

Sri Lanka inflation dips to lowest level since crisis

AFP, Colombo

Sri Lanka's statistics office said Friday that inflation had slowed to 0.9 percent in March, the lowest year-on-year price increase since an unprecedented economic crisis.

The island nation defaulted on its \$46 billion foreign debt in April 2022 after a foreign exchange wipeout left it unable to import food, fuel and other essentials.

This month's inflation reading, from the benchmark Colombo Consumer Price Index, is a huge drop from the peak of nearly 70 percent in September of that year.

The central bank this week cut its benchmark lending rate from 10 percent to 9.5 percent -- the first reduction in four months -- in a measure it said would boost "the ongoing revival of economic activity".

Months of protests during the economic crisis led to the ouster of then president Gotabaya Rajapaksa when demonstrators stormed his residence.

His successor Ranil Wickremesinghe has sharply raised taxes, cut energy subsidies and secured a \$2.9 billion rescue package from the International Monetary Fund.

Scooter sales rev up as riders seek comfort

Local retailers post up to 65% rise in monthly sales

JAGARAN CHAKMA

Scooter sales achieved significant growth since the beginning of 2024 in Bangladesh thanks to its rising popularity among men and women as a safe and comfortable vehicle.

The retailers of the two-wheeler have reported a 30 percent to as high as 65 percent year-on-year rise in local sales since last January.

"The use of scooters is growing in urban and rural areas as they ensure a comfortable journey in short rides," said Subrata Ranjan Das, executive director of ACI Motors, the sole distributor of Yamaha motorcycles in Bangladesh.

Some are picking scooters for their affordability and suitability for travels while some are considering it a fashion statement, he said.

"But now we are failing to fulfil the market demand as the mandatory requirement of clearing full payment in advance has cut its imports," he said.

Chennai-based multinational motorcycle manufacturer TVS Motor Company is the scooter market leader in Bangladesh, occupying around 40 percent of the industry sales, followed by Suzuki with a 30 percent stake, according to industry people.

Other global and local brands which retail scooters in Bangladesh include Yamaha, Honda, Hero Honda, Runner and Walton.

Since January 2024, some 875 scooters were sold every month on an average, which used to hover around 622 in the same period of the previous year, experts said.

Hafizur Rahman, chairman of Runner Group, which sells electric and fossil fuel-run scooters, said the two-wheelers of both the segments have witnessed a significant

SCOOTER MARKET AT A GLANCE

- ➔ Sales of scooters increased to **875** units per month since January
- ➔ Retailers reported **30-65%** rise in sales since January
- ➔ Share of scooters in two-wheeler market crossed **2%**
- ➔ Scooters gaining popularity due to safety

POPULAR BRANDS

Suzuki, Yamaha, Honda, TVS, Hero Honda, Runner, Vespa and Walton



MARKET LEADERS

TVS and Suzuki -- with 70% market share

growth.

"People who want safe and comfortable rides prefer scooters than motorcycles."

AKM Tauhidur Rahman, chief operating officer at Suzuki Bangladesh, said sales of Suzuki scooters witnessed a significant increase since the Covid-19 pandemic.

Biplob Kumar Roy, CEO of TVS Auto Bangladesh, said sales of TVS scooters increased around 65 percent year-on-year in the last three months.

TVS sold 500 units of scooters every month since January, up from an average sales of 300 units, he said.

He said TVS retails two models of scooters of 125cc and 110cc and both of them have seen a huge rise in demand.

Urbanisation has increased the demand for personal transportation options and scooters offer a convenient and affordable solution for mobility, said Rahman of Suzuki Bangladesh.

Motorcycle retailers are launching new and up-to-date models to expand their market share in Bangladesh.

Despite posting significant increase in sales, scooters currently have only a 2 percent share of the overall motorised two-wheeler market sales.

Smuggled sugar costing govt crores

Refiners say

STAR BUSINESS REPORT

The Bangladesh Sugar Refiners Association (BSRA) alleged that the government is being deprived of Tk 3,000 crore annually due to sugar smuggling.

Every day, a portion of the country's demand for the sweetener is met through sugar which illegally infiltrates the country's market, BSRA said in a press release yesterday.

Consumers are being deceived and sugar mills established with huge capital investment are facing closure, it added.

