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## PVT SECTOR EXTERNAL DEBT Repayments outstrip new loans in 2023

REJAUUL KARIM BYRON

The private sector's short-term foreign debt repayment last year was more than in 2023, in a complete reverse of the scenario seen in previous years.

Last year, the private sector took on \$25.8 billion in short-term foreign loans and repaid \$31.14 billion in both principal and interest, according to data from the Bangladesh Bank.

In 2022, total private sector short-term foreign loans stood at a record \$37.25 billion and repayment \$36.73 billion.

Last year's trend continued into the new year: in January, the private sector took on \$1.76 billion in new loans and repaid \$2.19 billion.

The rising interest rates in the global market in recent times and Bangladesh's macroeconomic instability account for the private sector's repayment outstripping new loans, said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"Now, the interest rate in the international market is 8-9 percent -- it used to be just 1 percent."



With Ramadan beginning today, people flocked to kitchen markets across the city yesterday to load up on iftar essentials despite the soaring prices of commodities. The costs of some food items that are regularly bought in the month of fasting, such as lemons, have increased substantially. The photo was taken in the capital's Karwan Bazar area.

PHOTO: AMRAN HOSSAIN

## A close call for US-Bangla

Aircraft avoids a head-on collision at Ctg runway; no probe yet

ZYMA ISLAM

Disregarding instructions from the air traffic control, a US-Bangla plane got on the runway in Chattogram less than a minute before another aircraft was about to land, yet no probe was initiated about the close shave.

On January 18, 2024, just before 9:30am, a chartered flight of Arirang from Dhaka was cleared to land at Chattogram's Shah Amanat International Airport, according to audio recordings of conversations between the ATC and pilots. The Daily Star has obtained a copy of the recordings.

Six seconds later, a US Bangla plane heading for Dhaka requested taxi permission to the same runway.

The ATC told the US Bangla plane to taxi to the runway but stop at the holding point, which is a clearly marked



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### PRIVATE SECTOR SHORT-TERM LOAN (In billion USD)



	NEW LOANS	REPAYMENT
2019	24.79	23.59
2020	18.93	18.91
2021	33.96	29.15
2022	37.26	36.73
2023	25.8	31.13

As a result, the private sector needed to pay back more than they envisaged when they took on the loans, he said.

Another factor is the growing concern over Bangladesh's banking system and macroeconomic situation over the past two years.

Global credit rating agencies voiced their concerns about Bangladesh's banking system after many banks could not do letter of credit (LC) settlements in due time because of the foreign exchange crisis.

As a result, many foreign creditors were not confident enough to lend money to Bangladesh's private sector players, Hussain said.

"Such confidence problem could be the reason for the declining foreign short-term new loans by the private sector," he added.

The private sector's dwindling short-term external debt, which soared over the past decade, has posed another problem: the foreign currency stockpile continues to be under immense strain as the inflow of dollars is shrinking with the lower loans.

As of March 7, the country's foreign currency reserves stood at \$21.15 billion, enough to meet about three months' import bill.

In 2022, the private sector's short-term foreign loan soared to \$16.42 billion, thanks to low interest rates in the international market. The loan amount was \$3.77 billion in 2014.

Last year, the private sector's short-term foreign debt stock fell 28 percent to \$11.79 billion, which declined further in January this year and stood at \$11.25 billion.

## Prices of Ramadan essentials surge

SHAHEEN MOLLAH and MD ABBAS

Despite the government's repeated assurances of stability in kitchen markets during Ramadan, the prices of some commodities, mainly consumed during iftar, have seen a substantial surge, hurting people from limited income groups.

The prices of essentials such as eggplants, green chillies, coriander leaves, cucumber, tomatoes, mint leaves, and grass peas (a kind of pulse) have increased by Tk 10-30 over the last two days.

Meanwhile, the prices of lemons per dozen have doubled in two days, while those of dates, sugar, pulses, onions, ginger, garlic, potatoes, chickpeas and gram flour have remained high for the past one month.

Only the price of soybean oil has come down. It was sold for Tk 845 per five litres before March 1 and has been selling for Tk 840 since then.

Visiting the capital's Karwan Bazar, Kachukhet, Ibrahimpur, and

Shewrapara kitchen markets, these correspondents saw huge crowds of customers, especially at shops selling dates.

Abul Kalam, a lemon wholesaler in Karwan Bazar, explained that the prices of lemons increase every year during Ramadan.

