

Star BUSINESS

Construction of an industrial printing park in Munshiganj has seen almost zero progress though plans were laid out eight years back



Story on B4

Ahsanul new state minister for commerce Humayun reappointed as industries minister

STAR BUSINESS REPORT

The newly formed government has appointed Ahsanul Islam Titu, elected from Tangail-6 (Nagarpur-Delduar) constituency in the recent 12th parliamentary election, as the state minister for commerce, according to a government gazette yesterday.

A businessman by profession and son of Mokbul Hossain, who was also a member of parliament, Titu will have to face the uphill task of checking the rise in prices of basic commodities.

Born on December 11, 1969 in Nayapara village of Tangail district's Nagarpur upazila, Titu completed his secondary education from Dhaka Residential Model College and higher secondary from Dhaka College.

He then attained a BBA degree from the Assumption University of Thailand and an MBA degree from Pittsburg State University in the US.

He was the managing director of Mona Financial Consultancy and Securities Limited and a member of the executive committee of Bangladesh Insurance Association.

READ MORE ON B3

US comment won't affect Bangladesh's external financing: Fitch

STAR BUSINESS REPORT

External financing will not be affected for Bangladesh in spite of the US stating that the national election here was not free and fair, said global credit rating agency Fitch.

"The election was accompanied by some violence and the US has said that it was not free and fair," said the agency yesterday, four days after the 12th national elections.

"...but we do not expect this to hurt Bangladesh's efforts to source external financing," it added.

Bangladesh's external challenges remain pressing and a greater exchange rate flexibility could help with rebuilding official reserve buffers, said the agency in a report.

However, it could also add to inflationary pressures in the near term, it said.

Headline inflation, meaning the total inflation in the economy including commodities like food and energy, averaged 9.02 percent in fiscal year 2022-23, the highest in over a decade.

It was last recorded at 9.49 percent in November and shows no sign of cooling.

This was partly reflected in a deterioration of external buffers, with official reserves falling to \$21.7 billion as of January 4, less than half its historic peak in 2021.

READ MORE ON B3

NO TIME TO WASTE as new finance minister inherits wobbly economy



Abul Hassan Mahmood Ali

Was born on 6 February 1943

EDUCATION

MA in economics (1963) from Dhaka University

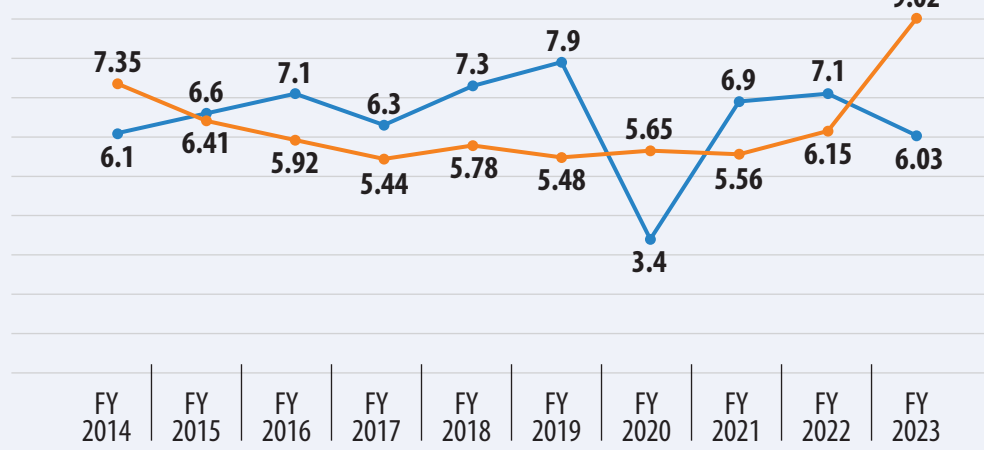
CAREER

After retiring from diplomatic service in 2001, Ali joined Awami League

In 2008, he was elected a lawmaker as an Awami League candidate

In 2012, Ali became the minister for disaster management and relief

He was made foreign affairs minister in 2013



Trends of GDP growth and average inflation

(In %)

— GDP growth
— Average inflation

SOURCE: BBS

MD FAZLUR RAHMAN

The economy is losing momentum. Inflation remains stubborn.

Bangladesh is facing deterioration in external buffers, with official reserves falling to \$20.18 billion as of January 10, less than half their historic peak in 2021. The currency shock is lingering.

The new finance minister, Abul Hassan Mahmood Ali, will inherit all these stresses after he takes over from AHM Mustafa Kamal, who is departing after helming the key ministry for five years.

The Awami League, which clinched a landslide in the parliamentary elections on Sunday, won an absolute

majority, which gives it the mandate to form the government for the fourth straight term on a strong footing.

However, Mahmood Ali will face the toughest challenge among the peers since the economy has been going through one of the worst periods in recent decades, because of both

external and internal factors.

The immediate task for the former foreign affairs minister will be to restore macroeconomic stability, which received major blows following the outbreak of the coronavirus pandemic and the eruption of the Russia-Ukraine crisis.

Whereas the impacts of the twin global crises have

been felt in many countries, the fallout has lingered in Bangladesh owing largely to inadequate policy responses.

Because of the higher outflows of foreign currencies amid an elevated level of imports against moderate export and remittance receipts, the foreign exchange reserves have fallen from as high as \$41.7 billion in August 2021 to a little over \$20.18 billion on Wednesday.

The prevalence of hundi meaning remitters' dollars are not entering the country while capital flight has also caused the forex reserves to plummet.

One of the glaring failures of the finance ministry in

READ MORE ON B3



Biman pays off loans for two more planes

RASHIDUL HASAN

In a major show of success, Biman Bangladesh Airlines has finally become the owner of two Boeing 777-300ER aircraft, having paid off the loan in regular instalments since 2011.