Due to heightened demand for sugar in the month of Ramadan, some unscrupulous traders are selling sugar smuggled from neighbouring countries.

It added that there are no quality control measures for smuggled sugar, so consumers can suffer from various physical problems by consuming it.

Bangladesh now requires about 24 lakh tonnes of sugar each year but just 30,000 to 35,000 tonnes is made from locally sourced sugar, necessitating imports of raw sugar by the country's five refiners.

About 95 percent of imported sugar is unrefined, according to NBR data, which shows that shipments mainly come from Brazil, India, Australia, the UK, and Malaysia.

Refiners can produce 15,000 tonnes of sugar per day while the daily demand across the country is not more than 6,500 tonnes.

"The mills in our country have twice the production capacity compared to demand," the press release added.

They claimed that unscrupulous traders are repackaging the smuggled sugar in branded packages, including those belonging to local brands like Fresh, Deshbandhu, Teer and S Alam.

The BSRA requested the government to take immediate steps and stop the illegal intrusion of sugar.

Solar power that once lit up rural homes

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through the grid is yet to come to our area. If we get it, we will switch as well," said the 30-year-old whose home is still powered by an SHS.

Today, SHSs in Bangladesh generate 263.79 MW of power, bolstering the share of renewables in the total energy mix, which is highly dependent on fossil fuels.

A senior official of the SREDA said many of the SHSs installed 18-20 years ago were reaching the end of their lifespan while new SHSs are being installed at a very slow rate.

"People have lost interest in SHSs because of electrification," said SREDA Chairman Munira Sultana.

SM Monirul Islam, deputy chief executive officer and chief financial officer at IDCOL, said state-sponsored financial institutions have discontinued SHS programmes since 2017.

IDCOL provided Tk 4,500 crore in loans to expand the use of SHSs. It could realise all but Tk 550 crore because of the discontinuation of instalments by many clients after the expansion of the national grid.

The non-bank financial institution provided subsidised loans through its partner organisations, mainly NGOs, to encourage the installation of the SHSs.

"However, if we consider our interest income and overall benefit from SHSs, it is a huge success," said Islam.

The WB cited a study and said the Bangladesh Institute of Development Studies found positive, statistically significant impacts on rural families that used SHSs.

"Brighter lighting allowed children to study longer hours. Boys and

girls with solar lights studied 10-12 minutes longer per day on average than those without," it said.

Such systems also provided more safety, comfort, and convenience.

"Bright electric lighting afforded a greater sense of security. SHS-powered households had easier and lower cost access to TV, radio, fan, and mobile phone charging."

Other than these benefits, SHSs saved about four billion litres of kerosene from 2003 to 2021 and avoided 9.6 million tonnes of carbon dioxide emissions by offsetting kerosene.

The value of kerosene saved by households between 2003 and 2018 at the retail price is estimated at \$908 million.

"Additional savings will continue to be obtained from SHSs that are used beyond 2021 -- though these savings are smaller and accrue to avoiding mainly grid electricity use rather than kerosene avoidance," the WB added.

IDCOL CFO Islam said SHSs had been expanding fast because there were a lot of off-grid areas, which is no longer the case.

Now, the financial institution focuses on promoting solar rooftops of industrial and commercial buildings, solar mini-grids, solar irrigation, and floating solar power projects to increase the generation of renewable energy and enable the government to attain its target.

Earlier, the government set a target to generate 10 percent of the total required electricity through renewable sources by 2021. But it failed.

At present, renewable sources

account for 4 percent of the total electricity generation capacity of roughly 30,000 MW.

Nurul Aktar, president of the Bangladesh Solar and Renewable Energy Association (BSREA), said many did not expect the grid network to expand so quickly.

"Such systems become obsolete as the grid expands," he said, blaming a lack of coordination among government agencies.

He said the government would not have encouraged the installation of small SHSs if it had more foresight. Instead, it could have opted for the installation of minimum-sized solar power plants and connected them to the grid once it was expanded to those areas.

"If it could do so, such wastage would not have happened." "But it cannot be said there have been big losses. The expansion of solar home systems had benefited rural people in many ways, including in education, until they got electricity supply."

In its study, the WB also said SHSs had provided electricity before the availability of the grid connection.

