.

The investment proposals have been made in the sectors such as automobile, chemical, pharmaceuticals, light engineering, hospital, plastic, edible oil, and food-processing.

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Production cost of potatoes nearly doubled this year due to an increase in prices of potato seeds, fertiliser and irrigation



Story on B4

Local airlines feel the pinch of political unrest

RASHIDUL HASAN

The nationwide blockade is taking its toll on local airlines as the number of passengers has declined significantly on the domestic routes owing to growing fear of violence, officials said.

Talking to The Daily Star, top officials of US-Bangla Airlines, Novoair and Air Astra said the number of passengers has dropped by at least 25 percent following enforcement of hartals and blockades by BNP and Jamaat since October 29.

On some routes, especially to the tourist destinations, the decline has been so severe that airlines have been forced to cancel flights or cut their frequency.

The unrest comes at a time when the tourism industry is gearing to welcome tourists and overcome business slowdown amid sustained higher inflation.

"October to December is considered to be the peak season for domestic airlines as people travel during the quarter. But none is making advance booking for tickets due to the ongoing political unrest and the return of blockades and hartals," Mofizur Rahman, managing director of Novoair, told The Daily Star.

Novoair usually operates seven daily flights from the capital city to Cox's Bazar, the most popular tourist destination in Bangladesh, with a good number of passengers on board. Now, it is running four to five flights every day as travelers



avoid non-essential movement.

Large corporates usually book tickets in advance at this time of the year for leisure or official purposes. Such booking is almost non-existent this year, according to Rahman.

He said the number of passengers has fallen by 20 to 25 percent owing to the present political situation.

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STOCKS		
	DSEX ▼	CASPI ▼
	0.01% 6,276.65	0.02% 18,599.87

COMMODITIES		
	Gold ▼	Oil ▼
	\$1,986.01 (per ounce)	\$79.29 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▼ 0.08% 64,900.75	▼ 1.34% 32,271.82	▼ 0.21% 3,173.81	▼ 0.03% 3,057.27

Wage growth below inflation for 21st straight month

MD ASADUZZAMAN

Abdul Khaleq works in Dhaka as a carpenter under a local contractor for eight hours per day, earning Tk 500.

But his regular duties are not enough to meet the living expenses of his five-member family.

As a result, he has to do more than three hours of overtime every day to get an additional Tk 250.

Even then, he finds it hard to make ends meet.

"It is tough to maintain a family of five with this income," said Khaleq, who hails from Sirajganj and is the lone breadwinner in his family.

"Every month, I have to borrow some money to meet family expenses. Last month, I had to take a loan of Tk 2,000," he said.

"The price of everything has increased but our income didn't increase at the same pace. Around six months ago, my wage increased by Tk 50 only."

Mojnu Mia, a human haulier driver who lives in a mess in Mirpur's 60-Feet Road, added: "I cannot dare to bring my family to Dhaka in fear of the costs."

Yesterday, the reporter visited the location and found Mojnu

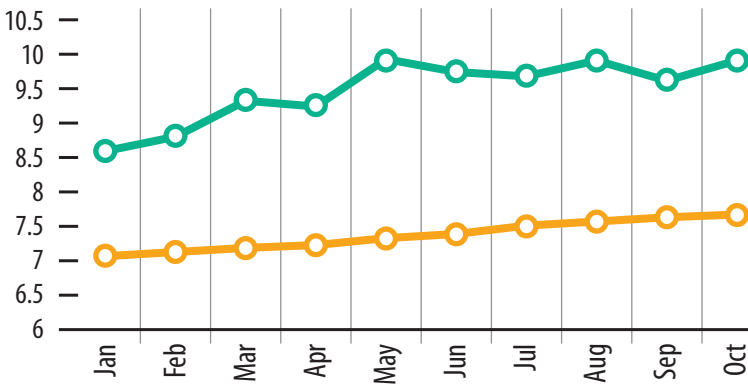
driving along his designated route without a hired helper.

"If I were to hire a helper, I would have to pay around Tk 400 to him. After paying that and around Tk 1,300 to the vehicle's owner, I wouldn't



INFLATION VS WAGE GROWTH

In %; SOURCE: BBS



have enough money to afford my family's living expenses," he added.

The recent political unrest has compounded their woes as the number of passengers has decreased.

"It's difficult to find a job now. If political unrest persists, it will hamper us seriously," said Rajib Hossain, who works as a helper on human hauliers on the same route.

Wages grew by 7.69 percent for low and unskilled workers

in October, which was 2.24 percentage points below the inflation rate of 9.93 percent for the month, data from the Bangladesh Bureau of Statistics (BBS) showed.

This means wage growth has

been behind the inflation rate for the past 21 months since February 2022.

Analysts say the widening gap between the inflation rate and the wage growth rate is forcing low-income and unskilled workers to cut consumption amid falling real incomes and rising costs of living.

Rizwanul Islam, former special adviser for employment at the International Labour Office in Geneva, said real wages have been falling for nearly two years now.

"This is an issue of concern," he said.

The distress caused by rising prices is affecting not only the poor but also lower middle-income groups, he said.

In terms of how to tackle inflation while moving forward, Islam said raising the interest rate was commonly suggested as a tool for tackling inflation.

But this is based on the assumption that price increases have been caused by excess demand for commodities, which may not always be the case, he said.

"The rising price of food items in Bangladesh is an example," he added.

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Disclosure of Material Information

This is for kind information of all concerned that Banking Regulation & Policy Department (BRPD) of Bangladesh Bank, vide its Circular Letter No.52 dated November 07, 2023 has accorded approval to change the registered name of the Bank to

Southeast Bank PLC.

(Earlier registered name was "Southeast Bank Limited")

By order of the Board

A.K.M. Nazmul Haider
Company Secretary

Dated: Dhaka
November 07, 2023

Registered Office: Eunoos Trade Centre
52-53, Dilkusha Commercial Area, Dhaka-1000, Bangladesh
Website: www.southeastbank.com.bd