Biman had to pay a total of \$343.90 million (approximately Tk 3,782 crore) to JP Morgan as loan and interest over the past 23 years, Shafiul Azim, managing director and CEO of the national flag carrier, told The Daily Star yesterday.

Earlier, in October last year, Biman also bought a Dash-8Q 400 aircraft at a cost of \$3.99 million (approximately Tk 44 crore) which it had taken on lease from Nordic Aviation Capital.

With these three, Biman now owns 19 of the 21 aircraft in its fleet, said Azim. The remaining two have been taken on lease up to 2026, he added.



Biman now boasts one of the youngest fleets in Asia with 21 modern aircraft, including four Boeing 777-300ER, four Boeing 787-8, two Boeing 787-9, six Boeing 737-800 and five De Havilland Canada Dash 8 aircraft.

After turning into a public limited company in 2008, the national flag carrier had inked an agreement with US plane maker Boeing to purchase four 777-300ER, four 787-8 and two 737-800 aircraft.

The first and second Boeing 777-300ER were added to Biman's fleet in October 2011 and November 2011, according to Biman documents.

The Boeing 777-300ER is known as wide-bodied aircraft having a seating capacity of around 419.

"In a show of great success, I want to say with delight that Biman did not miss a single instalment payment to JP Morgan...even...during the time of Covid-19 pandemic," he said.

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI ▲
0.26%	0.20%
6,301.69	18,665.13

COMMODITIES	
Gold ▲	Oil ▲
\$2,032.29	\$72.49
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.08%	▲ 1.77%	▲ 0.67%	▲ 0.31%
71,721.18	35,049.86	3,201.41	2,886.65

Garment sector weathered global headwinds

BGMEA says as it reviews past couple of years

STAR BUSINESS REPORT

Bangladesh's garment sector has firmly weathered the storm of Covid-19 and emerged stronger in spite of the hardships, reaffirming its position as a leader in sustainable and responsible business.

The sector was devastated by the severe fallout of the pandemic, when local apparel suppliers faced a sudden suspension of work orders worth \$3.6 billion for around a year or so.

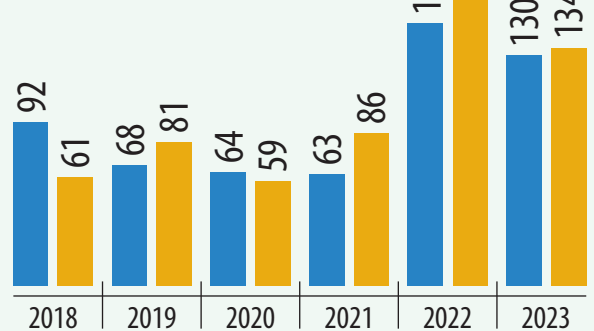
Meanwhile, non-payment, demand for discounts and deferred payments and shipments plagued the industry.

"We all went through such an unprecedented time," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), yesterday in a statement reviewing the past couple of years.

"...there was no clear indication about how long it would take for the world to recover from the pandemic, how bad the impact would be on the global economy and our trade, and how long we could hold our breath and stay afloat," he said.

Number of new garment factories

■ Permanent ■ Provisional



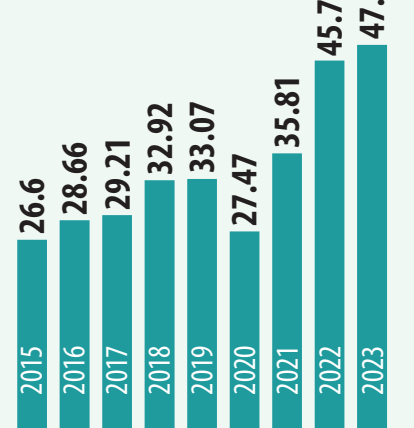
SOURCE: BGMEA

With the rebound, the sector also expects to make annual apparel exports worth \$100 billion by 2030 with sustainability as its core.

Faruque Hassan
President of BGMEA

Garment exports over the years

In billion \$; SOURCE: EPB



as garment export declined by a massive \$6 billion in fiscal year 2019-20 compared to that in fiscal year 2018-19.

But in the following years, the industry thrived.

From \$28 billion in fiscal year 2019-20, exports grew to \$31.45

billion in fiscal year 2020-21, \$42.61 billion in fiscal year 2021-22 and then to \$47 billion in fiscal year 2022-23.

Meanwhile, the BGMEA is continually getting new members.

Since 2018, 565 factories became permanent members while 603 factories obtained provisional membership status -- half of which came in the past two years.

In calendar years 2022 and 2023, 278 factories became permanent members and 316 factories received provisional membership.

During the past few years, a good number of factories have also closed down due to various challenges, said the statement.

The challenges include the pandemic-induced impacts, post-pandemic impacts on the global freight system and supply chain, and the impacts of the Russia-Ukraine war and resulting global inflation, it added.

As advanced economies take measures to control inflation, the mortgage rate is being pushed up, also affecting consumers spending and retail sales, it said.

Import payments ease for 8 essentials

STAR BUSINESS REPORT

The central bank has allowed imports of edible oil, chickpeas, pulse, peas, onion, spices, sugar, and dates on usance terms for up to 90 days under supplier's or buyer's credits.

The facility aims to facilitate import transactions and will remain applicable for initiation of imports till March 31 this year, said the Bangladesh Bank in a notice yesterday.

The move is expected to help importers purchase the eight items ahead of Ramadan when their consumption surges.

In international trade, usance is the allowable time, permitted by the customs department, between the date of the bill and its payment.

The central bank also extended the same facility for four months to March 31 last year.