It said the experience with the SHS programme in Bangladesh, one of the largest and most successful in the world, offers lessons that may help other countries implement off-grid programmes to complement grid electrification.

"Design the programme in relation to a clear goal, such as deepening access or reaching universal access... Ensure coordinated planning of on-grid and off-grid electrification, at the highest levels," the Washington-based lender said.

Deeper ties among Bangladesh, India

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For instance, if Bangladesh's export benefits dissipate following its country status graduation to a developing country in 2026, the tripartite cooperation could help attract investment in trade and commerce, he said.

Bangladesh can easily do good business with India's northeastern region, he said.

He added that Japan's involvement in development projects in India's northeastern region created another scope for tripartite cooperation.

The analyst particularly said Bangladesh has already become a favourable sourcing destination for globally renowned clothing brands such as Zara, H&M, and Uniqlo.

He also said Bangladesh is an exporting nation and there are a lot of opportunities to export more goods to Japan and India if there is tripartite cooperation.

Bangladesh, India, and Japan boast strong cultural, economic, and strategic ties while Japan and India are key development partners for Bangladesh. The India-Bangladesh

sub-region is a focal point for regional initiatives like BBIN and BIMSTEC, he added.

Both Japan and India are heavily invested in Bangladesh's infrastructure, and free trade agreements are being explored.

The three countries have many challenges which can be solved together to ensure more trade and business, he added.

They can also use maritime connectivity to enhance trade growth, he said, adding that the Agartala, Monipur, and northeastern parts of India could be good trading destinations for Bangladesh.

Bangladesh can also send goods through roadways over the Ashuganj border more easily, De said.

Selim Raihan, executive director of SANEM, said Bangladesh needs to develop the proper business environment and a lot of infrastructure to attract investment.

Matarbari is an excellent project, he said, adding that Bangladesh needs to address problems in special economic zones to bring in more investors.

Correction

In a report headlined "Eastern Bank to hold AGM today" published on March 29, it was mistakenly mentioned that the bank will organise its 32nd annual general meeting on March 29. Actually, the AGM will be held on April 29. We regret the error.

Vietnam growth hits 5-year high

AFP, Hanoi

Vietnam's economy grew by 5.66 percent on-year in the first quarter, according to official data published Friday, boosted by strong exports.

It is the communist country's strongest Q1 growth since 2019, but still well off Standard Chartered Bank's forecast of 6.1 percent.

"The country's socioeconomic situation in the first quarter of 2024 achieved positive result despite many uncertainties in the world economy," the General Statistics Office (GSO) said in a statement.

The industrial and construction sector expanded by 6.28 percent, while the service sector grew 6.12 percent compared with the same period in the previous year.

India's forex reserves jump to record high

REUTERS, Bengaluru

India's foreign exchange reserves rose for a fifth straight week to hit a record high of \$642.63 billion as of March 22, data from the central bank showed on Friday. The reserves jumped by \$139 million in the reporting week.

Changes in foreign currency assets, expressed in dollar terms, include the effect of appreciation or depreciation of other currencies held in its reserves.

Foreign exchange reserves include India's Reserve Tranche position in the International Monetary Fund.

The Reserve Bank of India (RBI) intervenes in the foreign exchange market to curb excess volatility in the rupee.

The domestic currency settled at 83.40 against the dollar on Thursday. India's financial markets were closed on Friday for a holiday.

ADVERTORIAL

Navana Real Estate: Redefining High-End Living in Baridhara

In a prime location at Dhaka's Baridhara hub, two exceptional residential communities, Hazlewood and Farnaz Montecello, have been thoughtfully crafted by Navana Real Estate, showcasing their commitment to quality and innovation.

NAVANA HAZLEWOOD
Navana Hazlewood, situated amid the bustling hub of Baridhara, Dhaka, is an ode to architectural genius and sustainable luxury. This residential masterpiece is the vision of the distinguished Navana Real Estate.

Convenient Location
Navana Hazlewood is a testament to convenience and accessibility. This marvelous venture stands at Plot 17, Road 7, Block K of Baridhara, on 8.16 Katha of land. The building is strategically situated in one of the most desirable locations in Dhaka, ensuring that the homeowners reside close to the urban epicenter and lush greenery simultaneously.

