

# Star BUSINESS

Bangladesh's economy has been passing through a challenging time and 2024 may not be any easier



Story on B4

## IMF flags potential exodus of funds from Bangladesh

Export proceeds stay abroad and outflows increase, raising the spectre of capital flight

REJAUL KARIM BYRON

Bangladesh might have experienced capital flight in the last financial year evidenced from the unusual outflow of funds as well as unrealised export proceeds, said the International Monetary Fund (IMF).

The financial account, a part of the balance of payments (BoP), experienced

an outflow of 0.5 percent of GDP (\$2.1 billion) in 2022-23, compared to inflows historically averaging about 2.5 percent of GDP, signaling capital flight, the Washington-based lender said in a paper recently.

It said foreign currency shortages and letter of credit margin requirements on the payments by bank deposits to curb non-essential imports led to a sharp contraction in imports by 16 percent in FY23.

Exports remained resilient, despite slow growth in major trading partners. The current account balance improved significantly.

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## Pran-RFL to start producing essential goods by March

SUKANTA HALDER

Pran-RFL Group, a leading food processor and conglomerate in Bangladesh, plans to produce flour, refined flour and semolina for consumers in their factories by March next year.

As part of this initiative, they have already completed the construction of a large part of their new industrial park on a 180-bigha plot of land in Gazipur's Moktarpur union.

The group is investing about Tk 1,500 crore to produce these essential products and will employ about 2,000 people, said a top official of the group.

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## FAZLUR RAHMAN

### The man who came from humble beginnings and built an empire

JAGARAN CHAKMA

More than 60 years ago, an adolescent Fazlur Rahman got an unexpected start to his journey in business.

After his father was stricken by paralysis, Rahman was forced to leave school and assume responsibility for his family by taking over a grocery shop in Old Dhaka's Gandaria locality.

Although he had little capital, Rahman stretched whatever profits he made through years of struggle, eventually saving up enough to take the next step.

That next step laid the foundation for City Group, which came into existence with the establishment of City Oil Mill, a mustard oil production factory launched on February 6, 1972.

Although Rahman described many "ups-and-downs" during those initial years, including a business downturn due to a fall in prices of cooking oil, he forged ahead.

Unfortunately, massive floods in 1988 destroyed his inventories, threatening to pull him under.

### Journey of the titan

- Started a grocery store with Tk 42 seven decades ago
- Established City Oil Mill with capital Tk 55,000 in 1972
- Empire has expanded to 40 concerns, 3 economic zones & one hi-tech park
- City Group's annual turnover: Tk 35,000cr
- Employs around 30,000 people



However, help from understanding financiers and an ever-supportive father gave Rahman the opportunity to continue on the path, one he would never look back on again.

He knew that with an increasing population, changing lifestyles, and growing quality consciousness, the food sector would be lucrative. He also correctly predicted that quality production would be critical for success in the sector.

In 1995, the transformation into City Group began in full swing, with the company starting production of

"Teer" branded flour, refined flour, and semolina, and Rahman held true to his vision.

That is precisely why he invested in state-of-the-art European machinery to give Teer products an edge over others. He also ensured better raw materials vis-à-vis other competitors in the hopes that his products would come to represent quality and commitment to millions of consumers.

This successful businessman died in Dhaka's United Hospital at

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1946-2023

We are deeply shocked and grieved at the sad demise of Mr. Fazlur Rahman, Founder and Chairman of City Group. He was a visionary industrialist whose legacy will forever be remembered. Our deepest condolences to his family and loved ones during this difficult time.

May his soul rest in peace.

## Deposits drop in accounts of farmers, vulnerable

STAR BUSINESS REPORT

Deposits in the special accounts of farmers, hardcore poor and in their social safety net accounts dropped in October amidst high inflationary pressure in Bangladesh.

Bangladesh Bank data showed that the total balance fell 3.23 percent in October from the preceding month to Tk 5,461 crore.

It was Tk 5,643 crore in September.

The deposit balance in school banking accounts was also down 1.36 percent to Tk 2,202 crore in October compared to the previous month, the data showed.

According to central bank officials, people are cutting their deposits as the inflation rate has remained high for several months.

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