"We used to sell 100 lemons at Tk 600, but now we are selling 100 lemons at Tk 1,400. Even at these higher prices, we cannot meet the demand, leading to a shortage of lemons in the market."

A dozen mid-sized lemons are now being sold at Tk 120. It was Tk 60 two days ago.

Meanwhile, eggplants now cost Tk 100-120 per kg, up from Tk 70-80 three days earlier.

Cucumbers are being sold at Tk 80-120 per kg, up from Tk 70-80, while green chillies and coriander leaves now cost Tk 100-120 per kg, which was Tk 80-100. Mint leaves are now Tk 100-

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ITEMS (PER KG)	LAST WEEK	YESTERDAY
Lemon (dozen)	Tk 60	Tk 120
Eggplant	Tk 70-80	Tk 100-120
Cucumber	Tk 70-80	Tk 80-120
Green chili, coriander leaf	Tk 80-100	Tk 100-120
Tomato	Tk 40-50	Tk 50-60
Grass pea	Tk 120	Tk 130

## Nagad's user info in public domain

Govt cyber response agency also confirms similar theft from other entities; Nagad says customer data remain secure

ZYMA ISLAM

User information of those seemingly having Nagad accounts was being found across several platforms, including Telegram bots, until last week, raising questions about personal data protection.

The government's Computer Incident Response Team (CIRT), a project of the ICT Division that responds to computer security incidents and activities in Bangladesh, has already alerted the NID authority and Nagad about the issue over two weeks ago.

Mohammad Saiful Alam Khan, project director at CIRT, confirmed this to The Daily Star on March 3.

"Not only Nagad, we have also informed the NID authority about such incidents relating to some other entities," he said without revealing the names of the other entities.

From February 23-March 6, The Daily Star tested out three different sources -- one Telegram bot, one human-operated Telegram channel and one website -- and found that it was possible to extract personal information just with a mobile number.

All of them were live and active until March 6, when The Daily Star shared the evidence with Nagad.

The bots offered full information for free, while the website provided half the information for free, and sought a monthly "subscription" fee of Tk 640 for the rest.

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## Ramadan begins today

STAFF CORRESPONDENT

The holy Ramadan begins in the country today as the moon was sighted in Bangladesh sky last evening.

The National Moon Sighting Committee in a meeting, chaired by Religious Affairs Minister Faridul Haque Khan, at the Islamic Foundation's Baitul Mukarram office decided

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### BUSINESS

## Make most of LDC-linked duty benefits

Experts say

Bangladesh should make the most of the LDC-linked trade benefits during the extended three-year period agreed by the member countries of the World Trade Organisation (WTO), said experts yesterday.

"The country will have to take full advantage of the extension," said Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD).

But it will not happen if Bangladesh sticks to the old ways of doing things, he said.

Various assessments showed that all 45 LDCs will incur a trade loss of \$2.5 billion due to the erosion of preference. Of the sum, 80 percent will be lost by Bangladesh, said Bhattacharya. This is because Bangladesh is a top user of duty benefits among the LDCs, accounting for up to 67 percent of the trade privileges.

And more than 73 percent of the country's exports enjoy the facility.

STORY ON B1



This bridge over the Dhaleshwari in Tangail Sadar's Porabari area was constructed at the cost of Tk 7 crore. However, with no approach road available, locals of at least four unions are not being able to use it and are instead having to use a makeshift bamboo bridge underneath it.

PHOTO: STAR

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## Confusion over school closure in Ramadan

SC to hold hearing today

ASHUTOSH SARKAR and ARAFAT RAHAMAN

With Ramadan beginning today, confusion remains among the students, parents and teachers over whether the schools will be shut during the fasting month as the authorities are yet to make a final decision in this regard.

About four crore students are studying at around one lakh primary and 22,000 secondary schools across the country.

The Supreme Court will hold a hearing today on a petition filed by the state challenging Sunday's High Court order that closed primary and secondary schools for the entire month of Ramadan.

The HC order came following a writ petition filed by a parent against the government's decision to keep primary and secondary schools open for the first 10 and 15 days of Ramadan respectively.

The SC, however, upheld the HC order for the time being during a hearing on the petition yesterday.

Justice M Enayetur Rahim, chamber judge of the Appellate Division of the SC, passed the order and sent the petition to its full bench for a hearing on the matter at 11:30am today.

"The lack of clarity over the school closure has put us in a spot of bother."