Innovative Design Philosophy
The project resonates with modern ambitions while smoothly blending into the natural surroundings. This meticulous attention to detail assures optimum natural light, fresh air, and privacy. Every square foot is thoughtfully planned to satisfy the demands of contemporary home buyers.

Opulence in Every Inch
Luxury is illustrated through unparalleled craftsmanship and incredible attention to detail of Navana Hazlewood. The choice of materials, precision in construction, and elegance of finishes converge

to create an atmosphere that radiates sophistication at every corner
Sanctuary of Greenery
The pristine natural beauty of Baridhara intensely inspires Hazlewood. The architects have welcomed the challenge of combining urban dynamism with mother nature, undertaking meticulous landscaping and sharp integration of green spaces.

NAVANA FARNAZ MONTECELLO
When the paradigm of elite living is in discourse, Baridhara always appears at the top of the list for individuals seeking grandeur and comfort. Navana Farnaz Montecello, an elegant residential project at the heart of this aristocratic enclave, defines luxury living while also capturing the essence of solitude, nature, and artistic brilliance.

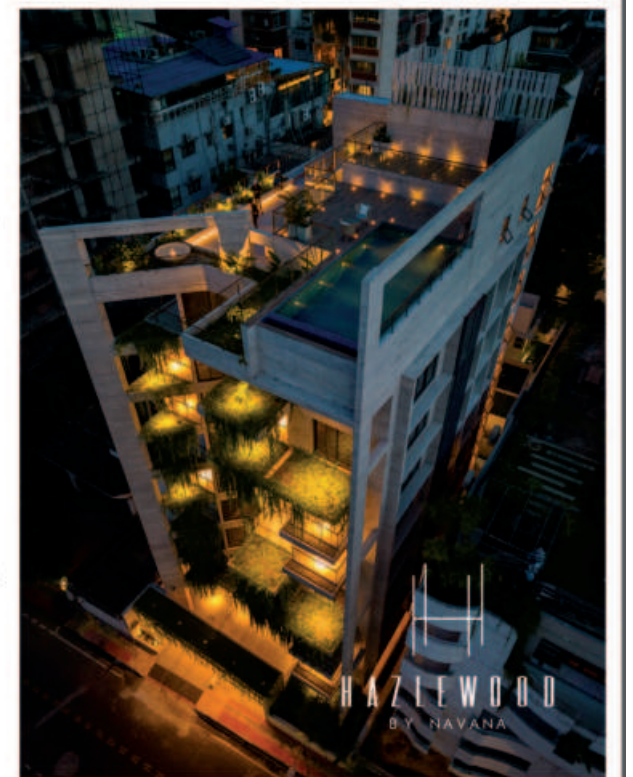
Spacious Luxury Haven
This magnificent residential complex is located on Plot 21, Road 4, Block K in Baridhara. It consists of 10 spacious apartments ranging in size from 3538 to 3606 square feet. The building is designed with 2 basements, a ground floor, and 11 other floors. The land size of 9.58 Katha offers ample space for elegance and tranquility.

Vibrant Lifestyle
This is a magnificent residential complex located on Plot 21, Road 4, Block K in Baridhara. Navana Farnaz Montecello is conveniently located near Gulshan Avenue, Kemal Ataturk Avenue, Gulshan Circle-2, and Banani, as well as Gulshan Club, 5-star hotels, major shopping and

commercial complexes, parks, lakes, and recreation centers. Moreover, it provides convenient access to other key areas in the city.

Elite Privacy
Perfect privacy is the salient feature of this well-planned

Farnaz Montecello. The architects have effortlessly integrated nature's gifts with technological advancements that facilitate the rhythmic flow of soothing air.
Navana Hazlewood and Navana Farnaz Montecello go



sanctuary despite the openness on all sides. The highly skilled architects have meticulously designed each unit to ensure that unwanted intrusions do not disrupt your prime position.

Embrace Nature's Bliss
Nature and technology coexist in the environmentally friendly surroundings of Navana

beyond the traditional concept of a residential endeavor, reflecting a harmonic blend of architectural brilliance, timeless splendor, and an eco-friendly environment.
To explore Navana Real Estate further, visit navana-realestate.com or dial 16254.



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